Explanatory note for Information Disclosures[1]

Background

The Information Disclosures set out in this public disclosure pursuant to the Electricity Distribution (Information Disclosure) Requirements 2008, represent Vector's first set of disclosures under the new information disclosure regime. The new requirements prescribe the way the information disclosure is presented by mandating the use of templates that are issued by the Commission. The purpose of this note is to explain the key differences between disclosures under the new requirements compared with the old requirements.

Changes in Determining Return on Investment (ROI)

The new requirements incorporate two key changes to the calculation of Return on Investment (ROI). The first key change relates to an allowance for revaluation gains due to the effect of CPI inflation applied to the Regulated Asset Base (RAB). Of the total reported return in 2008, CPI inflation contributed around 3.1 percentage points.

The second key change is that the calculation of regulatory tax is determined strictly in accordance with the Commerce Commission template which produces an estimated tax payable (cash tax) number. Previously accounting tax expense was used for ROI calculation purposes. This change has added a further 1.3% (approximately) to Vector's reported ROI for 2008.

Stability of ROI in the future

The ROI reported for 2008 is not necessarily a good predictor of future ROI as Vector's circumstances have changed since 31 March 2008, the ROI methodology incorporates inherent volatility and the information disclosure regime overall is subject to ongoing development and change.

Key post balance date development

On 24 July 2008, Vector sold its Wellington network. These information disclosure statements (for the year ended 31 March 2008) consolidate the performance of Vector's Auckland electricity networks with the Wellington network and therefore the results are not indicative of Vector's financial and operating performance in future.

[1] Please note that this explanatory note does not form part of the audited information disclosures set out below.

Inherent volatility due to ROI methodology

Compared to previously reported information disclosure statements, Vector expects reported ROIs to be more volatile, because the calculation now adds in an allowance for revaluation gains due to the effect of applying CPI inflation to the Regulated Asset Base. While this contributed 3.1 percentage points to Vector's reported ROI for 2008, the Reserve Bank's CPI forecasts in the March 2009 Monetary Policy Statement are for CPI to fall to 1.6% by 31 March 2010 (a 1.8% decrease from the CPI in the 31 March 2008 year).

Regime is subject to ongoing change

Although the new requirements cover all aspects of the information disclosure regime, the Commission has indicated that a number of final decisions on some aspects of the information disclosure regime will be made, following further consultation. There are also parts of the new requirements where interpretation is required, therefore we expect there will be further revisions to the requirements in the future, including revisions as a result of changes required by the Commerce Amendment Act 2008. In particular, the methodologies that are implicit in the current Information Disclosure Regulations will be subject to review (including through the Courts) and may change. The Commerce Commission is obliged to publish input methodologies by 30 June 2010, or 30 December 2010 if an extension is agreed to by the Minister of Commerce.

Other key change

Reporting of "Distribution Transformer Capacity (non-Electricity Distribution Business (EDB) owned)" is a new requirement for information disclosure. The corresponding definitions have changed significantly with previous returns. In previous returns, zone substation capacity for some major customers has been included. Following the revised definitions they have now been excluded. Previous returns have also included voltage regulating transformers and auto transformers, which in this context are not considered distribution transformers.

For comparison, last year's disclosure for Vector overall was 5,121 MVA, but this counted only EDB-owned transformers with the above amendments. The EDB-owned component of this year's return was 5,086 MVA. The lower value reflects the change in definitions between old disclosure and new disclosure requirements and does not represent a reduction in transformer capacity.

Further information available

Further information on the changes to the information disclosure regulations is available on the Commerce Commission's website at:

http://www.comcom.govt.nz/IndustryRegulation/Electricity/ElectricityInformationDisclosure/currentrequirements.aspx

Independent Assurance Report

To the Directors of Vector Limited

REPORT ON VECTOR LIMITED'S COMPLIANCE WITH THE ELECTRICITY DISTRIBUTION (INFORMATION DISCLOSURE) REQUIREMENTS 2008 FOR THE FINANCIAL YEAR ENDED 31 March 2008

KPMG is the auditor of Vector Limited (the company) engaged to provide an opinion on the compliance of the attached reports on pages 3 to 33 prepared by Vector Limited with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements) for the financial year ended 31 March 2008. In this independent assurance report the attached reports are called the 'disclosure information'.

Respective Responsibilities

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

Clause 10 of the Requirements requires KPMG to provide an opinion that the disclosure information prepared by Vector Limited has complied in all material respects with the Requirements for the financial year ended 31 March 2008.

Use of this Independent Assurance Report

This independent assurance report has been prepared solely to provide assurance that the disclosure information prepared by Vector Limited complies with the Requirements for the financial year ended 31 March 2008. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

Scope and Limitations of the Engagement

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

In respect of disclosures of prospective financial information 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.

This independent assurance report provides assurance that the disclosure information prepared by Vector Limited complies with the Requirements. Vector Limited's financial statements and Threshold Compliance Statement prepared pursuant to the Commerce Act (Electricity Lines Thresholds) Notice 2004 for the year ended 31 March 2008 have been subject to audit. The audit opinions on the financial statements of the company for the year ended 30 June 2008 and Threshold Compliance Statements of Vector Limited for the year ended 31 March 2008 were unqualified and were dated 27 August 2008 and 14 May 2008.

Our work has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information has been presented in all material respects in accordance with the Requirements. Material misstatements, whether caused by fraud or error, are differences or omissions of amounts and disclosures that would affect a user's overall understanding of the disclosure information prepared by Vector Limited.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the financial year and the procedures performed in respect of Vector Limited's compliance with the Requirements are undertaken on a test basis, our engagement cannot be relied on to detect all instances where Vector Limited may not have complied with the Requirements. Our opinion has been formed on the above basis.

Basis of Opinion

Our work in respect of any historical financial and non-financial amounts and disclosures that were audited under the financial statement and Threshold Compliance Statement audits has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements or Threshold Compliance Statements of Vector Limited.

Our work in respect of historical financial and non-financial amounts and disclosures that were not audited under the financial statement and Threshold Compliance Statement audits, has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information complies in all material respects with the Requirements.

In the case of prospective financial and non-financial information our work has been limited to assessing whether the information has been presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2008 and the immediately preceding financial year, and that the prospective financial and non-financial information has been calculated based on source data provided by Vector Limited, whilst acknowledging it is likely that actual results will vary from those forecasted, since anticipated events frequently do not occur as expected (and these variations may be significant). We have not performed audit procedures on the source data.

Independence

When carrying out the engagement we followed the independence requirements of the New Zealand Institute of Chartered Accountants. We also complied with the Independent auditor provisions on independence, as specified in clause 2(1) of the Requirements.

Other than this engagement and the annual audit of the Vector Limited's financial statements and Threshold Compliance Statements, we have no relationship with or interests in Vector Limited.

Unqualified Opinions

We have obtained all the information and explanations we have required.

In our opinion, Vector Limited has:

- Kept proper records to enable the compilation of the disclosure information, as far as appears from our examination of those records;
- Prepared disclosure information for the financial year ended 31 March 2008 that complies with the Requirements;
- Presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2 and MP3 for the financial year ended 31 March 2008 that complies with the Requirements, in all material respects;
- Compiled the historical non-financial information included in reports MP1, MP2 and MP3 in accordance with the guidance issued pursuant to the Requirements, and has calculated the historical non-financial information based on unaudited source data provided by Vector Limited; and
- Presented the prospective financial and non-financial information in report MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2008 and the immediately preceding financial year, and has calculated the prospective financial and non-financial information based on unaudited source data provided by Vector Limited.

Our audit was completed on 17 March 2009 and our opinion is expressed as at that date.

KPMG.

KPMG
Auckland

SCHEDULE 13
FORM 1 - CERTIFICATE FOR DISCLOSED INFORMATION

Pursuant to Requirement 11(1)

We, PETER BIRD and ROBERT THOMSON, directors of Vector Limited, certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Vector Limited prepared for the purposes of requirement 3, 4, 6 and 7(5) of the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 complies with those Requirements –

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

Signature of Directors: ----------

Date: 17 March 2009

Commerce Commission

Electricity Distribution (Information Disclosure) Requirements Report Schedules

Schedules 2 to 13

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FS1 Regulatory Profit Statement
FS2 Regulatory Asset & Financing Statement
FS3 Regulatory Tax Allowance Calculation
AV1 Annual Regulatory Valuation Roll-forward Report
AV2 Regulatory Valuation Disclosure by Asset Class
AV3 System Fixed Assets Replacement Cost Roll-forward Report
AV4 Business Merger, Acquisition or Sale - Regulatory Asset Base Disclosure
MP1 Network Information
MP2 Performance Measures
MP3 Price & Quality Measures

REPORT FS1: REGULATORY PROFIT STATEMENT

ref					
		Electricity Distribution Business:	Vector Limited		
		For Year Ended	2008		
6	**Income**				
7				($000)	
8	Net Line Charge Revenue Received		599,217		
9	*plus* Discretionary Discounts and Customer Rebates		-		FS1a
10	**Gross Line Charge Income**			599,217	
11					
12					
13	Capital Contributions		24,494		
14	*plus* Net Value of Vested Assets		-		
15	**Total Capital Contributions and Vested Assets**			24,494	
16					
17	AC Loss Rental Rebates Received		12,050		
18	*less* AC Loss Rental Rebates Passed On		12,050		
19	**Net AC loss rental income (deficit)**			0	
20					
21					
22	**Other Income**		10,422		
23				10,422	
24					
25	**Total regulatory income**			634,133	
26					
27					
28	**Expenses**				
29					
30	Transmission Charges - Payments to Transpower		142,855		
31	*plus* Avoided Transmission Charges - payments to parties other than Transpower		7,974		
32	**Total Transmission Costs**			150,829	
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				
41	Other				
42	**Total Operational Expenditure**			115,421	to MP2
43					
44					
45	**Operational earnings**			367,883	
46					
47					
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)		84,692		from AV1
49	*plus* Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)		4,474		from AV1
50	**Total Regulatory Depreciation**			89,166	to FS3
51					
52					
53	**Earnings before interest and tax (EBIT)**			278,717	to FS3
54					
55	*less* **Regulatory Tax Allowance**			48,202	from FS3
56					
57	*plus* **Indexed Revaluation (of System Fixed Assets)**			73,923	from AV1
58	*plus* **Revaluations of Non-System Fixed Assets**			-	from AV1
59					
60	**Regulatory profit / loss (pre-financing and distributions)**			304,437	to MP2

KPMG

REPORT FS1: REGULATORY PROFIT STATEMENT (cont)

Notes to Regulatory Profit Statement

69	**FS1a: Discretionary Discounts: Customer Rebates and other line charge adjustments**		($000)
70	Customer Rebates	-	
71	Line Charge Holidays and other Discretionary Discounts	-	
72	**Total Discretionary Discounts and Customer Rebates**		-

75	**FS1b: Related party expenditure - summary**		($000)
76	Avoided Transmission Charges	-	
77	Operational Expenditure	-	
78	Subvention Payment	-	
79	Other related party expenditure	7,600	
80	**Total Related Party Expenditure**		7,600
81			
82	*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*		
83	*forms part of this Schedule.*		
84			

87	**FS1c: Operational Expenditure notes**		($000)
88			
89	**Merger and Acquisition Expenses**		
90	Merger and Acquisition Expenses (not to be included in Operational Expenditure)	-	
91			
92	**Material items (if greater than 10% of the Operational Expenditure line item)**		
93	Material item amount 1		*Notes to be provided separately*
94	within expenditure category:		
95			
96	Material item amount 2		*Notes to be provided separately*
97	within expenditure category:		
98			
99	Material item amount 3	-	*Notes to be provided separately*
100	within expenditure category:		
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		

Vector Limited
Electricity Distribution Business

FS1 b Additional Related Party Information

The electricity distribution business has purchased vegetation management services of $6.8 million (31 March 2007: $7.8 million) from Treescape Limited, which is an associate company of the Vector group.

The electricity distribution business has purchased telecommunications services of $0.8 million (31 March 2007: $1.9 million) from Vector Communications Limited.

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref					
5		Electricity Distribution Business:	Vector Limited		
6		For Year Ended	2008		
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				to AM1
13	**Total Capital Expenditure on System Fixed Assets**			159,188	to AM1
14					
15					
16	**Capital Expenditure on Non-System Fixed Assets**			7,798	from AV1
17					
18					
19	**Capital works roll-forward (for System Fixed Assets)**				
20	Works Under Construction at Beginning of Year		113,286		
21	*plus* Total Capital Expenditure on System Fixed Assets		159,188		
22	*less* Assets Commissioned in Year		204,271		from AV1
23	**Works under construction at year end**			68,203	
24					
25					
26	**Regulatory Investment Value calculation**				
27	System Fixed Assets: regulatory value at end of Previous Year		2,195,934		from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year		12,023		from AV1
29	Finance During Construction Allowance (on System Fixed assets)		53,800		2.45%
30	**Total Regulatory Asset Base value at beginning of Current Financial Year**			2,261,758	
31					
32	*plus* System Fixed Assets Commissioned in Year		204,271		from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year		-		from AV1
34	Non-System Fixed Assets: Asset Additions		7,798		from AV1
35	Regulatory Asset Base investment in Current Financial Year - total		212,069		
36	**Regulatory Asset Base investment in Current Financial Year - average**			106,034	
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**			2,367,792	to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

Electricity Distribution Business: Vector Limited
For Year Ended 2008

ref				($000)	
8		**Earnings before interest and tax (EBIT)**		278,717	from FS1
10	add	Total Regulatory Depreciation	89,166		from FS1
11		Other Permanent Differences - not deductible	1,657		
12		Other Temporary Adjustments - Current Period	(1,560)		
13				89,263	
15	less	Non Taxable Capital Contributions and Vested Assets	24,494		
16		Tax Depreciation	110,393		
17		Deductible Discretionary Discounts and Customer Rebates	-		
18		Deductible Interest	75,812		from row 53
19		Other Permanent Differences - Non Taxable	744		
20		Other Temporary Adjustments - Prior Period	10,469		
21				221,913	
23		**Regulatory taxable income for Year**		146,068	
25	less	Tax Losses Available at Start of Year	-		
26		**Net taxable income**		146,068	
28		Statutory Tax Rate	33%		
29		**Regulatory Tax Allowance**		48,202	to FS1

Notes to Regulatory Tax Allowance Calculation

FS3a: Description of adjustments classified as "other"

The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory notes can be provided in a separate note if necessary).

See separate note disclosure

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

Standard Debt Leverage Assumption (debt/total assets)	40%	%		
Standard Cost of Debt Assumption	8.00%	%		
Deductible Interest	75,812	$000	to row 18	
Interest Tax Shield Adjustment	25,018	$000	to MP2	

Vector Limited
Electricity Distribution Business

FS3a: Description of adjustments classified as "other"

	31 March 2008
	$000
Other Permanent Differences - Not Deductible	
Non Deductible Entertainment Expenditure	215
Non Deductible Legal and Professional Expenses	1,442
	1,657
Other Temporary Adjustments - Current Period	
Tax Loss on Disposal of Fixed Assets	(7,306)
Provision for Doubtful Debts	1,546
Provision for Employee Entitlements and Bonuses	2,676
Other Provisions and Accruals	1,524
	(1,560)
Other Permanent Differences - Non Taxable	
Other Income	(744)
	(744)
Other Temporary Adjustments - Prior Period	
Provision for Doubtful Debts	1,990
Provision for Employee Entitlements and Bonuses	3,972
Other Provisions and Accruals	4,507
	10,469

KPMG

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref							
5				Electricity Distribution Business:	Vector Limited		
6				For Year Ended:	2008		
7				Year of most recent ODV	2004		
8						($000)	
9		ODV Year + 1	ODV Year + 2	ODV Year + 3	ODV Year + 4	ODV Year + 5	
10	For Year Ending:	2005	2006	2007	2008	2009	
11	**System Fixed Assets**						
12	**Regulatory Value at End of Previous Year***	1,858,398	1,963,660	2,098,037	2,195,934	-	to FS2
13	*plus*						
14	Assets Commissioned	116,374	139,396	114,973	204,271		to FS2
15	Gross Value of Vested Assets	-	-	-	-		to FS1
16	Assets Acquired from (Sold to) a Non-EDB	-	-	-	-		to FS2
17	**Asset Additions**	116,374	139,396	114,973	204,271	-	
18	*plus*						
19	**Indexed Revaluation**	50,065	65,936	53,250	73,923	-	to FS1
20	*less*						
21	Depreciation of System Fixed Assets	60,943	63,323	65,083	70,011		
22	Regulatory Value of Assets Decommissioned	234	7,632	5,242	14,681		
23	**Regulatory Depreciation (incl. value of assets decommissioned)**	61,177	70,955	70,325	84,692	-	to FS1
24							
25	*plus (minus)*						
26	Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	from AV4
27	*less* Sale of System Fixed Assets to another EDB	-	-	-	-	-	from AV4
28	**Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB**	-	-	-	-	-	
29							
30	*plus (minus)*						
31	**Net Increase (Decrease) Due to Changes in Asset Register Information**	-	-	-	-		
32							
33	**Regulatory Value of System Fixed Assets at Year End**	1,963,660	2,098,037	2,195,934	2,389,436	-	
34							
35	**Non-System Fixed Assets**						
36	**Regulatory value at end of previous year**	33,498	29,467	23,538	12,023	-	
37							
38	*plus* Asset Additions	397	(1,520)	(8,477)	7,798		to FS2
39	*plus* Revaluations	-	-	-	-		to FS1
40	*less* Depreciation (incl. value of assets decommissioned)	4,428	4,409	3,038	4,474		to FS1
41	*plus* Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	from AV4
42	**Regulatory Value of Non-System Fixed Assets at Year end**	29,467	23,538	12,023	15,347	-	
43							
44							
45	**Total Regulatory Asset Base Value (excluding FDC)**	1,993,127	2,121,575	2,207,957	2,404,783	-	
46							
47							
48	** The commencing figure for completing this schedule is the most recent ODV value*						
49	*Note: Additional columns to be added if required*						

Notes to Annual Regulatory Valuation Roll-forward Report

57	**AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets**						
58	CPI as at date of ODV	928					
59							
60	For Year Ended	2005	2006	2007	2008	2009	
61	CPI at CPI reference date	953	985	1010	1044		
62	**Revaluation Rate**	**2.69%**	**3.36%**	**2.54%**	3.37%	**0.00%**	
63							
64	System Fixed Assets: Regulatory Value at End of Previous Year	1,858,398	1,963,660	2,098,037	2,195,934	-	
65	**Indexed Revaluation of System Fixed Assets**	**50,065**	**65,936**	**53,250**	73,923	-	to FS1, AV1

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

Subtotals by Asset Class (for System Fixed Assets)

($000)

ref	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)	
13	Regulatory Value of System Fixed Assets (as per most recent ODV)	361,682	216,120	181,190	677,342	218,121	110,588	93,355	**1,858,398**	*from AV1*
15	***Cumulative roll-forward since most recent ODV:***									
16	Asset Additions								575,014	*from AV1*
17	Indexed Revaluation (of System Fixed Assets)								243,173	*from AV1*
18	*less* Regulatory Depreciation (of System Fixed Assets)								287,149	*from AV1*
19	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-	*from AV1*
20	Net Increase (Decrease) Due to Changes in Asset Register Information								-	*from AV1*
21	**Regulatory Value of System Fixed Assets at Year End**								2,389,436	*from AV1*

KPMG

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

ref				
5		Electricity Distribution Business:	Vector Limited	
		For Year Ended:	2008	
6	**System Fixed Assets - Replacement Cost**			
7			**($000)**	
8		**Replacement cost at end of previous year**	3,967,876	
9				
10		Asset Additions	204,271	AV3a
11		Indexed Revaluation (of System Fixed Assets)	133,572	
12	less	Replacement Cost of Assets Decommissioned	31,294	
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**	4,274,425	
16				
17				
18	**System Fixed Assets - Depreciated Replacement Cost**			
19				
20		**Depreciated Replacement Cost at end of previous year**	2,281,116	
21				
22		Asset Additions	204,271	AV3a
23		Indexed Revaluation (of System Fixed Assets)	76,790	
24	less	Depreciation of Replacement Cost	69,029	
25	less	Depreciated Replacement Cost of Assets Decommissioned	14,681	
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**	2,478,467	

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	204,271	from AV1
39	plus	Difference in Replacement Cost and Depreciated Replacment Cost values of Asset Additions	-	
40				
41		**Asset Additions - Replacement Cost**	204,271	
42				

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

ref				
		Electricity Distribution Business:	Vector Limited	
5		For Year Ended:	2007	
6	**System Fixed Assets - Replacement Cost**			
7			**($000)**	
8		**Replacement cost at end of previous year**	3,769,251	
9				
10		Asset Additions	114,973	*AV3a*
11		Indexed Revaluation (of System Fixed Assets)	95,666	
12	*less*	Replacement Cost of Assets Decommissioned	12,014	
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**	**3,967,876**	
16				
17				
18	**System Fixed Assets - Depreciated Replacement Cost**			
19				
20		**Depreciated Replacement Cost at end of previous year**	2,180,701	
21				
22		Asset Additions	114,973	*AV3a*
23		Indexed Revaluation (of System Fixed Assets)	55,348	
24	*less*	Depreciation of Replacement Cost	64,664	
25	*less*	Depreciated Replacement Cost of Assets Decommissioned	5,242	
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**	**2,281,116**	

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	114,973	*from AV1*
39	*plus*	Difference in Replacement Cost and Depreciated Replacment Cost values of Asset Additions	-	
40				
41		**Asset Additions - Replacement Cost**	114,973	
42				

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

ref				
5		Electricity Distribution Business:	Vector Limited	
		For Year Ended:	2006	
6	**System Fixed Assets - Replacement Cost**			
7			**($000)**	
8		**Replacement cost at end of previous year**	3,527,982	
9				
10		Asset Additions	139,396	AV3a
11		Indexed Revaluation (of System Fixed Assets)	118,463	
12	less	Replacement Cost of Assets Decommissioned	16,591	
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**	**3,769,251**	
16				
17				
18	**System Fixed Assets - Depreciated Replacement Cost**			
19				
20		**Depreciated Replacement Cost at end of previous year**	2,042,850	
21				
22		Asset Additions	139,396	AV3a
23		Indexed Revaluation (of System Fixed Assets)	68,595	
24	less	Depreciation of Replacement Cost	62,508	
25	less	Depreciated Replacement Cost of Assets Decommissioned	7,632	
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**	**2,180,701**	

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	139,396	from AV1
39	plus	Difference in Replacement Cost and Depreciated Replacment Cost values of Asset Additions	-	
40				
41		**Asset Additions - Replacement Cost**	139,396	
42				

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

ref				
5		Electricity Distribution Business:	Vector Limited	
		For Year Ended:	2005	
6	**System Fixed Assets - Replacement Cost**			
7			**($000)**	
8		**Replacement cost at end of previous year**	3,322,607	
9				
10		Asset Additions	116,374	AV3a
11		Indexed Revaluation (of System Fixed Assets)	89,510	
12	less	Replacement Cost of Assets Decommissioned	509	
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**	3,527,982	
16				
17				
18	**System Fixed Assets - Depreciated Replacement Cost**			
19				
20		**Depreciated Replacement Cost at end of previous year**	1,935,124	
21				
22		Asset Additions	116,374	AV3a
23		Indexed Revaluation (of System Fixed Assets)	52,132	
24	less	Depreciation of Replacement Cost	60,546	
25	less	Depreciated Replacement Cost of Assets Decommissioned	234	
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**	2,042,850	

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	116,374	from AV1
39	plus	Difference in Replacement Cost and Depreciated Replacment Cost values of Asset Additions	-	
40				
41		**Asset Additions - Replacement Cost**	116,374	
42				

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

Electricity Distribution Business: Vector Limited

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

As at (date): 2008

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

	RC & DRC values of System Fixed Assets at transfer date	($000) 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)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

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

Disclosure: Annual Disclosure - Requirement 6(1)

Circuit Length by Operating Line Voltage (at year end)

	Overhead (km)	Underground (km)	Total (km)	
> 66kV	26	65	91	
50kV & 66kV	-	-	-	
33kV	435	491	926	
SWER (all SWER voltages)	-	-	-	
22kV (other than SWER)	5	147	153	
6.6kV to 11kV (inclusive - other than SWER)	4,494	4,284	8,778	
Low Voltage (< 1kV)	5,381	6,682	12,063	
Total circuit length (for Supply)	10,341	11,669	22,010	*to MP2*
Dedicated Street Lighting Circuit Length	80	545	625	

Overhead Circuit Length by Terrain (at year end)

	(km)	(%)
Urban (only)	4,970	48%
Rural (only)	5,372	52%
Remote (only)	-	0%
Rugged (only)	-	0%
Rural & rugged (only)	-	0%
Remote & rugged (only)	-	0%
Unallocated overhead lines	-	0%
Total overhead length	10,341	

Transformer capacity (at year end)

			Previous Year
Distribution Transformer Capacity (EDB Owned)	5,086	MVA	5,035
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	557	MVA	543
Total Distribution Transformer Capacity	5,643	MVA *(to MP2)*	5,578
Zone Substation Transformer Capacity	4,698	MVA	4,698

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	24	Years
Average Expected Total Life of System Fixed Assets	56	Years
Average Age as a Proportion of Average Expected Total Life	42%	%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	15%	%

Electricity demand

		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
	GXP Demand	2,031	2,327	
plus	Embedded Generation Output at HV and Above	190		
	Maximum System Demand	2,222		
less	Net Transfers to (from) Other EDBs at HV and Above	-		
	Demand on system for supply to customers' Connection Points	2,222		
less	Subtransmission Customers' Connection Point Demand	45	81	
	Maximum Distribution Transformer Demand	2,176		*to MP2*
	GXP Demand not Supplied at Subtransmission Level	280		
	Embedded Generation Output - Connected to Subtransmission System	174	179	
	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	22		
	Five-Year System Maximum Demand Growth Forecast	1.17	% p.a.	

Electricity volumes carried

		(GWh)		
	Electricity Supplied from GXPs	11,078		
less	Electricity Exports to GXPs	-		
plus	Electricity Supplied from Embedded Generators	131		
less	Net Electricity Supplied to (from) Other EDBs	-		
	Electricity entering system for supply to customers' Connection Points	11,208		
less	Electricity Supplied to Customers' Connection Points	10,650		*to MP2*
	Electricity Losses (loss ratio)	558	5.0%	%
	Electricity Supplied to Customers' Connection Points	10,650		
less	Electricity Supplied to Largest 5 Connection Points	583		
	Electricity supplied other than to Largest 5 Connection Points	10,067	95%	%

Load Factor

57% %

Number of Connection Points (at year end)

679,612 ICPs *to MP2*

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	99	kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	484	MWh/km
Connection Point Density (ICPs / Total circuit length)	31	ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	15,671	kWh/ICP

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

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

Disclosure: Annual Disclosure - Requirement 6(1)

Circuit Length by Operating Line Voltage (at year end)

	Overhead (km)	Underground (km)	Total (km)	
> 66kV	-	65	65	
50kV & 66kV	-	-	-	
33kV	46	239	285	
SWER (all SWER voltages)	-	-	-	
22kV (other than SWER)	5	147	153	
6.6kV to 11kV (inclusive - other than SWER)	941	1,971	2,912	
Low Voltage (< 1kV)	2,092	3,226	5,318	
Total circuit length (for Supply)	3,086	5,647	8,733	*to MP2*
Dedicated Street Lighting Circuit Length	5	196	202	

Overhead Circuit Length by Terrain (at year end)

	(km)	(%)
Urban (only)	2,599	84%
Rural (only)	487	16%
Remote (only)		0%
Rugged (only)		0%
Rural & rugged (only)		0%
Remote & rugged (only)		0%
Unallocated overhead lines		0%
Total overhead length	3,086	

Transformer capacity (at year end)

			Previous Year
Distribution Transformer Capacity (EDB Owned)	2,421	MVA	2,413
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	495	MVA	484
Total Distribution Transformer Capacity	2,916	MVA *(to MP2)*	2,897
Zone Substation Transformer Capacity	2,346	MVA	2,346

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	22	Years
Average Expected Total Life of System Fixed Assets	58	Years
Average Age as a Proportion of Average Expected Total Life	37%	%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	10%	%

Electricity demand

		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
	GXP Demand	1,006	1,120	
plus	Embedded Generation Output at HV and Above	128		
	Maximum System Demand	1,134		
less	Net Transfers to (from) Other EDBs at HV and Above	-		
	Demand on system for supply to customers' Connection Points	1,134		
less	Subtransmission Customers' Connection Point Demand	50	70	
	Maximum Distribution Transformer Demand	1,085		*to MP2*
	GXP Demand not Supplied at Subtransmission Level	187		
	Embedded Generation Output - Connected to Subtransmission System	121	179	
	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	5		
	Five-Year System Maximum Demand Growth Forecast	1.26	% p.a.	

Electricity volumes carried

		(GWh)		
	Electricity Supplied from GXPs	5,911		
less	Electricity Exports to GXPs	-		
plus	Electricity Supplied from Embedded Generators	50		
less	Net Electricity Supplied to (from) Other EDBs	-		
	Electricity entering system for supply to customers' Connection Points	5,960		
less	Electricity Supplied to Customers' Connection Points	5,638		*to MP2*
	Electricity Losses (loss ratio)	323	5.4%	%
	Electricity Supplied to Customers' Connection Points	5,638		
less	Electricity Supplied to Largest 5 Connection Points	418		
	Electricity supplied other than to Largest 5 Connection Points	5,220	93%	%

Load Factor

60% %

Number of Connection Points (at year end)

312,994 ICPs *to MP2*

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	124	kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	646	MWh/km
Connection Point Density (ICPs / Total circuit length)	36	ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	18,013	kWh/ICP

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

Network Name: Vector - Northern & Lichfield *(enter "Total Business" or name of network)*

Disclosure: Annual Disclosure - Requirement 6(1)

Circuit Length by Operating Line Voltage (at year end)

	Overhead (km)	Underground (km)	Total (km)	
> 66kV	26	-	26	
50kV & 66kV	-	-	-	
33kV	333	104	437	
SWER (all SWER voltages)	-	-	-	
22kV (other than SWER)	-	-	-	
6.6kV to 11kV (inclusive - other than SWER)	2,955	1,211	4,166	
Low Voltage (< 1kV)	2,173	1,829	4,002	
Total circuit length (for Supply)	5,487	3,144	8,630	*to MP2*
Dedicated Street Lighting Circuit Length	13	95	108	

Overhead Circuit Length by Terrain (at year end)

	(km)	(%)
Urban (only)	1,490	27%
Rural (only)	3,997	73%
Remote (only)		0%
Rugged (only)		0%
Rural & rugged (only)		0%
Remote & rugged (only)		0%
Unallocated overhead lines		0%
Total overhead length	5,487	

Transformer capacity (at year end)

			Previous Year
Distribution Transformer Capacity (EDB Owned)	1,371	MVA	1,343
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	61	MVA	57
Total Distribution Transformer Capacity	1,432	MVA *(to MP2)*	1,400
Zone Substation Transformer Capacity	1,206	MVA	1,206

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	22	Years
Average Expected Total Life of System Fixed Assets	52	Years
Average Age as a Proportion of Average Expected Total Life	42%	%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	16%	%

Electricity demand

		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
	GXP Demand	589	629	
plus	Embedded Generation Output at HV and Above	6		
	Maximum System Demand	596		
less	Net Transfers to (from) Other EDBs at HV and Above	-		
	Demand on system for supply to customers' Connection Points	596		
less	Subtransmission Customers' Connection Point Demand	1	11	
	Maximum Distribution Transformer Demand	594		*to MP2*
	GXP Demand not Supplied at Subtransmission Level	-		
	Embedded Generation Output - Connected to Subtransmission System	-	-	
	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	5		
	Five-Year System Maximum Demand Growth Forecast	0.10	% p.a.	

Electricity volumes carried

		(GWh)		
	Electricity Supplied from GXPs	2,629		
less	Electricity Exports to GXPs	-		
plus	Electricity Supplied from Embedded Generators	65		
less	Net Electricity Supplied to (from) Other EDBs	-		
	Electricity entering system for supply to customers' Connection Points	2,694		
less	Electricity Supplied to Customers' Connection Points	2,565		*to MP2*
	Electricity Losses (loss ratio)	129	4.8%	%
	Electricity Supplied to Customers' Connection Points	2,565		
less	Electricity Supplied to Largest 5 Connection Points	92		
	Electricity supplied other than to Largest 5 Connection Points	2,473	96%	%

Load Factor

52% %

Number of Connection Points (at year end)

204,269 ICPs *to MP2*

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	69	kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	297	MWh/km
Connection Point Density (ICPs / Total circuit length)	24	ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	12,559	kWh/ICP

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

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

Disclosure: Annual Disclosure - Requirement 6(1)

Circuit Length by Operating Line Voltage (at year end)

	Overhead (km)	Underground (km)	Total (km)	
> 66kV	-	-	-	
50kV & 66kV	-	-	-	
33kV	56	149	204	
SWER (all SWER voltages)	-	-	-	
22kV (other than SWER)	-	-	-	
6.6kV to 11kV (inclusive - other than SWER)	597	1,103	1,700	
Low Voltage (< 1kV)	1,116	1,626	2,743	
Total circuit length (for Supply)	1,769	2,878	4,647	*to MP2*
Dedicated Street Lighting Circuit Length	62	254	316	

Overhead Circuit Length by Terrain (at year end)

	(km)	(%)
Urban (only)	882	50%
Rural (only)	887	50%
Remote (only)	-	0%
Rugged (only)	-	0%
Rural & rugged (only)	-	0%
Remote & rugged (only)	-	0%
Unallocated overhead lines	-	0%
Total overhead length	1,769	100%

Transformer capacity (at year end)

			Previous Year
Distribution Transformer Capacity (EDB Owned)	1,294	MVA	1,279
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	2	MVA	2
Total Distribution Transformer Capacity	1,296	MVA *(to MP2)*	1,280
Zone Substation Transformer Capacity	1,146	MVA	1,146

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	30	Years
Average Expected Total Life of System Fixed Assets	56	Years
Average Age as a Proportion of Average Expected Total Life	54%	%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	25%	%

Electricity demand

		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
	GXP Demand	553	588	
plus	Embedded Generation Output at HV and Above	2		
	Maximum System Demand	555		
less	Net Transfers to (from) Other EDBs at HV and Above	-		
	Demand on system for supply to customers' Connection Points	555		
less	Subtransmission Customers' Connection Point Demand	-	-	
	Maximum Distribution Transformer Demand	555		*to MP2*
	GXP Demand not Supplied at Subtransmission Level	90		
	Embedded Generation Output - Connected to Subtransmission System	-	-	
	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	13		
	Five-Year System Maximum Demand Growth Forecast	0.31	% p.a.	

Electricity volumes carried

		(GWh)		
	Electricity Supplied from GXPs	2,538		
less	Electricity Exports to GXPs	-		
plus	Electricity Supplied from Embedded Generators	16		
less	Net Electricity Supplied to (from) Other EDBs	-		
	Electricity entering system for supply to customers' Connection Points	2,554		
less	Electricity Supplied to Customers' Connection Points	2,447		*to MP2*
	Electricity Losses (loss ratio)	107	4.2% %	
	Electricity Supplied to Customers' Connection Points	2,447		
less	Electricity Supplied to Largest 5 Connection Points	74		
	Electricity supplied other than to Largest 5 Connection Points	2,373	97% %	

Load Factor

52% %

Number of Connection Points (at year end)

162,349 ICPs *to MP2*

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	119 kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	527 MWh/km
Connection Point Density (ICPs / Total circuit length)	35 ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	15,072 kWh/ICP

KPMG

Vector Limited
Electricity Distribution Business

Energy Delivery Efficiency Performance Measures and Statistics

(A) System length excluding street lighting (in kilometres)

	400V	6.6kV	11kV	22kV	33kV	66kV	110kV	Total
2008	**12,062.88**	**67.11**	**8,711.14**	**152.66**	**926.02**	**0.00**	**90.64**	**22,010.45**
2007	11,844.37	68.18	8,679.92	145.88	914.99	0.00	90.62	21,743.96
2006	11,747.75	67.43	8,638.40	144.90	917.31	0.00	90.63	21,606.42
2005	11,638.52	67.17	8,571.24	125.68	910.38	0.00	91.30	21,404.29
2004	11,481.46	66.54	8,487.72	125.24	911.60	0.00	90.48	21,163.04

(B) Total circuit length excluding street lighting (in kilometres) of overhead electric lines

	400V	6.6kV	11kV	22kV	33kV	66kV	110kV	Total
2008	**5,381.33**	**24.19**	**4,469.45**	**5.49**	**434.95**	**0**	**25.73**	**10,341.14**
2007	5,393.00	24.59	4,481.20	6.97	435.98	0	25.73	10,367.47
2006	5,371.28	25.92	4,486.26	7.44	436.35	0	25.74	10,352.99
2005	5,396.52	26.43	4,486.98	2.91	437.89	0	25.74	10,376.47
2004	5,417.57	26.43	4,495.66	2.91	446.11	0	25.74	10,414.42

(C) Total circuit length excluding street lighting (in kilometres) of underground electric lines

	400V	6.6kV	11kV	22kV	33kV	66kV	110kV	Total
2008	**6,681.55**	**42.92**	**4,241.69**	**147.17**	**491.07**	**0**	**64.91**	**11,669.31**
2007	6,451.37	43.59	4,198.72	138.91	479.01	0	64.89	11,376.49
2006	6,376.47	41.51	4,152.14	137.46	480.96	0	64.89	11,253.43
2005	6,241.99	40.74	4,084.26	122.78	472.48	0	65.57	11,027.82
2004	6,063.89	40.11	3,992.05	122.34	465.49	0	64.74	10,748.62

	2008	2007	2006	2005	2004
(D) Transformer capacity (MVA)	**5,192.69**	5,121.46	5,046.67	4,930.04	4,843.25

Note: Transformer capacity excludes customer owned transformers

	2008	2007	2006	2005	2004
(E) Total consumers	**679,612**	671,678	660,347	651,000	644,000

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

Performance comparators

	Previous Years: Current Yr - 3	Previous Years: Current Yr - 2	Previous Years: Current Yr - 1	Current Financial Year		
Operational expenditure ratio						
Total Operational Expenditure				115	$m	*from FS1*
Replacement Cost of System Fixed Assets (at year end)*				4,274	$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**2.70%**	%	
Capital expenditure ratio						
Total Capital Expenditure on System Fixed Assets				159	$m	*from FS2*
Replacement Cost of System Fixed Assets (at year end)*				4,274	$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**3.72%**	%	
Capital expenditure growth ratio						
Capital Expenditure: Customer Connection and System Growth					$m	*from FS2*
Change in Total Distribution Transformer Capacity					MVA	*from MP1*
$/kVA	Not defined	Not defined	Not defined	**Not defined**	$/kVA	
Renewal expenditure ratio						
Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal				-	$m	*from FS1 & 2*
Regulatory Depreciation of System Fixed Assets				-	$m	*from AV1*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Distribution Transformer Capacity Utilisation						
Maximum Distribution Transformer Demand	2,048	2,050	2,216	2,176	MW	*from MP1*
Total Distribution Transformer Capacity (at year end)*	5,376	5,458	5,578	5,643	kVA	*from MP1*
Ratio (%)	38.1%	37.6%	39.7%	**38.6%**	%	
Return on Investment						
Regulatory Profit / Loss (pre-financing and distributions)				304	$m	*from FS1*
less Interest Tax Shield Adjustment				25	$m	*from FS3*
Adjusted Regulatory Profit	-	-	-	279	$m	
Regulatory Investment Value				2,368	$m	*from FS2*
Ratio (%)	Not defined	Not defined	Not defined	**11.80%**	%	

** If a Merger or Asset Transfer with another EDB was enetered into during the year, the denominators are calcuated as time-weighted averages.*

Expenditure comparison table

	Expenditure metrics ($ per): Total circuit length (for Supply) ($/km)	Electricity Supplied to Customers' Connection Points ($/MWh)	Maximum coincident system demand ($/MW)	Connection Point ($/ICP)	Distribution Transformer Capacity (EDB-Owned) ($/MVA)	
Capital Expenditure ($) per	7,587	16	75,159	246	32,831	*from FS2 & MP1*
Operational Expenditure ($) per	5,528	11	54,761	179	23,921	*from FS1 & MP1*

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: Vector Limited - Auckland

For Year Ended: 2008

Performance comparators

	Previous Years:			Current Financial Year		
	Current Yr - 3	Current Yr - 2	Current Yr - 1			
Operational expenditure ratio						
Total Operational Expenditure					$m	*from FS1*
Replacement Cost of System Fixed Assets (at year end)*					$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Capital expenditure ratio						
Total Capital Expenditure on System Fixed Assets					$m	*from FS2*
Replacement Cost of System Fixed Assets (at year end)*					$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Capital expenditure growth ratio						
Capital Expenditure: Customer Connection and System Growth					$m	*from FS2*
Change in Total Distribution Transformer Capacity					MVA	*from MP1*
$/kVA	Not defined	Not defined	Not defined	**Not defined**	$/kVA	
Renewal expenditure ratio						
Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal					$m	*from FS1 & 2*
Regulatory Depreciation of System Fixed Assets					$m	*from AV1*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Distribution Transformer Capacity Utilisation						
Maximum Distribution Transformer Demand	988	996	1,117	1,085	MW	*from MP1*
Total Distribution Transformer Capacity (at year end)*	2,800	2,843	2,897	2,916	kVA	*from MP1*
Ratio (%)	35.3%	35.1%	38.5%	**37.2%**	%	
Return on investment						
Regulatory Profit / Loss (pre-financing and distributions)					$m	*from FS1*
less Interest Tax Shield Adjustment					$m	*from FS3*
Adjusted Regulatory Profit	-	-	-	-	$m	
Regulatory Investment Value					$m	*from FS2*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	

** If a Merger or Asset Transfer with another EDB was enetered into during the year, the denominators are calcuated as time-weighted averages.*

Expenditure comparison table

	Expenditure metrics ($ per):					
	Total circuit length (for Supply) ($/km)	**Electricity Supplied to Customers' Connection Points** ($/MWh)	**Maximum coincident system demand** ($/MW)	**Connection Point** ($/ICP)	**Distribution Transformer Capacity (EDB-Owned)** ($/MVA)	
Capital Expenditure ($) per						*from FS2 & MP1*
Operational Expenditure ($) per						*from FS1 & MP1*

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: Vector Limited - Northern & Lichfield

For Year Ended: 2008

Performance comparators

	Previous Years: Current Yr - 3	Previous Years: Current Yr - 2	Previous Years: Current Yr - 1	Current Financial Year		
Operational expenditure ratio						
Total Operational Expenditure					$m	*from FS1*
Replacement Cost of System Fixed Assets (at year end)*					$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Capital expenditure ratio						
Total Capital Expenditure on System Fixed Assets					$m	*from FS2*
Replacement Cost of System Fixed Assets (at year end)*					$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Capital expenditure growth ratio						
Capital Expenditure: Customer Connection and System Growth					$m	*from FS2*
Change in Total Distribution Transformer Capacity					MVA	*from MP1*
$/kVA	Not defined	Not defined	Not defined	**Not defined**	$/kVA	
Renewal expenditure ratio						
Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal					$m	*from FS1 & 2*
Regulatory Depreciation of System Fixed Assets					$m	*from AV1*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Distribution Transformer Capacity Utilisation						
Maximum Distribution Transformer Demand	540	556	609	594	MW	*from MP1*
Total Distribution Transformer Capacity (at year end)*	1,335	1,357	1,400	1,432	kVA	*from MP1*
Ratio (%)	40.5%	41.0%	43.5%	**41.5%**	%	
Return on Investment						
Regulatory Profit / Loss (pre-financing and distributions)					$m	*from FS1*
less Interest Tax Shield Adjustment					$m	*from FS3*
Adjusted Regulatory Profit	-	-	-	-	$m	
Regulatory Investment Value					$m	*from FS2*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	

** If a Merger or Asset Transfer with another EDB was enetered into during the year, the denominators are calcuated as time-weighted averages.*

Expenditure comparison table

	Expenditure metrics ($ per): Total circuit length (for Supply) ($/km)	Electricity Supplied to Customers' Connection Points ($/MWh)	Maximum coincident system demand ($/MW)	Connection Point ($/ICP)	Distribution Transformer Capacity (EDB-Owned) ($/MVA)	
Capital Expenditure ($) per						*from FS2 & MP1*
Operational Expenditure ($) per						*from FS1 & MP1*

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: Vector Limited - Wellington

For Year Ended: 2008

Performance comparators

	Previous Years: Current Yr - 3	Previous Years: Current Yr - 2	Previous Years: Current Yr - 1	Current Financial Year		
Operational expenditure ratio						
Total Operational Expenditure					$m	*from FS1*
Replacement Cost of System Fixed Assets (at year end)*					$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Capital expenditure ratio						
Total Capital Expenditure on System Fixed Assets					$m	*from FS2*
Replacement Cost of System Fixed Assets (at year end)*					$m	*from AV3*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Capital expenditure growth ratio						
Capital Expenditure: Customer Connection and System Growth					$m	*from FS2*
Change in Total Distribution Transformer Capacity					MVA	*from MP1*
$/kVA	Not defined	Not defined	Not defined	**Not defined**	$/kVA	
Renewal expenditure ratio						
Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal					$m	*from FS1 & 2*
Regulatory Depreciation of System Fixed Assets					$m	*from AV1*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	
Distribution Transformer Capacity Utilisation						
Maximum Distribution Transformer Demand	533	499	546	555	MW	*from MP1*
Total Distribution Transformer Capacity (at year end)*	1,242	1,259	1,280	1,296	kVA	*from MP1*
Ratio (%)	43.0%	39.6%	42.6%	**42.8%**	%	
Return on Investment						
Regulatory Profit / Loss (pre-financing and distributions)					$m	*from FS1*
less Interest Tax Shield Adjustment					$m	*from FS3*
Adjusted Regulatory Profit	-	-	-	-	$m	
Regulatory Investment Value					$m	*from FS2*
Ratio (%)	Not defined	Not defined	Not defined	**Not defined**	%	

** If a Merger or Asset Transfer with another EDB was enetered into during the year, the denominators are calcuated as time-weighted averages.*

Expenditure comparison table

	Expenditure metrics ($ per): Total circuit length (for Supply) ($/km)	Electricity Supplied to Customers' Connection Points ($/MWh)	Maximum coincident system demand ($/MW)	Connection Point ($/ICP)	Distribution Transformer Capacity (EDB-Owned) ($/MVA)	
Capital Expenditure ($) per						*from FS2 & MP1*
Operational Expenditure ($) per						*from FS1 & MP1*

Vector Limited
Electricity Distribution Business

Efficiency Performance Measures

		2008	2007	2006	2005	2004
a	Direct line cost per kilometre	**$2,876.00**	$2,942.24	$2,949.28	$2,492.50	$1,944.18
b	Indirect line cost per consumer	**$78.40**	$91.70	$79.28	$90.99	$92.02

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

Network Name: Vector Limited

Disclosure: Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	448	planned interruptions on the network
Class C	1,463	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	1,918	**Total of above**

Interruption targets for Forecast Year	**2009**	**Current Financial Year +1**
Class B	426	planned interruptions on the network
Class C	1,178	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years	**2009-2013**	**Current Financial Year +1 to +5**
Class B	426	planned interruptions on the network
Class C	1,178	unplanned interruptions on the network

Class C interruptions restored within	≤3Hrs	>3hrs
	900	563

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	16.13	in year	2008
The total number of faults forecast for the Forecast Year	15.70	in year	2009
The average annual number of faults forecast for the 5 Forecast Years	15.70	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	Yes	No	Yes	No	Yes
Current Financial Year	16.70	9.17	-	13.07	-	4.41
Forecast Year	16.25	5.24	-	13.99	-	4.41
Average annual for 5 Forecast Years	16.25	5.24	-	13.99	-	4.41

Fault information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	7.63	4.08	-	7.53	-	3.08
Overhead	25.35	145.72	-	19.31	-	7.77

Reliability

Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	220.20	1.66	132.42

Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	3.86	0.03	154.02
Class C	195.57	1.47	133.28

Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	4.86	0.04	133.10
Class C	99.12	1.56	63.48

Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	4.86	0.04	133.10
Class C	99.12	1.56	63.48

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)	349,762	86,120	150,988	12,347	599,217	*from FS1*
Electricity Supplied to Customers' Connection Points (MWh)	4,779,607	1,358,680	3,928,586	583,243	10,650,117	*from MP1*
Number of Connection Points (ICPs) at year end	631,963	41,160	6,474	15	679,612	*from MP1*
Unit Price (cents/kWh)	7.3	6.3	3.8	2.1	5.6	
Relative Unit Price Index	1.00	0.87	0.53	0.29	0.77	

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	15	kVA	
Breakpoint between large and medium classes	69	kVA	

Note:

The targets for interruptions (ref 25,26,29 and 30) and faults (ref 38 and 39) are calculated by taking the median values for the years 2003/04 to 2007/08.
The targets for reliability (ref 62, 63, 66 and 67) are based on maintaining supply quality thresholds as set by the Commerce Commission.

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

Network Name: Vector - Auckland

Disclosure: Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	67	planned interruptions on the network
Class C	399	unplanned interruptions on the network
Class D	2	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	468	**Total of above**

Interruption targets for Forecast Year	**2009**	**Current Financial Year +1**
Class B	75	planned interruptions on the network
Class C	399	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years	**2009-2013**	**Current Financial Year +1 to +5**
Class B	75	planned interruptions on the network
Class C	399	unplanned interruptions on the network

Class C interruptions restored within	**≤3Hrs**	**>3hrs**
	256	143

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	12.80	in year	2008
The total number of faults forecast for the Forecast Year	12.39	in year	2009
The average annual number of faults forecast for the 5 Forecast Years	12.39	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	Yes	No	Yes	No	Yes
Current Financial Year	13.60	9.17	-	8.76	-	3.08
Forecast Year	13.60	5.24	-	6.31	-	1.54
Average annual for 5 Forecast Years	13.60	5.24	-	6.31	-	1.54

Fault information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	7.46	4.08	-	5.02	-	3.08
Overhead	26.45	145.72	-	28.01	-	-

Reliability

Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	131.78	1.07	123.60

Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	0.89	0.01	105.89
Class C	90.37	0.95	94.73

Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	0.62	0.01	74.80
Class C	62.21	0.95	65.44

Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	0.62	0.01	74.80
Class C	62.21	0.95	65.44

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)	151,535	41,646	92,388	7,822	293,391
Electricity Supplied to Customers' Connection Points (MWh)	2,144,910	635,330	2,439,785	417,806	5,637,831
Number of Connection Points (ICPs) at year end	289,424	19,420	4,145	5	312,994
Unit Price (cents/kWh)	7.1	6.6	3.8	1.9	5.2
Relative Unit Price Index	1.00	0.93	0.54	0.27	0.74

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

89			
90			
91	**Connection Point Class breakpoints methodology**	kVA based breakpoints	
92			
93	**kVA based breakpoints - additional disclosure**		
94	Breakpoint between small and medium classes	15	kVA
95	Breakpoint between large and medium classes	69	kVA
96			

Note:

The targets for interruptions (ref 25,26,29 and 30) and faults (ref 38 and 39) are calculated by taking the median values for the years 2003/04 to 2007/08.
The targets for reliability (ref 62, 63, 66 and 67) are based on maintaining supply quality thresholds as set by the Commerce Commission.

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

Network Name: Vector - Northern & Lichfield

Disclosure: Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	351	planned interruptions on the network
Class C	861	unplanned interruptions on the network
Class D	4	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	1,216	**Total of above**

Interruption targets for Forecast Year	**2009**	**Current Financial Year +1**
Class B	351	planned interruptions on the network
Class C	779	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years	**2009-2013**	**Current Financial Year +1 to +5**
Class B	351	planned interruptions on the network
Class C	779	unplanned interruptions on the network

Class C interruptions restored within	≤3Hrs	>3hrs
	484	377

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	20.31	In year	2008
The total number of faults forecast for the Forecast Year	18.15	In year	2009
The average annual number of faults forecast for the 5 Forecast Years	18.15	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	Yes
Current Financial Year	20.45	-	-	19.70	-	7.77
Forecast Year	18.10	-	-	19.01	-	11.66
Average annual for 5 Forecast Years	18.10	-	-	19.01	-	11.66

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	10.82	-	-	19.29	-	-
Overhead	24.40	-	-	19.83	-	7.77

Reliability

Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	505.04	3.46	145.85

Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	10.98	0.07	162.91
Class C	488.11	3.02	161.77

Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	11.37	0.08	142.32
Class C	155.80	2.50	62.34

Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	11.37	0.08	142.32
Class C	155.80	2.50	62.34

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)	114,027	19,998	25,682	2,811	162,517
Electricity Supplied to Customers' Connection Points (MWh)	1,481,044	320,565	671,818	91,937	2,565,364
Number of Connection Points (ICPs) at year end	192,570	10,529	1,165	5	204,269
Unit Price (cents/kWh)	7.7	6.2	3.8	3.1	6.3
Relative Unit Price Index	1.00	0.81	0.50	0.40	0.82

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

Connection Point Class breakpoints methodology		kVA based breakpoints	
kVA based breakpoints - additional disclosure			
Breakpoint between small and medium classes		15	kVA
Breakpoint between large and medium classes		69	kVA

Note:

The targets for interruptions (ref 25,26,29 and 30) and faults (ref 38 and 39) are calculated by taking the median values for the years 2003/04 to 2007/08.
The targets for reliability (ref 62, 63, 66 and 67) are based on maintaining supply quality thresholds as set by the Commerce Commission.

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: Vector Limited

For Year Ended: 2008

Network Name: Vector - Wellington

Disclosure: Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	30	planned interruptions on the network
Class C	203	unplanned interruptions on the network
Class D	1	unplanned interruptions by Transpower
Class E	-	unplanned interruptions of network owned generation
Class F	-	unplanned interruptions of generation (non-network)
Class G	-	unplanned interruptions caused by other electricity industry participant
Class H	-	planned interruptions caused by other electricity industry participant
Total	234	**Total of above**

Interruption targets for Forecast Year	**2009**	**Current Financial Year +1**
Class B	34	planned interruptions on the network
Class C	203	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years	**2009-2013**	**Current Financial Year +1 to +5**
Class B	34	planned interruptions on the network
Class C	203	unplanned interruptions on the network

Class C interruptions restored within	≤3Hrs	>3hrs
	160	43

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	11.97	in year	2008
The total number of faults forecast for the Forecast Year	12.02	in year	2009
The average annual number of faults forecast for the 5 Forecast Years	12.02	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	12.82	-	-	4.90	-	-
Forecast Year	12.82	-	-	5.39	-	-
Average annual for 5 Forecast Years	12.82	-	-	5.39	-	-

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	4.44	-	-	3.37	-	-
Overhead	28.30	-	-	8.98	-	-

Reliability

Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	32.97	0.55	59.61

Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	0.64	0.004	161.19
Class C	31.02	0.51	60.77

Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	0.81	0.004	225.68
Class C	28.88	0.43	66.82

Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	0.81	0.004	225.68
Class C	28.88	0.43	66.82

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)	84,200	24,477	32,919	1,714	143,310
Electricity Supplied to Customers' Connection Points (MWh)	1,153,654	402,785	816,983	73,500	2,446,922
Number of Connection Points (ICPs) at year end	149,969	11,212	1,163	5	162,349
Unit Price (cents/kWh)	7.3	6.1	4.0	2.3	5.9
Relative Unit Price Index	1.00	0.83	0.55	0.32	0.80

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

Connection Point Class breakpoints methodology	kVA based breakpoints	
kVA based breakpoints - additional disclosure		
Breakpoint between small and medium classes	15	kVA
Breakpoint between large and medium classes	69	kVA

Note:

The targets for interruptions (ref 25,26,29 and 30) and faults (ref 38 and 39) are calculated by taking the median values for the years 2003/04 to 2007/08.
The targets for reliability (ref 62, 63, 66 and 67) are based on maintaining supply quality thresholds as set by the Commerce Commission.