



EXPLANATORY NOTE FOR INFORMATION DISCLOSURES¹

Background

The information disclosures set out in this public disclosure pursuant to the Electricity Distribution (Information Disclosure) Requirements 2008, represent Vector's second 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 Commerce Commission (Commission). The purpose of this note is to explain the key matters under the new requirements.

Stability of ROI in the Future

The ROI reported for 2009 and 2008 is not necessarily a good predictor of future ROI as Vector's circumstances have changed considerably since the periods for which these ROIs have been reported. The ROI methodology incorporates inherent volatility and the information disclosure regime overall is subject to ongoing development and change.

Key Development during the Reporting Period

On 24 July 2008, Vector sold its Wellington network. These information disclosure statements (for the year ended 31 March 2009) consolidate the performance of Vector's Auckland electricity networks (for a whole year) with the Wellington network (for 114 days) and therefore the results are not indicative of Vector's financial and operating performance in the future.

Time Weighting of Indexed Revaluation and Finance during Construction (FDC) Allowance

The FDC allowance and indexed revaluation are calculated for a full year on the opening balance of the system fixed assets regulatory value. However, since the Wellington network was sold during the year, it is our view the FDC allowance and indexed revaluation should be time weighted. The templates provided by the Commission do not provide for these adjustments. We have therefore made a supplementary note disclosure to this effect. This shows a reduction in the reported ROI from 11.6% to 11.2% on schedule MP2.

Inherent Volatility due to ROI Methodology

Vector expects reported ROIs to be volatile, because the calculation includes an allowance for revaluation gains, determined by applying CPI inflation to the regulated asset base. The CPI, driving the revaluation gain adjustment to ROI, was 3.37% in 2008 and 2.97% in 2009. With an expectation that in 2010 CPI will be 0% and average only 1.3% to 2013 (*Source: Quarterly Predictions: June 2009 NZIER*), the reported ROI in the next regulatory period is expected to be significantly less than in the preceding two years. In its submission on the Input Methodologies discussion paper Vector proposed discontinuing indexing of the Regulatory Asset Base going

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



forward. Removing the effect of the indexation of the Regulatory Asset Base in 2009 would reduce the reported ROI to 8.4%.

Regime is Subject to Ongoing Change

Although the current 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 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, and is currently consulting on its preliminary views on its approach to information disclosure under Part 4 of the Commerce Act.



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 2009

KPMG is the auditor of Vector Limited (the company) engaged to provide an opinion on the compliance of the attached reports on pages 2 to 39 prepared by Vector Limited with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements) for the financial year ended 31 March 2009. 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 2009.

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 2009. 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.

This independent assurance report provides assurance that the disclosure information prepared by Vector Limited complies with the Requirements. Vector Limited's Threshold Compliance Statement prepared pursuant to the Commerce Act (Electricity Lines Thresholds) Notice 2004 for the year ended 31 March 2009 has been subject to audit. The audit opinions on the financial statements of the company for the year ended 30 June 2009 and Threshold Compliance Statements of Vector Limited for the year ended 31 March 2009 were unqualified and were dated 25 August 2009 and 20 May 2009 respectively.

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 2009 and the immediately preceding financial year, and that the prospective financial and non-financial information has been calculated based on unaudited 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.

Our firm has also undertaken the annual audit of Vector Limited's financial statements and Threshold Compliance Statements and the regulatory audits of Vector Limited's gas businesses. Our firm has also provided other services to the company in relation to general accounting services. The firm has no other relationship with or interest 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 2009 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 2009 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; and
- Presented the prospective financial and non-financial information in reports AM1 and MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2009 and the immediately preceding financial year, and has calculated the prospective financial and non-financial information based on unaudited source data.

Our audit was completed on 21 August 2009 and our opinion is expressed as at that date.


KPMG
Auckland

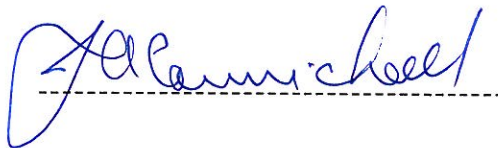
SCHEDULE 13
FORM 1 - CERTIFICATE FOR DISCLOSED INFORMATION

Pursuant to Requirement 11(1)

We, JAMES CARMICHAEL 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;
- (x) Report MP3: Price and Quality Report; and
- (xi) Report AM1: Expenditure Forecasts and Reconciliation.

Signature of Directors:





Date: 21 AUGUST 2009

Commerce Commission

Electricity Distribution (Information Disclosure) Requirements Report Schedules

Schedules 2 to 13

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AM1 [Expenditure Forecasts and Reconciliation](#)

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Vector Group	
		For Year Ended	2009	
5				
6	Income			
7				
8				
9	Net Line Charge Revenue Received	536,898		
10	plus Discretionary Discounts and Customer Rebates	-		FS1a
11	Gross Line Charge Income		536,898	
12				
13	Capital Contributions	20,180		
14	plus Net Value of Vested Assets	-		
15	Total Capital Contributions and Vested Assets		20,180	
16				
17	AC Loss Rental Rebates Received	39,456		
18	less AC Loss Rental Rebates Passed On	39,591		
19	Net AC loss rental income (deficit)		(135)	
20				
21				
22	Other Income	14,372		
23			14,372	
24				
25	Total regulatory income		571,315	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower	131,514		
31	plus Avoided Transmission Charges - payments to parties other than Transpower	10,550		
32	Total Transmission Costs		142,064	
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		93,540	to MP2
43				
44				
45	Operational earnings		335,711	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	73,924		from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	4,536		from AV1
50	Total Regulatory Depreciation		78,459	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		257,251	to FS3
54				
55	less Regulatory Tax Allowance		49,786	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		70,860	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		278,326	to MP2



REPORT FS1: REGULATORY PROFIT STATEMENT (cont)**Notes to Regulatory Profit Statement**

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

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges	-	
77	Operational Expenditure	7,000	
78	Subvention Payment	-	
79	Other related party expenditure	-	
80	Total Related Party Expenditure		7,000
81			
82	<i>N.B.: The additional Related Party information that is required to be disclosed in accordance with Section 3 of the Information Disclosure Handbook is to be disclosed by way of a separate note to this Schedule and forms part of this Schedule.</i>		
83			
84			

87	FS1c: Operational Expenditure notes		(\$000)
88			
89	Merger and Acquisition Expenses		
90	Merger and Acquisition Expenses (not to be included in Operational Expenditure)	8,158	
91			
92	Material items (if greater than 10% of the Operational Expenditure line item)		
93	Material item amount 1	-	Notes to be provided separately
94	within expenditure category:	Select one	
95			
96	Material item amount 2	-	Notes to be provided separately
97	within expenditure category:	Select one	
98			
99	Material item amount 3	-	Notes to be provided separately
100	within expenditure category:	Select one	
101			
102	(further disclosures to be provided on separate page if required)		
103			

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

110	FS1e: Reclassified items in Operational Expenditure		(\$000)
111	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)	-	
112	Previous classification:	Select one	
113	New classification:	Select one	
114			
115			(\$000)
116	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)	-	
117	Previous classification:	Select one	
118	New classification:	Select one	
119			
120			(\$000)
121	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)	-	
122	Previous classification:	Select one	
123	New classification:	Select one	
124			
	<i>to be repeated as required for multiple reclassifications</i>		



Vector Group

Electricity Distribution Business

Supplementary Note:

FS1 Expenses

Avoided Transmission Charges - payments to parties other than Transpower (Row 31) include payments of \$6.8 million made to MCo for voltage support.

FS1 Regulatory Profit Statement

The indexed revaluation (Row 57) is calculated for a full year on the opening balance of the regulatory value of system fixed assets. However, since the Wellington network was sold during the year, the indexed revaluation should also be time-weighted. The template does not provide for this adjustment.

The indexed revaluation on a time-weighted basis is \$61.8 million. Adjusting for this, the regulatory profit (pre-financing and distributions) would be \$269.2 million.

FS1 b Additional Related Party Information

The electricity distribution business has purchased vegetation management services of \$5.1 million (31 March 2008: \$6.8 million) from Treescape Limited, which is an associate company of the Vector group.

The electricity distribution business has purchased telecommunications services of \$1.9 million (31 March 2008: \$1.7 million (restated)) from Vector Communications Limited.



REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Vector Group
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	to AM1
13	Total Capital Expenditure on System Fixed Assets	138,990 to AM1
14		
15		
16	Capital Expenditure on Non-System Fixed Assets	3,730 from AV1
17		
18		
19	Capital works roll-forward (for System Fixed Assets)	
20	Works Under Construction at Beginning of Year	68,203
21	plus Total Capital Expenditure on System Fixed Assets	138,990
22	less Assets Commissioned in Year	122,480 from AV1
23	Works under construction at year end	84,713
24		
25		
26	Regulatory Investment Value calculation	
27	System Fixed Assets: regulatory value at end of Previous Year	2,386,398 from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	15,347 from AV1
29	Finance During Construction Allowance (on System Fixed assets)	58,467 2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	2,460,212
31		
32	plus System Fixed Assets Commissioned in Year	122,480 from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	- from AV1
34	Non-System Fixed Assets: Asset Additions	3,730 from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	126,210
36	Regulatory Asset Base investment in Current Financial Year - average	63,105
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	(311,245) from AV4
40		
41	Regulatory Investment Value	2,212,072 to MP2



Vector Group
Electricity Distribution Business

Supplementary Note:

FS2 Regulatory Asset and Financing Statement

The finance during construction (FDC) allowance (Row 29) is calculated for a full year on the opening balance of the regulatory value of system fixed assets. However, since the Wellington network was sold during the year, the FDC allowance should also be time-weighted. The template does not provide for this adjustment.

The FDC allowance on a time-weighted basis is \$50.9 million. Adjusting for this, the regulatory investment value would be \$2,204.6 million.



REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Vector Group	
5			For Year Ended	2009
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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)

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Vector Group
Electricity Distribution Business

FS3a: Description of adjustments classified as "other"

31-Mar-09

\$000

Other Permanent Differences - Not Deductible

Non deductible entertainment expenses	155
Non deductible legal and professional expenses	888
Non deductible other capital expenses	246
	<u>1,289</u>

Other Temporary Adjustments - Current Period

Provision for doubtful debts	1,215
Provision for employee entitlements and bonuses	2,804
Other provisions and accruals	2,878
	<u>6,897</u>

Other Temporary Adjustments - Prior Period

Provision for doubtful debts	1,546
Provision for employee entitlements and bonuses	2,676
Other provisions and accruals	2,801
Prior years' adjustments	(1,378)
	<u>5,645</u>



REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref		Electricity Distribution Business:	Vector Group
5		For Year Ended:	2009
6		Year of most recent ODV	2004
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Notes to Annual Regulatory Valuation Roll-forward Report

59	AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets	
60	CPI as at date of ODV	928
61		
62	For Year Ended	2005
63	CPI at CPI reference date	953
64	Revaluation Rate	2.69%
65		
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72		
73		



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

ref		
6	Electricity Distribution Business: Vector Group	
7	For Year Ended: 2009	
8		
9		
10		



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

ref	Electricity Distribution Business:	Vector Group
5	For Year Ended:	2009
6	System Fixed Assets - Replacement Cost	
7		(\$000)
8	Replacement cost at end of previous year	4,274,425
9		
10	Asset Additions	122,480
11	Indexed Revaluation (of System Fixed Assets)	126,923
12	less Replacement Cost of Assets Decommissioned	14,663
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	(1,035,907)
14	Net Increase (Decrease) Due to Changes in Asset Register Information	-
15	Replacement cost of System Fixed Assets at year end	3,473,258
16		
17	System Fixed Assets - Depreciated Replacement Cost	
18		
19		
20	Depreciated Replacement Cost at end of previous year	2,467,805
21		
22	Asset Additions	122,480
23	Indexed Revaluation (of System Fixed Assets)	73,278
24	less Depreciation of Replacement Cost	66,229
25	less Depreciated Replacement Cost of Assets Decommissioned	6,289
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	(463,990)
27	Net Increase (Decrease) Due to Changes in Asset Register Information	-
28	Depreciated replacement cost of System Fixed Assets at year end	2,127,055
Notes:		
Depreciated replacement cost at end of previous year (Row 20) has been changed from the published number of 2008 due to the change in the methodology of calculating depreciation on system fixed assets.		

REPORT AV3: SYSTEM FIXED ASSETS REPLACEMENT COST ROLL-FORWARD REPORT (cont)**Notes to Price and Quality Measures**

39	AV3a: New Asset Additions	
40		
41	Asset Additions - Depreciated Replacement Cost	122,480
42	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-
43		
44	Asset Additions - Replacement Cost	122,480
45		



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

Electricity Distribution Business: Vector Group

Disclosure required? (YES or NIL DISCLOSURE):

YES - ASSETS SOLD

As at (date): 23/07/2008

Proportion of year following transfer of assets 69%

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)	129,100	86,718	70,506	320,641	95,659	80,178	29,880	812,683
less Depreciation	66,724	54,748	40,762	157,178	51,714	49,419	13,092	433,575
Depreciated Replacement Cost (DRC)	62,376	31,971	29,744	163,463	43,945	30,759	16,788	379,108
less Optimisation adjustment	11,669	1,190	2,767	6,617	1,235	1,670	7	25,155
Optimised Depreciated Replacement Cost (ODRC)	50,707	30,781	27,037	156,846	42,710	29,089	16,782	353,953
less Economic Value Adjustment (EVA)								
Most recent ODV value	50,707	30,781	27,037	156,848	42,710	29,089	16,782	353,953

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 (incl. FDC)
Regulatory Value of System Fixed Assets (as per most recent ODV)	353,953		
Cumulative roll-forward since most recent ODV:			
Asset Additions	97,315		
Indexed Revaluation (of System Fixed Assets)	56,713		
less Regulatory Depreciation (of System Fixed Assets)	56,054		
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	451,927	680	452,607
Acquisition of Assets from Another EDB			
Sale of Assets to Another EDB	451,927	680	
RAB Value of Transferred Assets at Transfer Date	452,607		
"p" factor (proportion of year following transfer of assets)	69%		
Adjustment for merger, acquisition or sale to another EDB		(311,245)	

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	# A12
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC	1,035,907	1,035,907	# A12
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC	463,990	(463,990)	# A12

Signed by:

Selling Entity

Acquiring Entity



REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref

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Electricity Distribution Business: Vector Group

For Period Ended: 23-July-2008

Network Name: Vector Group

Disclosure: Merger or Asset Transfer - Requirement 6(4)

Circuit Length by Operating Line Voltage (at 23 July 2008)

Overhead (km)

Underground (km)

Total (km)

> 66kV

50kV & 66kV

33kV

SWER (all SWER voltages)

22kV (other than SWER)

6.6kV to 11kV (inclusive - other than SWER)

Low Voltage (< 1kV)

Total circuit length (for Supply)

26

-

436

-

3

4,488

5,374

10,327

65

-

501

-

148

4,308

6,724

11,746

91

-

937

-

151

8,796

12,098

22,073

Dedicated Street Lighting Circuit Length

80

552

632

Overhead Circuit Length by Terrain (at 23 July 2008)

(km)

(%)

Urban (only)

Rural (only)

Remote (only)

Rugged (only)

Rural & rugged (only)

Remote & rugged (only)

Unallocated overhead lines

Total overhead length

4,954

5,373

-

-

-

-

-

10,327

48%

52%

0%

0%

0%

0%

0%

100%

Transformer capacity (at 23 July 2008)

Distribution Transformer Capacity (EDB Owned)

Distribution Transformer Capacity (Non-EDB Owned, Estimated)

Total Distribution Transformer Capacity

Zone Substation Transformer Capacity

5,102

447

5,549

4,698

MVA

MVA

MVA (to MP2)

MVA

Previous Year

5,086

557

5,643

4,698

System Fixed Assets age (at year end)

Average Age of System Fixed Assets

Average Expected Total Life of System Fixed Assets

Average Age as a Proportion of Average Expected Total Life

Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life

24

56

43%

16%

Years

Years

%

%

Electricity demand

Maximum coincident system demand (MW)

Non-coincident Sum of maximum demands (MW)

GXP Demand

plus Embedded Generation Output at HV and Above

Maximum System Demand

less Net Transfers to (from) Other EDBs at HV and Above

Demand on system for supply to customers' Connection Points

less Subtransmission Customers' Connection Point Demand

Maximum Distribution Transformer Demand

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)

Five-Year System Maximum Demand Growth Forecast

2,026

190

2,216

-

2,216

49

2,167

265

173

-

14

1.2

% p.a.

Electricity volumes carried

(GWh)

Electricity Supplied from GXPs

less Electricity Exports to GXPs

plus Electricity Supplied from Embedded Generators

less Net Electricity Supplied to (from) Other EDBs

Electricity entering system for supply to customers' Connection Points

less Electricity Supplied to Customers' Connection Points

Electricity Losses (loss ratio)

Electricity Supplied to Customers' Connection Points

less Electricity Supplied to Largest 5 Connection Points

Electricity supplied other than to Largest 5 Connection Points

Load Factor

Number of Connection Points (at 23 July 2008)

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)

Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)

Connection Point Density (ICPs / Total circuit length)

Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)

3,700

-

51

-

3,751

3,573

178

3,573

187

3,386

19%

681,142

98

162

31

5,246

%

%

%

%

%

%

%

ICPs

kW/km

MWh/km

ICP/km

kWh/ICP

to MP2

to MP2

to MP2



REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Vector Group
6		For Period Ended: 23-July-2008
7	Network Name:	Vector Group - Auckland
9	Disclosure:	Merger or Asset Transfer - Requirement 6(4)
10	Circuit Length by Operating Line Voltage (at 23 July 2008)	
11		
12	> 66kV	Overhead (km) 65
13	50kV & 66kV	Underground (km) -
14	33kV	46 239
15	SWER (all SWER voltages)	-
16	22kV (other than SWER)	3 148
17	6.6kV to 11kV (inclusive - other than SWER)	939 1,977
18	Low Voltage (< 1kV)	2,086 3,240
19	Total circuit length (for Supply)	3,074 5,669 8,743
20		to MP2
21	Dedicated Street Lighting Circuit Length	6 199 205
22		
23	Overhead Circuit Length by Terrain (at 23 July 2008)	
24	Urban (only)	(km) 2,587 (%) 84%
25	Rural (only)	487 16%
26	Remote (only)	- 0%
27	Rugged (only)	- 0%
28	Rural & rugged (only)	- 0%
29	Remote & rugged (only)	- 0%
30	Unallocated overhead lines	- 0%
31	Total overhead length	3,074 100%
32		
33		
34	Transformer capacity (at 23 July 2008)	
35	Distribution Transformer Capacity (EDB Owned)	2,432 MVA
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	382 MVA
37	Total Distribution Transformer Capacity	2,814 MVA (to MP2)
38		Previous Year 2,421
39	Zone Substation Transformer Capacity	2,346 MVA
40		495
41		2,916
42		2,346
43	System Fixed Assets age (at year end)	
44	Average Age of System Fixed Assets	22 Years
45	Average Expected Total Life of System Fixed Assets	58 Years
46	Average Age as a Proportion of Average Expected Total Life	37% %
47		
48	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	11% %
49		
50		
51	Electricity demand	
52		
53	GXP Demand	Maximum coincident system demand (MW) 932
54	plus Embedded Generation Output at HV and Above	179
55	Maximum System Demand	1,111
56	less Net Transfers to (from) Other EDBs at HV and Above	-
57	Demand on system for supply to customers' Connection Points	1,111
58	less Subtransmission Customers' Connection Point Demand	48
59	Maximum Distribution Transformer Demand	1,063
60		to MP2
61	GXP Demand not Supplied at Subtransmission Level	188
62	Embedded Generation Output - Connected to Subtransmission System	173
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-
64		178
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	14
66		
67	Five-Year System Maximum Demand Growth Forecast	1.26 % p.a.
68		
69	Electricity volumes carried	
70		(GWh)
71	Electricity Supplied from GXPs	1,948
72	less Electricity Exports to GXPs	-
73	plus Electricity Supplied from Embedded Generators	16
74	less Net Electricity Supplied to (from) Other EDBs	-
75	Electricity entering system for supply to customers' Connection Points	1,964
76	less Electricity Supplied to Customers' Connection Points	1,877
77	Electricity Losses (loss ratio)	87 4.4% %
78		to MP2
79	Electricity Supplied to Customers' Connection Points	1,877
80	less Electricity Supplied to Largest 5 Connection Points	140
81	Electricity supplied other than to Largest 5 Connection Points	1,737 93% %
82		
83	Load Factor	20% %
84	Number of Connection Points (at 23 July 2008)	314,277 ICPs
85		to MP2
86	Intensity of service requirements	
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	122 kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	215 MWh/km
89	Connection Point Density (ICPs / Total circuit length)	36 ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	5,972 kWh/ICP



REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Vector Group
6		For Period Ended: 23-July-2008
7	Network Name:	Vector Group - Northern & Lichfield
9	Disclosure:	Merger or Asset Transfer - Requirement 6(4)
10	Circuit Length by Operating Line Voltage (at 23 July 2008)	
11		Overhead (km) Underground (km) Total (km)
12	> 66kV	26 - 26
13	50kV & 66kV	- - -
14	33kV	331 113 444
15	SWER (all SWER voltages)	- - -
16	22kV (other than SWER)	- - -
17	6.6kV to 11kV (inclusive - other than SWER)	2,953 1,226 4,179
18	Low Voltage (< 1kV)	2,171 1,853 4,024
19	Total circuit length (for Supply)	5,481 3,192 8,673
20		to MP2
21	Dedicated Street Lighting Circuit Length	12 97 109
22		
23	Overhead Circuit Length by Terrain (at 23 July 2008)	(km) (%)
24	Urban (only)	1,485 27%
25	Rural (only)	3,996 73%
26	Remote (only)	- 0%
27	Rugged (only)	- 0%
28	Rural & rugged (only)	- 0%
29	Remote & rugged (only)	- 0%
30	Unallocated overhead lines	- 0%
31	Total overhead length	5,481
32		
33		
34	Transformer capacity (at 23 July 2008)	
35	Distribution Transformer Capacity (EDB Owned)	1,354 MVA
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	63 MVA
37	Total Distribution Transformer Capacity	1,417 MVA (to MP2)
38		
39	Zone Substation Transformer Capacity	1,206 MVA
40		
41	System Fixed Assets age (at year end)	
42	Average Age of System Fixed Assets	21 Years
43	Average Expected Total Life of System Fixed Assets	52 Years
44	Average Age as a Proportion of Average Expected Total Life	41% %
45		
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	18% %
47		
48		
49		
50		
51	Electricity demand	
52		Maximum coincident system demand (MW) Non-coincident Sum of maximum demands (MW)
53	GXP Demand	591 613
54	plus Embedded Generation Output at HV and Above	9
55	Maximum System Demand	600
56	less Net Transfers to (from) Other EDBs at HV and Above	-
57	Demand on system for supply to customers' Connection Points	600
58	less Subtransmission Customers' Connection Point Demand	1 6
59	Maximum Distribution Transformer Demand	599
60		to MP2
61	GXP Demand not Supplied at Subtransmission Level	-
62	Embedded Generation Output - Connected to Subtransmission System	-
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	0.10 % p.a.
68		
69	Electricity volumes carried	
70		(GWh)
71	Electricity Supplied from GXPs	870
72	less Electricity Exports to GXPs	-
73	plus Electricity Supplied from Embedded Generators	21
74	less Net Electricity Supplied to (from) Other EDBs	-
75	Electricity entering system for supply to customers' Connection Points	891
76	less Electricity Supplied to Customers' Connection Points	850
77	Electricity Losses (loss ratio)	41 4.6% %
78		to MP2
79	Electricity Supplied to Customers' Connection Points	850
80	less Electricity Supplied to Largest 5 Connection Points	25
81	Electricity supplied other than to Largest 5 Connection Points	825 97% %
82		
83	Load Factor	17% %
84	Number of Connection Points (at 23 July 2008)	204,576 ICPs
85		to MP2
86	Intensity of service requirements	
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	69 kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	98 MWh/km
89	Connection Point Density (ICPs / Total circuit length)	24 ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	4,155 kWh/ICP



REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref

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Electricity Distribution Business:Vector Group

For Period Ended:23-July-2008

Network Name:Vector Group - Wellington

(enter "Total Business" or name of network)

Disclosure:Merger or Asset Transfer - Requirement 6(4)

Circuit Length by Operating Line Voltage (at 23 July 2008)

	Overhead (km)	Underground (km)	Total (km)
> 66kV	-	-	-
50kV & 66kV	-	-	-
33kV	59	149	208
SWER (all SWER voltages)	-	-	-
22kV (other than SWER)	-	-	-
6.6kV to 11kV (inclusive - other than SWER)	597	1,105	1,702
Low Voltage (< 1kV)	1,116	1,632	2,748
Total circuit length (for Supply)	1,772	2,886	4,658

to MP2

Dedicated Street Lighting Circuit Length

	(km)	(%)
Urban (only)	882	50%
Rural (only)	890	50%
Remote (only)	-	0%
Rugged (only)	-	0%
Rural & rugged (only)	-	0%
Remote & rugged (only)	-	0%
Unallocated overhead lines	-	0%
Total overhead length	1,772	-

Overhead Circuit Length by Terrain (at 23 July 2008)

	(km)	(%)
Urban (only)	882	50%
Rural (only)	890	50%
Remote (only)	-	0%
Rugged (only)	-	0%
Rural & rugged (only)	-	0%
Remote & rugged (only)	-	0%
Unallocated overhead lines	-	0%
Total overhead length	1,772	-

Transformer capacity (at 23 July 2008)

		Previous Year
Distribution Transformer Capacity (EDB Owned)	1,316 MVA	1,294
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	2 MVA	2
Total Distribution Transformer Capacity	1,318 MVA (to MP2)	1,296
Zone Substation Transformer Capacity	1,146 MVA	1,146

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	31 Years
Average Expected Total Life of System Fixed Assets	56 Years
Average Age as a Proportion of Average Expected Total Life	55%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	26%

Electricity demand

	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)
GXP Demand	535	563
plus Embedded Generation Output at HV and Above	2	
Maximum System Demand	537	
less Net Transfers to (from) Other EDBs at HV and Above	-	
Demand on system for supply to customers' Connection Points	537	
less Subtransmission Customers' Connection Point Demand	-	-
Maximum Distribution Transformer Demand	537	
GXP Demand not Supplied at Subtransmission Level	80	
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)	11	
Five-Year System Maximum Demand Growth Forecast	0.31 % p.a.	

to MP2

Electricity volumes carried

	(GWh)
Electricity Supplied from GXPs	882
less Electricity Exports to GXPs	-
plus Electricity Supplied from Embedded Generators	5
less Net Electricity Supplied to (from) Other EDBs	-
Electricity entering system for supply to customers' Connection Points	887
less Electricity Supplied to Customers' Connection Points	846
Electricity Losses (loss ratio)	41 4.6%
Electricity Supplied to Customers' Connection Points	846
less Electricity Supplied to Largest 5 Connection Points	22
Electricity supplied other than to Largest 5 Connection Points	824 97%

to MP2

Load Factor

	19%
--	-----

Number of Connection Points (at 23 July 2008)

	162,289 ICPs
--	--------------

to MP2

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	115 kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	182 MWh/km
Connection Point Density (ICPs / Total circuit length)	35 ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	5,213 kWh/ICP



REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Vector Group
6		For Year Ended: 2009
7	Network Name:	Vector Group
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	26 65 91
13	50kV & 66kV	- - -
14	33kV	377 372 749
15	SWER (all SWER voltages)	- - -
16	22kV (other than SWER)	3 150 153
17	6.6kV to 11kV (inclusive - other than SWER)	3,886 3,238 7,124
18	Low Voltage (< 1kV)	4,240 5,180 9,420
19	Total circuit length (for Supply)	8,532 9,005 17,537
20		to MP2
21	Dedicated Street Lighting Circuit Length	17 309 326
22		
23	Overhead Circuit Length by Terrain (at year end)	
24		(km) (%)
25	Urban (only)	4,050 47%
26	Rural (only)	4,482 53%
27	Remote (only)	- 0%
28	Rugged (only)	- 0%
29	Rural & rugged (only)	- 0%
30	Remote & rugged (only)	- 0%
31	Unallocated overhead lines	- 0%
32	Total overhead length	8,532 100%
33		
34	Transformer capacity (at year end)	
35	Distribution Transformer Capacity (EDB Owned)	3,823 MVA
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	451 MVA
37	Total Distribution Transformer Capacity	4,274 MVA (to MP2)
38		
39	Zone Substation Transformer Capacity	3,582 MVA
40		
41	System Fixed Assets age (at year end)	
42	Average Age of System Fixed Assets	22 Years
43	Average Expected Total Life of System Fixed Assets	56 Years
44	Average Age as a Proportion of Average Expected Total Life	38% %
45		
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	13% %
47		
48		
49		
50		
51	Electricity demand	
52		Maximum coincident system demand (MW) Non-coincident Sum of maximum demands (MW)
53	GXP Demand	1,525 1,818
54	plus Embedded Generation Output at HV and Above	186
55	Maximum System Demand	1,711
56	less Net Transfers to (from) Other EDBs at HV and Above	-
57	Demand on system for supply to customers' Connection Points	1,711
58	less Subtransmission Customers' Connection Point Demand	56 78
59	Maximum Distribution Transformer Demand	1,655
60		to MP2
61	GXP Demand not Supplied at Subtransmission Level	197
62	Embedded Generation Output - Connected to Subtransmission System	172 178
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	- -
64		
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	17
66		
67	Five-Year System Maximum Demand Growth Forecast	1 % p.a.
68		
69	Electricity volumes carried	
70		(GWh)
71	Electricity Supplied from GXPs	8,485
72	less Electricity Exports to GXPs	-
73	plus Electricity Supplied from Embedded Generators	114
74	less Net Electricity Supplied to (from) Other EDBs	-
75	Electricity entering system for supply to customers' Connection Points	8,599
76	less Electricity Supplied to Customers' Connection Points	8,244
77	Electricity Losses (loss ratio)	355 4.1% %
78		to MP2
79	Electricity Supplied to Customers' Connection Points	8,244
80	less Electricity Supplied to Largest 5 Connection Points	485
81	Electricity supplied other than to Largest 5 Connection Points	7,759 94% %
82		
83	Load Factor	57% %
84		
85	Number of Connection Points (at year end)	522,147 ICPs
86		to MP2
87	Intensity of service requirements	
88	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	94 kW/km
89	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	470 MWh/km
90	Connection Point Density (ICPs / Total circuit length)	30 ICP/km
91	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	15,789 kWh/ICP



REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:		Vector Group	
6			For Year Ended:	2009
7	Network Name:	Vector Group - Auckland	(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	-	65	65
13	50kV & 66kV	-	-	-
14	33kV	46	242	288
15	SWER (all SWER voltages)	-	-	-
16	22kV (other than SWER)	3	150	153
17	6.6kV to 11kV (inclusive - other than SWER)	934	1,993	2,927
18	Low Voltage (< 1kV)	2,069	3,287	5,356
19	Total circuit length (for Supply)	3,052	5,737	8,789
20	to MP2			
21	Dedicated Street Lighting Circuit Length	5	206	211
22				
23	Overhead Circuit Length by Terrain (at year end)			
24		(km)	(%)	
25	Urban (only)	2,566	84%	
26	Rural (only)	486	16%	
27	Remote (only)	-	0%	
28	Rugged (only)	-	0%	
29	Rural & rugged (only)	-	0%	
30	Remote & rugged (only)	-	0%	
31	Unallocated overhead lines	-	0%	
32	Total overhead length	3,052		
33				
34	Transformer capacity (at year end)			
35	Distribution Transformer Capacity (EDB Owned)	2,458 MVA	Previous Year	2,421
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	385 MVA		495
37	Total Distribution Transformer Capacity	2,843 MVA (to MP2)		2,916
38				
39	Zone Substation Transformer Capacity	2,346 MVA		2,346
40				
41	System Fixed Assets age (at year end)			
42	Average Age of System Fixed Assets	22 Years		
43	Average Expected Total Life of System Fixed Assets	58 Years		
44	Average Age as a Proportion of Average Expected Total Life	37%		
45				
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	11%		
47				
48				
49				
50				
51	Electricity demand			
52		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
53	GXP Demand	932	1,205	
54	plus Embedded Generation Output at HV and Above	179		
55	Maximum System Demand	1,111		
56	less Net Transfers to (from) Other EDBs at HV and Above	-		
57	Demand on system for supply to customers' Connection Points	1,111		
58	less Subtransmission Customers' Connection Point Demand	48	66	
59	Maximum Distribution Transformer Demand	1,063		to MP2
60				
61	GXP Demand not Supplied at Subtransmission Level	188		
62	Embedded Generation Output - Connected to Subtransmission System	173	178	
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
64				
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	14		
66				
67	Five-Year System Maximum Demand Growth Forecast	1.10 % p.a.		
68				
69	Electricity volumes carried			
70		(GWh)		
71	Electricity Supplied from GXPs	5,864		
72	less Electricity Exports to GXPs	-		
73	plus Electricity Supplied from Embedded Generators	45		
74	less Net Electricity Supplied to (from) Other EDBs	-		
75	Electricity entering system for supply to customers' Connection Points	5,909		
76	less Electricity Supplied to Customers' Connection Points	5,688		to MP2
77	Electricity Losses (loss ratio)	221	3.7%	%
78				
79	Electricity Supplied to Customers' Connection Points	5,688		
80	less Electricity Supplied to Largest 5 Connection Points	403		
81	Electricity supplied other than to Largest 5 Connection Points	5,285	93%	%
82				
83	Load Factor	61%	%	
84				
85	Number of Connection Points (at year end)	316,350	ICPs	to MP2
86				
87	Intensity of service requirements			
88	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	121	kW/km	
89	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	647	MWh/km	
90	Connection Point Density (ICPs / Total circuit length)	36	ICP/km	
91	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	17,980	kWh/ICP	



REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Vector Group
6		For Year Ended: 2009
7	Network Name:	Vector Group - Northern & Lichfield (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	26 - 26
13	50kV & 66kV	- - -
14	33kV	331 129 460
15	SWER (all SWER voltages)	- - -
16	22kV (other than SWER)	- - -
17	6.6kV to 11kV (inclusive - other than SWER)	2,952 1,246 4,198
18	Low Voltage (< 1kV)	2,171 1,894 4,065
19	Total circuit length (for Supply)	5,480 3,269 8,749 to MP2
20	Dedicated Street Lighting Circuit Length	12 103 115
21	Overhead Circuit Length by Terrain (at year end)	
22		(km) (%)
23	Urban (only)	1,484 27%
24	Rural (only)	3,996 73%
25	Remote (only)	- 0%
26	Rugged (only)	- 0%
27	Rural & rugged (only)	- 0%
28	Remote & rugged (only)	- 0%
29	Unallocated overhead lines	- 0%
30	Total overhead length	5,480 100%
31	Transformer capacity (at year end)	
32	Distribution Transformer Capacity (EDB Owned)	1,365 MVA 1,371
33	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	65 MVA 61
34	Total Distribution Transformer Capacity	1,430 MVA (to MP2) 1,432
35	Zone Substation Transformer Capacity	1,236 MVA 1,206
36	System Fixed Assets age (at year end)	
37	Average Age of System Fixed Assets	21 Years
38	Average Expected Total Life of System Fixed Assets	52 Years
39	Average Age as a Proportion of Average Expected Total Life	41% %
40	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	18% %
41	Electricity demand	
42		Maximum coincident system demand (MW) Non-coincident Sum of maximum demands (MW)
43	GXP Demand	594 620
44	plus Embedded Generation Output at HV and Above	9
45	Maximum System Demand	603
46	less Net Transfers to (from) Other EDBs at HV and Above	-
47	Demand on system for supply to customers' Connection Points	603
48	less Subtransmission Customers' Connection Point Demand	6 12
49	Maximum Distribution Transformer Demand	597 to MP2
50	GXP Demand not Supplied at Subtransmission Level	-
51	Embedded Generation Output - Connected to Subtransmission System	-
52	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-
53	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	4
54	Five-Year System Maximum Demand Growth Forecast	0.68 % p.a.
55	Electricity volumes carried	
56		(GWh)
57	Electricity Supplied from GXPs	2,621
58	less Electricity Exports to GXPs	-
59	plus Electricity Supplied from Embedded Generators	68
60	less Net Electricity Supplied to (from) Other EDBs	-
61	Electricity entering system for supply to customers' Connection Points	2,689
62	less Electricity Supplied to Customers' Connection Points	2,556
63	Electricity Losses (loss ratio)	133 4.9% % to MP2
64	Electricity Supplied to Customers' Connection Points	2,556
65	less Electricity Supplied to Largest 5 Connection Points	82
66	Electricity supplied other than to Largest 5 Connection Points	2,474 97% %
67	Load Factor	51% %
68	Number of Connection Points (at year end)	205,797 ICPs to MP2
69	Intensity of service requirements	
70	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	68 kW/km
71	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	292 MWh/km
72	Connection Point Density (ICPs / Total circuit length)	24 ICP/km
73	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	12,420 kWh/ICP



REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: Vector Group

For Year Ended: 2009

Performance comparators

	Previous Years:			Current Financial Year		
	Current Yr - 3	Current Yr - 2	Current Yr - 1			
Operational expenditure ratio						
Total Operational Expenditure			115	94	\$m	from FS1
Replacement Cost of System Fixed Assets (at year end*)			4,274	3,797	\$m	from AV3
Ratio (%)	Not defined	Not defined	2.70%	2.46%	%	
Capital expenditure ratio						
Total Capital Expenditure on System Fixed Assets			159	139	\$m	from FS2
Replacement Cost of System Fixed Assets (at year end*)			4,274	3,797	\$m	from AV3
Ratio (%)	Not defined	Not defined	3.72%	3.66%	%	
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	2,050	2,216	2,176	1,656	MW	from MP1
Total Distribution Transformer Capacity (at year end*)	5,458	5,578	5,643	4,672	kVA	from MP1
Ratio (%)	37.6%	39.7%	38.6%	35.4%	%	
Return on Investment						
Regulatory Profit / Loss (pre-financing and distributions)			304	278	\$m	from FS1
less Interest Tax Shield Adjustment			25	22	\$m	from FS3
Adjusted Regulatory Profit	-	-	279	257	\$m	
Regulatory Investment Value			2,368	2,212	\$m	from FS2
Ratio (%)	Not defined	Not defined	11.80%	11.60%	%	

* If a Merger or Asset Transfer with another EDB was entered into during the year, the denominators are calculated 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	8,138	17	83,413	273	37,332	from FS2 & MP1
Operational Expenditure (\$) per	5,334	11	54,670	179	24,468	from FS1 & MP1

52	Supplementary Note:						
53							
54	Return on Investment (Time-weighted indexed revaluation and Finance During Construction allowance)	Current Financial Year					
55							
56	Regulatory Profit / Loss (pre-financing and distributions)				269	\$m	
57	less Interest Tax Shield Adjustment				22	\$m	
58	Adjusted Regulatory Profit	-	-	-	248	\$m	
59	Regulatory Investment Value				2,205	\$m	
60	Ratio (%)	Not defined	Not defined	Not defined	11.23%	%	
61							
62							
63	Expenditure comparison table with denominators calculated as time-weighted averages						
64							
65		Expenditure metrics (\$ per):					
66							
67		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)	
68	Capital Expenditure (\$) per *	7,530	21	76,373	250	33,800	
69	Operational Expenditure (\$) per *	4,935	14	50,055	164	22,153	
70		* If a Merger or Asset Transfer with another EDB was entered into during the year, the denominators are calculated as time-weighted averages.					
71							
72							
73							
74							



REPORT MP2: PERFORMANCE MEASURES

		Electricity Distribution Business: Vector Group - Auckland				
		For Year Ended: 2009				
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			1,063 MW	from MP1
		Total Distribution Transformer Capacity (at year end*)			2,843 kVA	from MP1
		Ratio (%)	35.1%	38.5%	37.2%	37.4% %
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 entered into during the year, the denominators are calculated as time-weighted averages.				
Expenditure comparison table		Expenditure metrics (\$ per):				
		Total circuit length (for Supply)	Electricity Supplied to Customers' Connection Points	Maximum coincident system demand	Connection Point	Distribution Transformer Capacity (EDB-Owned)
		(\$/km)	(\$/MWh)	(\$/MW)	(\$/ICP)	(\$/MVA)
Capital Expenditure (\$ per						from FS2 & MP1
Operational Expenditure (\$ per						from FS1 & MP1

REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business: Vector Group - Northern & Lichfield				
	For Year Ended: 2009				
5	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				\$m from FS1
11	Replacement Cost of System Fixed Assets (at year end*)				\$m from AV3
12	Ratio (%)	Not defined	Not defined	Not defined	Not defined %
14	Capital expenditure ratio				
15	Total Capital Expenditure on System Fixed Assets				\$m from FS2
16	Replacement Cost of System Fixed Assets (at year end*)				\$m from AV3
17	Ratio (%)	Not defined	Not defined	Not defined	Not defined %
18	Capital expenditure growth ratio				
19	Capital Expenditure: Customer Connection and System Growth				\$m from FS2
20	Change in Total Distribution Transformer Capacity				MVA from MP1
21	\$/kVA	Not defined	Not defined	Not defined	Not defined \$/kVA
23	Renewal expenditure ratio				
24	Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal				\$m from FS1 & 2
25	Regulatory Depreciation of System Fixed Assets				\$m from AV1
26	Ratio (%)	Not defined	Not defined	Not defined	Not defined %
28	Distribution Transformer Capacity Utilisation				
29	Maximum Distribution Transformer Demand	556	609	594	598 MW from MP1
30	Total Distribution Transformer Capacity (at year end*)	1,357	1,400	1,432	1,430 kVA from MP1
31	Ratio (%)	41.0%	43.5%	41.5%	41.8% %
33	Return on Investment				
34	Regulatory Profit / Loss (pre-financing and distributions)				\$m from FS1
35	less Interest Tax Shield Adjustment				\$m from FS3
36	Adjusted Regulatory Profit	-	-	-	\$m
37	Regulatory Investment Value				\$m from FS2
38	Ratio (%)	Not defined	Not defined	Not defined	Not defined %
39	* If a Merger or Asset Transfer with another EDB was entered into during the year, the denominators are calculated as time-weighted averages.				
41	Expenditure comparison table				
42	Expenditure metrics (\$ per):				
43					
44					
45	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)
46					
47	Capital Expenditure (\$) per				from FS2 & MP1
48	Operational Expenditure (\$) per				from FS1 & MP1
49					



Vector Group Electricity Distribution Business

Efficiency Performance Measures

	<u>2009¹</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
a Direct line cost per kilometre	\$2,670.03 ²	\$2,876.00	\$2,942.24	\$2,949.28	\$2,492.50
b Indirect line cost per consumer	\$81.65 ³	\$78.40	\$91.70	\$79.28	\$90.99

Note:

¹. Both direct line cost per kilometre and indirect line cost per consumer are calculated on the basis of time-weighted averages (due to sale of the Wellington network on 24 July 08).

². Direct line cost per kilometre would be \$2,885.73 if kilometres were not calculated as time-weighted averages.

³. Indirect line cost per consumer would be \$89.41 if the number of consumers were not calculated as time-weighted averages



REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

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Electricity Distribution Business:

Vector Group

For Period Ended:

23 July 2008

Network Name:

Vector Group

Disclosure:

Merger or Asset Transfer - Requirement 6(4)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	139	planned interruptions on the network
Class C	448	unplanned interruptions on the network
Class D	3	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	590	Total of above

Interruption targets for Forecast Year

2010	Current Financial Year +1
426	planned interruptions on the network
1,178	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

2010 - 2014	Current Financial Year +1 to +5
426	planned interruptions on the network
1,178	unplanned interruptions on the network

Class C interruptions restored within

≤3Hrs	>3hrs
273	175

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year (for period ended at 23 July 2008)	4.90	in period to	23 July 2008
The total number of faults forecast for the Forecast Year	15.70	in year	2010
The average annual number of faults forecast for the 5 Forecast Years	15.70	average over years	2010 - 2014

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	Yes	No	Yes	No	Yes
Current Financial Year (for period ended at 23 July 2008)	5.16	1.32		3.52		-
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-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Underground	2.65	0.67		1.80		-
Overhead	7.58	29.22		5.51		-

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	27.89	0.48	57.63

Reliability by interruption class

Class B	SAIDI	SAIFI	CAIDI
Class C	1.14	0.01	134.95
	26.21	0.43	60.88

Targets for Forecast Year

Class B	SAIDI	SAIFI	CAIDI
Class C	4.86	0.04	133.10
	99.12	1.56	63.48

Average targets for 5 Forecast Years

Class B	SAIDI	SAIFI	CAIDI
Class C	4.86	0.04	133.10
	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)	137,191	25,915	46,255	3,295	212,656
Electricity Supplied to Customers' Connection Points (MWh)	1,690,203	443,832	1,251,879	187,303	3,573,217
Number of Connection Points (ICPs) at 23 July 2008	633,461	41,133	6,533	15	681,142
Unit Price (cents/kWh)	8.1	5.8	3.7	1.8	6.0
Relative Unit Price Index	1.00	0.72	0.46	0.22	0.73



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	15 kVA
95	Breakpoint between large and medium classes	69 kVA
96		



REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **Vector Group**For Period Ended: **23 July 2008**Network Name: **Vector Group - Auckland**Disclosure: **Merger or Asset Transfer - Requirement 6(4)****QUALITY****Interruptions****Interruptions by class**

Class A	-	planned interruptions by Transpower
Class B	17	planned interruptions on the network
Class C	132	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	150	Total of above

Interruption targets for Forecast Year

Class B	2010	Current Financial Year +1
Class C	75	planned interruptions on the network
	399	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

Class B	2010 - 2014	Current Financial Year +1 to +5
Class C	75	planned interruptions on the network
	399	unplanned interruptions on the network

Class C interruptions restored within

≤3Hrs	>3hrs
84	48

Faults**Faults per 100 circuit kilometres**

The total number of faults for Current Financial Year (for period ended at 23 July 2008)	4.24	in period to	23 July 2008
The total number of faults forecast for the Forecast Year	12.39	in year	2010
The average annual number of faults forecast for the 5 Forecast Years	12.39	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	Yes	No	Yes	No	Yes
Current Financial Year (for period ended at 23 July 2008)	4.73	1.32		1.75		-
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	2.28	0.67		1.26		-
Overhead	9.91	29.22		4.31		-

Reliability**Overall reliability**

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	18.16	0.30	60.74

Reliability by interruption class

Class B	SAIDI	SAIFI	CAIDI
Class C	0.29	0.001	369.10
	17.59	0.26	66.82

Targets for Forecast Year

Class B	SAIDI	SAIFI	CAIDI
Class C	0.62	0.01	74.81
	62.22	0.95	65.45

Average targets for 5 Forecast Years

Class B	SAIDI	SAIFI	CAIDI
Class C	0.62	0.01	74.81
	62.22	0.95	65.45

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)	60,193	13,705	30,388	2,147	106,433
Electricity Supplied to Customers' Connection Points (MWh)	747,401	205,419	784,215	139,824	1,876,859
Number of Connection Points (ICPs) at 23 July 2008	290,632	19,449	4,191	5	314,277
Unit Price (cents/kWh)	8.1	6.7	3.9	1.5	5.7
Relative Unit Price Index	1.00	0.83	0.48	0.19	0.70



REPORT MP3: PRICE AND QUALITY (cont)**Notes to Price and Quality Measures****89 MP3a: Connection Point Class breakpoints****90 Connection Point Class breakpoints methodology**

kVA based breakpoints

91 KVA based breakpoints - additional disclosure

92 Breakpoint between small and medium classes

15 kVA

93 Breakpoint between large and medium classes

69 kVA



REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref	Electricity Distribution Business:	Vector Group
6	For Period Ended:	23 July 2008
7	Network Name:	Vector Group - Northern & Lichfield
9	Disclosure:	Merger or Asset Transfer - Requirement 6(4)
10	QUALITY	
12	Interruptions	
13	Interruptions by class	
14	Class A	- planned interruptions by Transpower.
15	Class B	102 planned interruptions on the network
16	Class C	262 unplanned interruptions on the network
17	Class D	- unplanned interruptions by Transpower
18	Class E	- unplanned interruptions of network owned generation
19	Class F	- unplanned interruptions of generation (non-network)
20	Class G	- unplanned interruptions caused by other electricity industry participant
21	Class H	- planned interruptions caused by other electricity industry participant
22	Total	364 Total of above
24	Interruption targets for Forecast Year	
25	Class B	2010 351 Current Financial Year +1 planned interruptions on the network
26	Class C	779 unplanned interruptions on the network
28	Average interruption targets for 5 Forecast Years	
29	Class B	2010 - 2014 351 Current Financial Year +1 to +5 planned interruptions on the network
30	Class C	779 unplanned interruptions on the network
32	Class C interruptions restored within	
33	≤3Hrs	>3hrs
34	151	111
35	Faults	
36	Faults per 100 circuit kilometres	
37	The total number of faults for Current Financial Year (for period ended at 23 July 2008)	6.07 in period to 23 July 2008
38	The total number of faults forecast for the Forecast Year	18.15 in year 2010
39	The average annual number of faults forecast for the 5 Forecast Years	18.15 average over years 2010 - 2014
41	Fault Information per 100 circuit kilometres by Voltage and Type	
42	6.6kV & 11kV non-SWER	22kV non-SWER
43	SWER	SWER
44	33kV	50kV & 66kV
45	>66kV	
46	Is this voltage part of the EDB system?	Yes No
47	Current Financial Year (for period ended at 23 July 2008)	6.20 5.18 -
48	Forecast Year	18.10 19.01 11.66
49	Average annual for 5 Forecast Years	18.10 19.01 11.66
51	Fault Information per 100 circuit kilometres by Voltage and Type	
52	6.6kV & 11kV non-SWER	22kV non-SWER
53	SWER	SWER
54	33kV	50kV & 66kV
55	>66kV	
56	Underground	3.91 4.41 -
57	Overhead	7.15 5.44 -
59	Reliability	
60	Overall reliability	
61	Based on the total number of interruptions	SAIDI 56.46 SAIFI 0.94 CAIDI 59.92
63	Reliability by interruption class	
64	Class B	SAIDI 3.17 SAIFI 0.03 CAIDI 121.14
65	Class C	53.29 0.92 58.17
67	Targets for Forecast Year	
68	Class B	SAIDI 11.37 SAIFI 0.08 CAIDI 142.32
69	Class C	155.80 2.50 62.34
71	Average targets for 5 Forecast Years	
72	Class B	SAIDI 11.37 SAIFI 0.08 CAIDI 142.32
73	Class C	155.80 2.50 62.34
75	PRICES	
76	Price information by Connection Point Class	
77	Connection Point Class	
78	Small Connection Points	Medium Connection Points
79	Large Connection Points	Largest 5 Connection Points
80	Total	
81	Gross line charge income (\$000)	45,639 6,363 6,969 637 59,608
82	Electricity Supplied to Customers' Connection Points (MWh)	514,941 103,778 205,874 25,315 849,908
83	Number of Connection Points (ICPs) at 23 July 2008	192,854 10,555 1,162 5 204,576
84	Unit Price (cents/kWh)	8.9 6.1 3.4 2.5 7.0
85	Relative Unit Price Index	1.00 0.69 0.38 0.28 0.79



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	15 kVA
95	Breakpoint between large and medium classes	69 kVA
96		



REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **Vector Group**
For Period Ended: **23 July 2008**Network Name: **Vector Group - Wellington**
Disclosure: **Merger or Asset Transfer - Requirement 6(4)****QUALITY****Interruptions****Interruptions by class**

Class A	-	planned interruptions by Transpower
Class B	20	planned interruptions on the network
Class C	54	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	76	Total of above

Interruption targets for Forecast Year

Class B	34	planned interruptions on the network
Class C	203	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

Class B	34	planned interruptions on the network
Class C	203	unplanned interruptions on the network

Class C interruptions restored within

≤3Hrs	>3hrs
38	16

Faults**Faults per 100 circuit kilometres**

The total number of faults for Current Financial Year (for period ended at 23 July 2008)	3.25	in period to	23 July 2008
The total number of faults forecast for the Forecast Year	12.02	in year	2010
The average annual number of faults forecast for the 5 Forecast Years	12.02	average over years	2010 - 2014

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	No	No	Yes	No	No
Current Financial Year (for period ended at 23 July 2008)	3.35			2.41		
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-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Underground	1.90			0.67		
Overhead	6.03			6.83		

Reliability**Overall reliability**

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	10.74	0.26	40.55

Reliability by interruption class

Class B	SAIDI	SAIFI	CAIDI
Class C	8.77	0.14	61.63

Targets for Forecast Year

Class B	SAIDI	SAIFI	CAIDI
Class C	28.88	0.43	66.82

Average targets for 5 Forecast Years

Class B	SAIDI	SAIFI	CAIDI
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)	31,359	5,847	8,898	511	46,615
Electricity Supplied to Customers' Connection Points (MWh)	427,861	134,635	261,790	22,164	846,450
Number of Connection Points (ICPs) at 23 July 2008	149,975	11,129	1,180	5	162,289
Unit Price (cents/kWh)	7.3	4.3	3.4	2.3	5.5
Relative Unit Price Index	1.00	0.59	0.46	0.31	0.75



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		15 kVA
95	Breakpoint between large and medium classes		69 kVA
96			



REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref		Electricity Distribution Business:	Vector Group
6		For Year Ended:	2009
7	Network Name:	Vector Group	
9	Disclosure:	Annual Disclosure - Requirement 6(1)	
10	QUALITY		
11	Interruptions		
12	Interruptions by class		
13	Class A	-	planned interruptions by Transpower
14	Class B	393	planned interruptions on the network
15	Class C	1,289	unplanned interruptions on the network
16	Class D	7	unplanned interruptions by Transpower
17	Class E	-	unplanned interruptions of network owned generation
18	Class F	-	unplanned interruptions of generation (non-network)
19	Class G	-	unplanned interruptions caused by other electricity industry participant
20	Class H	-	planned interruptions caused by other electricity industry participant
21	Total	1,689	Total of above
22	Interruption targets for Forecast Year		
23	Class B	2010	Current Financial Year +1
24	Class C	412	planned interruptions on the network
25		1,215	unplanned interruptions on the network
26	Average interruption targets for 5 Forecast Years		
27	Class B	2010-2014	Current Financial Year +1 to +5
28	Class C	412	planned interruptions on the network
29		1,215	unplanned interruptions on the network
30	Class C interruptions restored within		
31		≤3Hrs	>3hrs
32		741	548
33	Faults		
34	Faults per 100 circuit kilometres		
35	The total number of faults for Current Financial Year	17.02	in year 2009
36	The total number of faults forecast for the Forecast Year	16.20	in year 2010
37	The average annual number of faults forecast for the 5 Forecast Years	16.20	average over years 2010-2014
38	Fault Information per 100 circuit kilometres by Voltage and Type		
39		6.6kV & 11kV non-SWER	22kV non-SWER
40		SWER	SWER
41		33kV	50kV & 66kV
42		>66kV	
43	Is this voltage part of the EDB system?	Yes	No
44	Current Financial Year	17.94	5.22
45	Forecast Year	16.98	5.22
46	Average annual for 5 Forecast Years	16.98	5.22
47	Fault Information per 100 circuit kilometres by Voltage and Type		
48		6.6kV & 11kV non-SWER	22kV non-SWER
49		SWER	SWER
50		33kV	50kV & 66kV
51		>66kV	
52	Underground	8.80	3.99
53	Overhead	25.55	68.79
54	Reliability		
55	Overall reliability		
56	Based on the total number of interruptions	SAIDI	SAIFI
57		172.34	1.89
58	Reliability by interruption class		
59	Class B	SAIDI	SAIFI
60	Class C	4.94	0.03
61		148.50	1.65
62	Targets for Forecast Year		
63	Class B	SAIDI	SAIFI
64	Class C	3.87	0.03
65		100.10	1.56
66	Average targets for 5 Forecast Years		
67	Class B	SAIDI	SAIFI
68	Class C	3.87	0.03
69		100.10	1.56
70	PRICES		
71	Price information by Connection Point Class		
72	Connection Point Class		
73		Small Connection Points	Medium Connection Points
74		Large Connection Points	Largest 5 Connection Points
75		Total	
76	Gross line charge income (\$000)	307,643	62,611
77	Electricity Supplied to Customers' Connection Points (MWh)	3,628,963	959,874
78	Number of Connection Points (ICPs) at year end	486,419	30,204
79	Unit Price (cents/kWh)	8.5	6.5
80	Relative Unit Price Index	1.00	0.77
81			



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	15 kVA
95	Breakpoint between large and medium classes	69 kVA
96		



REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref	Electricity Distribution Business:		Vector Group				
6			For Year Ended: 2009				
7	Network Name:	Vector Group - Auckland					
	Disclosure:	Annual Disclosure - Requirement 6(1)					
9	QUALITY						
10	Interruptions						
11	Interruptions by class						
12	Class A	-	planned interruptions by Transpower:				
13	Class B	78	planned interruptions on the network				
14	Class C	457	unplanned interruptions on the network				
15	Class D	5	unplanned interruptions by Transpower				
16	Class E	-	unplanned interruptions of network owned generation				
17	Class F	-	unplanned interruptions of generation (non-network)				
18	Class G	-	unplanned interruptions caused by other electricity industry participant				
19	Class H	-	planned interruptions caused by other electricity industry participant				
20	Total	540	Total of above				
21	Interruption targets for Forecast Year						
22	Class B	2010	Current Financial Year +1				
23	Class C	78	planned interruptions on the network				
24		433	unplanned interruptions on the network				
25	Average interruption targets for 5 Forecast Years						
26	Class B	2010-2014	Current Financial Year +1 to +5				
27	Class C	78	planned interruptions on the network				
28		433	unplanned interruptions on the network				
29	Class C interruptions restored within						
30		≤3Hrs	>3hrs				
31		288	169				
32	Faults						
33	Faults per 100 circuit kilometres						
34	The total number of faults for Current Financial Year						
35		14.12	in year 2009				
36	The total number of faults forecast for the Forecast Year						
37		13.25	in year 2010				
38	The average annual number of faults forecast for the 5 Forecast Years						
39		13.25	average over years 2010-2014				
40	Fault Information per 100 circuit kilometres by Voltage and Type						
41		6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
42	Is this voltage part of the EDB system?	Yes	Yes	No	Yes	No	Yes
43	Current Financial Year	15.85	5.22		4.51		-
44	Forecast Year	15.03	5.22		4.51		1.53
45	Average annual for 5 Forecast Years	15.03	5.22		4.51		1.53
46	Fault Information per 100 circuit kilometres by Voltage and Type						
47		6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
48	Underground	7.98	3.99		2.48		-
49	Overhead	32.65	68.79		15.13		-
50	Reliability						
51	Overall reliability						
52	Based on the total number of interruptions	SAIDI	SAIFI	CAIDI			
53		111.50	1.28	87.43			
54	Reliability by interruption class						
55	Class B	SAIDI	SAIFI	CAIDI			
56	Class C	0.65	0.002	297.44			
57		79.81	0.95	84.43			
58	Targets for Forecast Year						
59	Class B	SAIDI	SAIFI	CAIDI			
60	Class C	0.62	0.01	74.81			
61		62.22	0.95	65.45			
62	Average targets for 5 Forecast Years						
63	Class B	SAIDI	SAIFI	CAIDI			
64	Class C	0.62	0.01	74.81			
65		62.22	0.95	65.45			
66	PRICES						
67	Price information by Connection Point Class						
68	Connection Point Class						
69		Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total	
70	Gross line charge income (\$000)	174,848	42,862	88,699	7,205	313,614	
71	Electricity Supplied to Customers' Connection Points (MWh)	2,142,937	640,536	2,501,340	403,482	5,688,295	
72	Number of Connection Points (ICPs) at year end	292,256	19,763	4,326	5	316,350	
73	Unit Price (cents/kWh)	8.2	6.7	3.5	1.8	5.5	
74	Relative Unit Price Index	1.00	0.82	0.43	0.22	0.68	



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		15 kVA
95	Breakpoint between large and medium classes		69 kVA
96			



REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref	Electricity Distribution Business:	Vector Group
6	For Year Ended:	2009
7	Network Name:	Vector Group - Northern & Lichfield
9	Disclosure:	Annual Disclosure - Requirement 6(1)
10	QUALITY	
12	Interruptions	
13	Interruptions by class	
14	Class A	- planned interruptions by Transpower
15	Class B	315 planned interruptions on the network
16	Class C	832 unplanned interruptions on the network
17	Class D	2 unplanned interruptions by Transpower
18	Class E	- unplanned interruptions of network owned generation
19	Class F	- unplanned interruptions of generation (non-network)
20	Class G	- unplanned interruptions caused by other electricity industry participant
21	Class H	- planned interruptions caused by other electricity industry participant
22	Total	1,149 Total of above
24	Interruption targets for Forecast Year	
25	Class B	2010 334 Current Financial Year +1
26	Class C	782 unplanned interruptions on the network
28	Average interruption targets for 5 Forecast Years	
29	Class B	2010-2014 334 Current Financial Year +1 to +5
30	Class C	782 unplanned interruptions on the network
32	Class C interruptions restored within	
33	≤3Hrs	>3hrs
34	453	379
35	Faults	
36	Faults per 100 circuit kilometres	
37	The total number of faults for Current Financial Year	19.15 in year 2009
38	The total number of faults forecast for the Forecast Year	17.91 in year 2010
39	The average annual number of faults forecast for the 5 Forecast Years	17.91 average over years 2010-2014
41	Fault Information per 100 circuit kilometres by Voltage and Type	
42		6.6kV & 11kV non-SWER 22kV non-SWER SWER 33kV 50kV & 66kV >66kV
43	Is this voltage part of the EDB system?	Yes No No Yes No Yes
44	Current Financial Year	19.39 17.39 11.52
45	Forecast Year	18.34 17.39 11.52
46	Average annual for 5 Forecast Years	18.34 17.39 11.52
48	Fault Information per 100 circuit kilometres by Voltage and Type	
49		6.6kV & 11kV non-SWER 22kV non-SWER SWER 33kV 50kV & 66kV >66kV
50	Underground	10.12 13.15 -
51	Overhead	23.30 19.05 11.52
53	Reliability	
54	Overall reliability	
55	Based on the total number of interruptions	SAIDI 265.71 SAIFI 2.85 CAIDI 93.37
57	Reliability by Interruption class	
58	Class B	SAIDI 11.53 SAIFI 0.08 CAIDI 152.67
59	Class C	253.92 2.74 92.78
61	Targets for Forecast Year	
62	Class B	SAIDI 8.87 SAIFI 0.07 CAIDI 122.23
63	Class C	158.26 2.51 63.14
65	Average targets for 5 Forecast Years	
66	Class B	SAIDI 8.87 SAIFI 0.07 CAIDI 122.23
67	Class C	158.26 2.51 63.14
70	PRICES	
72	Price information by Connection Point Class	
74	Connection Point Class	
75		Small Connection Points Medium Connection Points Large Connection Points Largest 5 Connection Points Total
76	Gross line charge income (\$000)	132,796 19,748 22,002 2,123 176,669
77	Electricity Supplied to Customers' Connection Points (MWh)	1,486,026 319,338 668,804 81,794 2,555,962
78	Number of Connection Points (ICPs) at year end	194,163 10,441 1,188 5 205,797
79	Unit Price (cents/kWh)	8.9 6.2 3.3 2.6 6.9
80	Relative Unit Price Index	1.00 0.69 0.37 0.29 0.77



REPORT MP3: PRICE AND QUALITY (cont)**Notes to Price and Quality Measures****89 MP3a: Connection Point Class breakpoints**

90
91
92
93
94
95
96

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



Circuit lengths at date of asset transfer

Information Disclosure Requirement 6(4) states that following an asset transfer, reports MP1 and MP3 must be completed for the day immediately before the transfer of assets. As Vector sold the Wellington network on 24 July 2008, this requirement is relevant to Vector's 2009 disclosure submission.

This requirement could not be met for the circuit length and transformer capacity sections of report MP1 (rows 10 to 37 of the reporting template). Vector's information systems do not have records as at 24 July 2008, instead the closest 'checkpoint' data is dated 30 June 2008. As this checkpoint data is the only available, MP1 has been populated with this data. The slight inaccuracy introduced by this date variance is considered to be immaterial.

Subtransmission customers excluded from Distribution Transformer Capacity values

The distribution transformers of three subtransmission-supplied customers have been excluded from the Distribution Transformer Capacity fields (rows 35-36 of MP1) as per the requirements.

The excluded capacities include the following locations;

- the EBD-owned distribution transformers at the Lichfield Cheese Factory (20.45MVA) based in Vector's Lichfield region.
- the customer-owned distribution transformers at the Pacific Steel (80MVA) based in Vector's Auckland region.
- the customer-owned distribution transformers at Auckland International Airport Ltd (30MVA) based in Vector's Auckland region.

Distribution Transformer Capacity Utilisation

As per Information Disclosure Requirement 6(4) the denominator for performance comparators must be calculated as a time-weighted average following an asset transfer. This has been performed for the Vector summary statistics (row 31 of MP2) with the first 114 days being the pre-sale distribution transformer capacity and the last 251 days being the post-sale distribution transformer capacity. The numerator is the maximum transformer demand of the final network configuration (Auckland and Northern regions only).

As the Auckland and Northern regions remained unaltered, no time-weighted averaging was required for their individual submissions.

Clause 17(4) of the Information Disclosure Requirements requires a note explaining which approach to 'Distribution Transformer Capacity Utilisation' calculation has been adopted. Vector's methodology is consistent with the Electricity Distribution (Information Disclosure) Requirement 2008.

Forecast methodology

All targets and forecasts submitted in the 'Asset Transfer' MP1 and MP3 documents (dated 23 July 2008) are as disclosed in Vector's 2008 Disclosure statement.

Targets and forecasts submitted in the 'Annual disclosure' MP1 and MP3 documents (dated 31 March 2009) are derived using the following methods (note that historical Wellington region statistics are excluded from these calculations);

- The interruption targets (rows 25-26 & 29-30 of MP3) are derived by listing the past 5 year's interruption frequency by network region and interruption class then taking the median of these values. To remain consistent, the 'Interruption targets for Forecast Year' (rows 25-26 of MP3) are equal to the 'Average interruption targets for 5 Forecast Years' (rows 29-30 of MP3).
- The forecast number of faults per 100 circuit kilometres (rows 38-39 of MP3) is derived by listing the network's fault frequency over the past 5 years, taking the median of these values and dividing by the total circuit length. For consistency, the forecast for the next reporting year (row 38 of MP3) is equal to the forecast for the next 5 years (row 39 of MP3).
- The forecast number of faults per 100 circuit kilometres by voltage type (rows 45-46 of MP3) are derived by listing the network's fault frequency by voltage level over the past 5 years, taking the median of these values and dividing by the circuit length of the appropriate voltage. For consistency, the forecast for the next reporting year (row 45 of MP3) is equal to the forecast for the next 5 years (row 46 of MP3).
- SAIDI and SAIFI forecasts (rows 62-63 & 66-67 of MP3) are consistent with Vector's Electricity Quality threshold targets. Specifically, they are the average SAIDI and SAIFI values for the Vector electricity network (excluding Transpower and Wellington-region outages) for the period from 1 April 1998 to 31 March 2003.

Maximum Demand Growth Forecast

The maximum demand growth forecast values (row 67 of MP1) are based upon growth trends predicted by Vector's load forecast model. Inputs to this model include Council population growth predictions, historical trends and known future load centres. The load forecast is performed annually. Vector's Asset Management Plan also incorporates these predictions.

Electricity volumes from both GXP's and Embedded Generators

The total electricity volumes for the month of July 2008 has been prorated for 23 days (row 70,72 of MP1 for period ended 23 July 2008).

Gross line charge income & Electricity Supplied to Customers' Connection Points

Gross line charge income and electricity supplied to customers' connection points for the month of July 2008 have been prorated for 23 days (row 76, 77 of MP3 for period ended 23 July 2008).



REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

Electricity Distribution Business: Vector Group

For Year Ended2009(\$000)

A) Five year forecasts of expenditure

From most recent Asset Management Plan

	Actual for Current Financial Year	year 1	year 2	year 3	year 4	year 5
for year ended	2009	2010	2011	2012	2013	2014
Capital Expenditure: Customer Connection		9,944	8,000	12,409	17,674	22,835
Capital Expenditure: System Growth		38,683	29,738	32,607	43,561	53,346
Capital Expenditure: Reliability, Safety and Environment		5,680	5,129	5,821	6,170	5,045
Capital Expenditure: Asset Replacement and Renewal		42,089	40,574	45,693	51,311	54,732
Capital Expenditure: Asset Relocations		6,676	5,543	5,720	6,000	6,000
Subtotal - Capital Expenditure on asset management	138,990	103,072	88,984	102,250	124,716	141,958
Operational Expenditure: Routine and Preventative Maintenance		10,793	10,725	10,517	10,395	10,256
Operational Expenditure: Refurbishment and Renewal Maintenance		13,477	13,392	13,133	12,980	12,807
Operational Expenditure: Fault and Emergency Maintenance		19,974	19,848	19,463	19,236	18,980
Subtotal - Operational Expenditure on asset management	36,537	44,244	43,965	43,113	42,611	42,043
Total direct expenditure on distribution network	175,527	147,316	132,949	145,363	167,327	184,001
Overhead to Underground Conversion Expenditure		12,200	12,200	12,200	12,200	12,200

The Electricity Distribution Business is to provide the amount of Overhead to Underground Conversion Expenditure included in each of the above Expenditure Categories (explanatory notes can be provided in a separate note if necessary).

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

	Actual for Current Financial Year (a)	Previous forecast for Current Financial Year (b)	% Variance (a)/(b)-1
Capital Expenditure: Customer Connection	-		Not defined
Capital Expenditure: System Growth	-		Not defined
Capital Expenditure: Reliability, Safety and Environment	-		Not defined
Capital Expenditure: Asset Replacement and Renewal	-		Not defined
Capital Expenditure: Asset Relocations	-		Not defined
Subtotal - Capital Expenditure on asset management	138,990		Not defined
Operational Expenditure: Routine and Preventative Maintenance	-		Not defined
Operational Expenditure: Refurbishment and Renewal Maintenance	-		Not defined
Operational Expenditure: Fault and Emergency Maintenance	-		Not defined
Subtotal - Operational Expenditure on asset management	36,537		Not defined
Total direct expenditure on distribution network	175,527	-	Not defined

Explanation of variances

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

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

