

Appendix Two - Year Specific Data for 1 April 2009

Periods Covered												
Capacity Measurement Period	1 September 2007 to 31 August 2008											
Pricing Year	1 April 2009 to 31 March 2010											

Pricing Year		
Input / Parameter	2008 / 09	2009 / 10

Capacity Levels (MW)			
Historical Anytime Maximum Injection (HAMI)	3,286	3,349	Aggregation of the average of the 12 highest injection quantities measured at each South Island generation injection location during the capacity measurement period for the current pricing year and each of the four preceding pricing years.
Total Regional Coincident peak Demand (RCPD)	6,052	5,825	
RCPD – Upper North Island (UNI)	1,932	1,857	Aggregation of customer offtakes at each offtake customer connection location in each region during the N regional peak demand periods, where: N = 12 in the Upper North and Upper South regions N = 100 in the Lower North and Lower South regions.
RCPD – Lower North Island (LNI)	2,018	1,889	
RCPD – Upper South Island (USI)	1,050	1,055	
RCPD – Lower South Island (LSI)	1,052	1,025	

Recovery Rates					
WACC	Pre-tax (%)	11.14	11.14	Weighted average cost of capital used by Transpower to determine AC and HVDC revenue for the pricing year.	
	Post-tax (%)	7.8	7.8		
Asset Return Rate (%)		6.93	7.10	As determined and applied according to Clause 4.7 of Schedule F5 of Section IV of Part F of the EGRs.	
	RAVconn (\$M)	509.55	508.61		
	Dconn (\$M)	26.70	28.31		
	RCconn (\$M)	1204.35	1197.44		
Interconnection Rate (\$/KW)		63.74	70.94	As determined and applied according to Clause 5.3 of Schedule F5 of Section IV of Part F of the EGRs.	
HVDC Rate (\$/KW)		25.25	23.39	As determined and applied according to Clause 6.2 of Schedule F5 of Section IV of Part F of the EGRs.	
Maintenance Recovery Rates					
	Substations (%)	1.93	2.02	As determined and applied according to Clause 4.11 of Schedule F5 of Section IV of Part F of the EGRs.	
	220 kV tower lines (\$/km)	2,734	3,145		
	All other tower lines (\$/km)	2,851	3,059		As determined and applied according to Clause 4.13 of Schedule F5 of Section IV of Part F of the EGRs.
	Pole lines (\$/km)	2,758	2,989		
Injection Overhead Rate (%)		5.90	3.26	As determined and applied according to Clause 4.20 of Schedule F5 of Section IV of Part F of the EGRs.	
Operating Recovery Rate (\$/switch)		1,064	1,109	As determined and applied according to Clause 4.16 of Schedule F5 of Section IV of Part F of the EGRs.	

Revenue Requirement \$M				
AC	Operating	8.23	8.28	
	Maintenance	76.88	84.23	Greater portion of the Commission Commerce operating threshold charged to maintenance. Partially offset by reduction in overheads to remain with the Commerce Commission threshold.
	Overheads	125.50	121.67	Greater proportion of the Commerce Commission operating threshold charged to AC maintenance and DC overheads which reduced the portion allocated to AC overheads.
	Capital	329.75	354.90	Continuing investment in the grid has increased the average operating capital.
	HVAC EVA	-31.80	-29.06	The EVA balance reduces over time as it is returned to customers.
	Total AC	508.56	540.03	
DC	Operating	0.00	0.00	
	Maintenance	8.01	8.60	Three yearly Remote Operating Vehicle Survey; partially offset by lower maintenance costs and the allocation of 50% of maintenance relating to synchronous condensers to AC due to their use for AC voltage support.
	Overheads	8.48	12.67	Increase in HVDC instantaneous reserve costs allocated to Transpower.
	Capital	58.93	49.94	Lower capital charge due to the lower average operating capital and the removal of 50% of synchronous condensers now allocated to AC due to their use for AC voltage support.
	HVDC EVA	7.54	7.12	EVA adjustment is capped at 10% of the gross revenue requirement.
	Total DC	82.96	78.33	
Total	591.53	618.36		