

Appendix Two - Year Specific Data for 1 April 2010

Periods Covered												
Capacity Measurement Period	1 September 2008 to 31 August 2009											
Pricing Year	1 April 2010 to 31 March 2011											

Pricing Year			
Input / Parameter	2008 / 09	2009 / 10	2010 / 11

Capacity Levels (MW)				
Historical Anytime Maximum Injection (HAMI)	3,286	3,200	3,206	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	5,980	Aggregation of customer offtakes at each offtake customer connection location in each region during the N regional peak demand periods, where:
RCPD – Upper North Island (UNI)	1,932	1,857	1,989	N = 12 in the Upper North and Upper South regions
RCPD – Lower North Island (LNI)	2,018	1,889	1,964	
RCPD – Upper South Island (USI)	1,050	1,055	1,031	N = 100 in the Lower North and Lower South regions.
RCPD – Lower South Island (LSI)	1,052	1,025	995	

Recovery Rates					
WACC	Pre-tax (%)	11.14	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	7.8	
Asset Return Rate (%)		6.93	7.10	7.00	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	498.28	
	Dconn (\$M)	26.70	28.31	27.74	
	RCconn (\$M)	1204.35	1197.44	1189.63	
	Total RC (\$M)	3,632.49	3,663.55	3696.13	
Interconnection Rate (\$/KW)		63.74	70.94	69.12	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	24.48	26.46	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	2.17	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	3,355	As determined and applied according to Clause 4.13 of Schedule F5 of Section IV of Part F of the EGRs.
	All other tower lines (\$/km)	2,851	3,059	3,427	
	Pole lines (\$/km)	2,758	2,989	3,199	
Injection Overhead Rate (%)		5.90	3.26	2.53	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	1,132	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	8.70	
	Maintenance	76.88	84.23	87.72	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	106.00	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	376.74	Continuing investment in the grid has increased the average operating capital.
	HVAC EVA	-31.80	-29.06	-40.30	
	Total AC	508.56	540.03	538.85	
DC	Operating	0.00	0.00	0.00	
	Maintenance	8.01	8.60	8.38	09/10 Included three yearly Remote Operating Vehicle Survey
	Overheads	8.48	12.67	21.71	Increase in HVDC instantaneous reserve costs allocated to Transpower.
	Capital	58.93	49.94	47.03	Lower capital charge due to the lower average operating capital.
	HVDC EVA	7.54	7.12	7.71	EVA adjustment is capped at 10% of the gross revenue requirement.
	Total DC	82.96	78.33	84.83	
Total	591.53	618.36	623.68		