Information Disclosure prepared According to Subpart 3 of the part 4A Commerce Act 1986

For the Assessment Period:
1 April 2008-31 March 2009

Contents

		Page
I.	**Introduction**	2
II.	**Schedules**	
1.	FS1 Regulatory Profit Statement	3-4
2.	FS2-Regulatory Asset and Financing Statement	5
3.	FS3-Regulatory Tax Allowance Calculation	6
4.	AV1-Annual Regulatory Roll-Forward Report	7
5.	AV2-Regulatory Valuation Disclosure by Asset Class	8
6.	AV3-System Fixed Assets Replacement Cost Roll-Forward Report	9
7.	AV4-Business Merger, Acquisition or sale-Regulatory Asset Base Disclosure	10
8.	MP1-Network Information	11-12
9.	MP2-Performance Measures	13
10.	MP3-Price and Quality Measures	14-15
11.	AM1-Expenditure Forecasts and Reconciliation	16
III.	**Transitional Provisions**	
1.	Efficiency Performance Measures	17
2.	Energy Delivery Efficiency Performance Measures	17
3.	Transactions between Related Parties	18-19
IV.	**Director's Certificate**	
	Certificate for Disclosed Information	20
V.	**Auditor's Report**	
	Auditor's Report	21-23

I. Introduction

These Information Disclosure documents are submitted by Top Energy Ltd pursuant to subpart 3 of Part 4A of the Commerce Act 1986 in accordance with

- The Electricity Information Disclosure Requirements issued 31 March 2004, consolidating all amendments to 31 October 2008
- The Electricity Distribution (Information Disclosure) Requirements 2008
- The Electricity Information Disclosure Handbook (as amended 31 October 2008)
- The Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Lines Businesses (30 August 2004)

Part 4A of the Commerce Act 1986 provides for a regulatory regime for electricity lines businesses, which inter alia sets out provisions for an information disclosure regime in order to allow for public monitoring of lines operations and behaviour. The purpose of the information disclosure regime is to promote the efficient operation of markets directly related to electricity distribution and transmission services. This is to be achieved by ensuring that lines companies provide timely and reliable information about their business activities and make that information publicly accessible for interested parties.

II. Schedules

REPORT FS1: REGULATORY PROFIT STATEMENT

ref					
		Electricity Distribution Business:	Top Energy Limited		
5			For Year Ended	2009	
6	**Income**				
7				**($000)**	
8		Net Line Charge Revenue Received	25,509		
9	*plus*	Discretionary Discounts and Customer Rebates	-		*FS1a*
10		**Gross Line Charge Income**		25,509	
11					
12					
13		Capital Contributions	1,588		
14	*plus*	Net Value of Vested Assets	1,078		
15		**Total Capital Contributions and Vested Assets**		2,666	
16					
17		AC Loss Rental Rebates Received	1,321		
18	*less*	AC Loss Rental Rebates Passed On	1,268		
19		**Net AC loss rental income (deficit)**		53	
20					
21					
22		**Other Income**			
23				-	
24					
25		**Total regulatory income**		**28,228**	
26					
27					
28	**Expenses**				
29					
30		Transmission Charges - Payments to Transpower	5,530		
31	*plus*	Avoided Transmission Charges - payments to parties other than Transpower	767		
32		**Total Transmission Costs**		6,297	
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	9,897		
42		**Total Operational Expenditure**		9,897	*to MP2*
43					
44					
45	**Operational earnings**			**12,034**	
46					
47					
48		Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	4,794		*from AV1*
49	*plus*	Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	245		*from AV1*
50		**Total Regulatory Depreciation**		5,039	*to FS3*
51					
52					
53	**Earnings before interest and tax (EBIT)**			**6,995**	*to FS3*
54					
55	*less*	**Regulatory Tax Allowance**		248	*from FS3*
56					
57	*plus*	**Indexed Revaluation (of System Fixed Assets)**		3,481	*from AV1*
58	*plus*	**Revaluations of Non-System Fixed Assets**		-	*from AV1*
59					
60	**Regulatory profit / loss (pre-financing and distributions)**			**10,228**	*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	767	
77	Operational Expenditure	4,425	
78	Subvention Payment		
79	Other related party expenditure		
80	**Total Related Party Expenditure**		5,192
81			
82	*N.B.: The additional Related Party information that is required to be disclosed in accordance with Section 3 of the Information Disclosure Handbook is to be disclosed by way of a separate note to this Schedule and*		
83	*forms part of this Schedule.*		
84			

87	**FS1c: Operational Expenditure notes**	**($000)**	
88			
89	**Merger and Acquisition Expenses**		
90	Merger and Acquisition Expenses (not to be included in Operational Expenditure)		
91			
92	**Material items (if greater than 10% of the Operational Expenditure line item)**		
93	Material item amount 1	4,261	*Notes to be provided separately*
94	within expenditure category:	Routine and Preventative Maintenance	
95			
96	Material item amount 2	2,763	*Notes to be provided separately*
97	within expenditure category:	General Management, Administration a	
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		139

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

FS1c Material item

1. $4,261K being the total maintenance expenditure for the year ended 31 March 2009.
2. $2,763K being the total cost of salaries and wages for the year ended 31 March 2009.

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref					
		Electricity Distribution Business:	Top Energy Limited		
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**		**10,518**	*to AM1*
14					
15					
16	**Capital Expenditure on Non-System Fixed Assets**			**189**	*from AV1*
17					
18					
19	**Capital works roll-forward (for System Fixed Assets)**				
20		Works Under Construction at Beginning of Year	1,108		
21	*plus*	Total Capital Expenditure on System Fixed Assets	10,518		
22	*less*	Assets Commissioned in Year	10,569		*from AV1*
23		**Works under construction at year end**		**1,057**	
24					
25					
26	**Regulatory Investment Value calculation**				
27		System Fixed Assets: regulatory value at end of Previous Year	117,225		*from AV1*
28		Non-System Fixed Assets: regulatory value at end of Previous Year	2,079		*from AV1*
29		Finance During Construction Allowance (on System Fixed assets)	2,872		2.45%
30		**Total Regulatory Asset Base value at beginning of Current Financial Year**		122,176	
31					
32	*plus*	System Fixed Assets Commissioned in Year	10,569		*from AV1*
33		System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	(271)		*from AV1*
34		Non-System Fixed Assets: Asset Additions	189		*from AV1*
35		Regulatory Asset Base investment in Current Financial Year - total	10,487		
36		**Regulatory Asset Base investment in Current Financial Year - average**		5,244	
37					
38	*plus (minus) where a merger or acquisition has taken place within the year*				
39		**Adjustment for merger, acquisition or sale to another EDB**		-	*from AV4*
40					
41	**Regulatory Investment Value**			**127,420**	*to MP2*

Note

Under the Transitional Provisions there is no requirement to disclose the break-down of capital expenditure on System Fixed Assets and therefore all Capital Expenditure has been aggregated to Asset Relocations.

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref					
		Electricity Distribution Business:	Top Energy Limited		
5		For Year Ended	2009		
6					
7				($000)	
8		**Earnings before interest and tax (EBIT)**		6,995	*from FS1*
9					
10	*add*	Total Regulatory Depreciation	5,039		*from FS1*
11		Other Permanent Differences - not deductible	20		
12		Other Temporary Adjustments - Current Period	481		
13				5,540	
15	*less*	Non Taxable Capital Contributions and Vested Assets	2,805		
16		Tax Depreciation	4,277		
17		Deductible Discretionary Discounts and Customer Rebates			
18		Deductible Interest	4,169		*from row 53*
19		Other Permanent Differences - Non Taxable			
20		Other Temporary Adjustments - Prior Period	457		
21				11,708	
22					
23		**Regulatory taxable income for Year**		**827**	
24					
25	*less*	Tax Losses Available at Start of Year			
26		**Net taxable income**		**827**	
27					
28		Statutory Tax Rate	30%		
29		**Regulatory Tax Allowance**		**248**	*to FS1*

Notes to Regulatory Tax Allowance Calculation

36 **FS3a: Description of adjustments classified as "other"**

37

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

40

41 Permanent Differences-include non deductible entertainment and legal fees; Other Temporary Adjustments (current and prior periods) include payroll accruals.

42

43

44

45

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

49

50	Standard Debt Leverage Assumption (debt/total assets)	40%	%	
51				
52	Standard Cost of Debt Assumption	8.18%	%	
53				
54	Deductible Interest	4,169	$000	*to row 18*
55				
56	Interest Tax Shield Adjustment	1,251	$000	*to MP2*

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref							
5					Electricity Distribution Business:	Top Energy Limited	
6					For Year Ended:	2009	
7					Year of most recent ODV	2004	
8						($000)	
9		ODV Year + 1	ODV Year + 2	ODV Year + 3	ODV Year + 4	ODV Year + 5	
10	For Year Ending:	2005	2006	2007	2008	2009	
11	**System Fixed Assets**						
12	**Regulatory Value at End of Previous Year***	96,695	99,796	104,814	110,769	117,225	*to FS2*
13	*plus*						
14	Assets Commissioned	4,038	4,842	7,087	6,020	10,569	*to FS2*
15	Gross Value of Vested Assets	482	958	636	1,138	1,217	*to FS1*
16	Assets Acquired from (Sold to) a Non-EDB					(271)	*to FS2*
17	**Asset Additions**	4,520	5,800	7,723	7,158	11,515	
18	*plus*						
19	**Indexed Revaluation**	2,605	3,351	2,660	3,729	3,481	*to FS1*
20	*less*						
21	Depreciation of System Fixed Assets	4,024	4,133	4,307	4,523	4,794	
22	Regulatory Value of Assets Decommissioned			121			
23	**Regulatory Depreciation (incl. value of assets decommissioned)**	4,024	4,133	4,428	4,523	4,794	*to FS1*
24							
25	*plus (minus)*						
26	Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	*from AV4*
27	*less* Sale of System Fixed Assets to another EDB	-	-	-	-	-	*from AV4*
28	**Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB**	-	-	-	-	-	
29							
30	*plus (minus)*						
31	**Net Increase (Decrease) Due to Changes in Asset Register Information**				92	-	
32							
33	**Regulatory Value of System Fixed Assets at Year End**	**99,796**	**104,814**	**110,769**	**117,225**	**127,427**	
34							
35	**Non-System Fixed Assets**						
36	**Regulatory value at end of previous year**	2,357	2,275	2,237	2,236	2,079	
37							
38	*plus* Asset Additions	197	270	298	166	189	*to FS2*
39	*plus* Revaluations						*to FS1*
40	*less* Depreciation (incl. value of assets decommissioned)	279	308	299	323	245	*to FS1*
41	*plus* Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	*from AV4*
42	**Regulatory Value of Non-System Fixed Assets at Year end**	**2,275**	**2,237**	**2,236**	**2,079**	**2,023**	
43							
44							
45	**Total Regulatory Asset Base Value (excluding FDC)**	**102,071**	**107,051**	**113,005**	**119,304**	**129,450**	
46							
47							
48	** The commencing figure for completing this schedule is the most recent ODV value*						
49	*Note: Additional columns to be added if required*						

Notes to Annual Regulatory Valuation Roll-forward Report

57	**AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets**						
58	CPI as at date of ODV	928					
59							
60	For Year Ended	**2005**	**2006**	**2007**	**2008**	**2009**	
61	CPI at CPI reference date	953	985	1010	1044	1075	
62	**Revaluation Rate**	**2.69%**	**3.36%**	**2.54%**	**3.37%**	**2.97%**	
63							
64	System Fixed Assets: Regulatory Value at End of Previous Year	96,695	99,796	104,814	110,769	117,225	
65	**Indexed Revaluation of System Fixed Assets**	**2,605**	**3,351**	**2,660**	**3,729**	**3,481**	*to FS1, AV1*

68	**AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB**					($000)	
69	For Year Ended	**2005**	**2006**	**2007**	**2008**	**2009**	
70	Acquisition of System Fixed Assets from another EDB						
71	Sale of System Fixed Assets to another EDB						
72	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB						

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

Electricity Distribution Business: Top Energy Limited

For Year Ended: 2009

Subtotals by Asset Class (for System Fixed Assets)

($000)

ref	System Fixed Assets	Subtransmission	Zone Substations	Distribution & LV Lines	Distribution & LV Cables	Distribution Substations and Transformers	Distribution Switchgear	Other System Fixed Assets	Total for System Fixed Assets (per AV1)	
13	Regulatory Value of System Fixed Assets (as per most recent ODV)	7,729	6,468	38,917	21,692	14,575	6,602	712	**96,695**	*from AV1*
15	***Cumulative roll-forward since most recent ODV:***									
16	Asset Additions								36,716	*from AV1*
17	Indexed Revaluation (of System Fixed Assets)								15,826	*from AV1*
18	*less* Regulatory Depreciation (of System Fixed Assets)								21,902	*from AV1*
19	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-	*from AV1*
20	Net Increase (Decrease) Due to Changes in Asset Register Information								92	*from AV1*
21	**Regulatory Value of System Fixed Assets at Year End**								**127,427**	*from AV1*

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

ref				
		Electricity Distribution Business:	Top Energy Limited	
5		For Year Ended:	2009	
6	**System Fixed Assets - Replacement Cost**			
7			**($000)**	
8		**Replacement cost at end of previous year**	232,805	
9				
10		Asset Additions	11,266	*AV3a*
11		Indexed Revaluation (of System Fixed Assets)	6,913	
12	*less*	Replacement Cost of Assets Decommissioned		
13		Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	*from AV4*
14		Net Increase (Decrease) Due to Changes in Asset Register Information		
15		**Replacement cost of System Fixed Assets at year end**	**250,984**	
16				
17				
18	**System Fixed Assets - Depreciated Replacement Cost**			
19				
20		**Depreciated Replacement Cost at end of previous year**	118,444	
21				
22		Asset Additions	11,515	*AV3a*
23		Indexed Revaluation (of System Fixed Assets)	3,517	
24	*less*	Depreciation of Replacement Cost	4,846	
25	*less*	Depreciated Replacement Cost of Assets Decommissioned	-	
26		Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	*from AV4*
27		Net Increase (Decrease) Due to Changes in Asset Register Information	-	
28		**Depreciated replacement cost of System Fixed Assets at year end**	**128,630**	

REPORT AV3: SYSTEM FIXED ASSETS REPLACEMENT COST ROLL-FORWARD REPORT (cont)

Notes to Price and Quality Measures

36	**AV3a: New Asset Additions**			
37				
38		Asset Additions - Depreciated Replacement Cost	11,515	*from AV1*
39	*plus*	Difference in Replacement Cost and Depreciated Replacment Cost values of Asset Additions	(249)	
40				
41		**Asset Additions - Replacement Cost**	11,266	
42				

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

Electricity Distribution Business: Top Energy Limited

ref

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

8 As at (date): 31/03/2009

9 Proportion of year following transfer of assets 0%

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

		Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transformer	Distribution switchgear	Other System Fixed Assets	**Total for System Fixed Assets**
14	Replacement Cost (RC)								-
16	*less* Depreciation								-
17	**Depreciated Replacement Cost (DRC)**	-	-	-	-	-	-	-	-
19	*less* Optimisation adjustment								-
20	**Optimised Depreciated Replacement Cost (ODRC)**	-	-	-	-	-	-	-	-
22	*less* Economic Value Adjustment (EVA)								-
23	**Most recent ODV value**	-	-	-	-	-	-	-	-

26 **PART 2: Valuation disclosure for transferred assets by Asset Class (at transfer date)** ($000)

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

47 **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**	
49	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	*to AV3*
50	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	*to AV3*

53 Signed by: Selling Entity

56 Acquiring Entity

REPORT MP1: NETWORK INFORMATION
(Separate report required for each Non-Contiguous Network)

ref					
				Electricity Distribution Business:	Top Energy Limited
6				For Year Ended:	2009
7	Network Name:	Top Energy Limited		*(enter "Total Business" or name of network)*	
	Disclosure:	Annual Disclosure - Requirement 6(1)			
9					
10	**Circuit Length by Operating Line Voltage (at year end)**	**Overhead (km)**	**Underground (km)**	**Total (km)**	
11					
12	> 66kV	-	-	-	
13	50kV & 66kV	-	-	-	
14	33kV	263	1	263	
15	SWER (all SWER voltages)	462		462	
16	22kV (other than SWER)	21	8	29	
17	6.6kV to 11kV (inclusive - other than SWER)	2,077	149	2,226	
18	Low Voltage (< 1kV)	234	623	857	
19	**Total circuit length (for Supply)**	**3,056**	**781**	**3,837**	*to MP2*
20					
21	**Dedicated Street Lighting Circuit Length**	10	320	330	
22					
23	**Overhead Circuit Length by Terrain (at year end)**	**(km)**	**(%)**		
24	Urban (only)	173	6%		
25	Rural (only)	2,412	79%		
26	Remote (only)	-	0%		
27	Rugged (only)	-	0%		
28	Rural & rugged (only)	237	8%		
29	Remote & rugged (only)	-	0%		
30	Unallocated overhead lines	234	8%		
31	**Total overhead length**	**3,056**	100%		
32		-			
33					
34	**Transformer capacity (at year end)**				***Previous Year***
35	Distribution Transformer Capacity (EDB Owned)		228	MVA	*220*
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)		41	MVA	*36*
37	**Total Distribution Transformer Capacity**		269	MVA *(to MP2)*	*256*
38					
39	Zone Substation Transformer Capacity		267	MVA	*232*
40					
41	**System Fixed Assets age (at year end)**				
42	Average Age of System Fixed Assets		24	Years	
43	Average Expected Total Life of System Fixed Assets		50	Years	
44	Average Age as a Proportion of Average Expected Total Life		49%	%	
45					
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life		16%	%	
47					

Note

"Unallocated overhead lines" under "Overhead Circuit Length by Terrain (at year end)" section are Low Voltage (< 1kV) overhead lines only. Top Energy did not capture the terrain information for LV lines in the past, in order to preserve the data integrity of other terrain categories; Top Energy defines all LV overhead lines as unallocated in this Disclosure.

Previous year's transformer capacity (at year end) has been restated to its correct value.

MP1 Continued

			Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)		
48						
49						
50						
51	**Electricity demand**					
52						
53		**GXP Demand**	40	58		
54	*plus*	Embedded Generation Output at HV and Above	24			
55		**Maximum System Demand**	63			
56	*less*	Net Transfers to (from) Other EDBs at HV and Above	-			
57		***Demand on system for supply to customers' Connection Points***	63			
58	*less*	Subtransmission Customers' Connection Point Demand	-	0		
59		**Maximum Distribution Transformer Demand**	63			*to MP2*
60						
61		GXP Demand not Supplied at Subtransmission Level	-			
62		Embedded Generation Output - Connected to Subtransmission System	24	26		
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**	4.8	% p.a.		
68						
69	**Electricity volumes carried**		(GWh)			
70		Electricity Supplied from GXPs	226			
71	*less*	Electricity Exports to GXPs	10			
72	*plus*	Electricity Supplied from Embedded Generators	140			
73	*less*	Net Electricity Supplied to (from) Other EDBs	-			
74		***Electricity entering system for supply to customers' Connection Points***	356			
75	*less*	Electricity Supplied to Customers' Connection Points	325			*to MP2*
76		**Electricity Losses (loss ratio)**	31	8.8%	%	
77						
78		Electricity Supplied to Customers' Connection Points	325			
79	*less*	Electricity Supplied to Largest 5 Connection Points	59			
80		**Electricity supplied other than to Largest 5 Connection Points**	266	82%	%	
81						
82	**Load Factor**		64%	%		
83						
84	**Number of Connection Points (at year end)**		30,453	ICPs		*to MP2*
85						
86	**Intensity of service requirements**					
87		Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	16	kW/km		
88		Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	85	MWh/km		
89		Connection Point Density (ICPs / Total circuit length)	8	ICP/km		
90		Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	10,657	kWh/ICP		

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: Top Energy Limited

For Year Ended: 2009

Performance comparators

	Previous Years: Current Yr - 3	Current Yr - 2	Current Yr - 1	Current Financial Year		
Operational expenditure ratio						
Total Operational Expenditure			9	10	$m	*from FS1*
Replacement Cost of System Fixed Assets (at year end)*			233	251	$m	*from AV3*
Ratio (%)	Not defined	Not defined	3.71%	**3.94%**	%	
Capital expenditure ratio						
Total Capital Expenditure on System Fixed Assets			6	11	$m	*from FS2*
Replacement Cost of System Fixed Assets (at year end)*			233	251	$m	*from AV3*
Ratio (%)	Not defined	Not defined	2.59%	**4.19%**	%	
Capital expenditure growth ratio						
Capital Expenditure: Customer Connection and System Growth				-	$m	*from FS2*
Change in Total Distribution Transformer Capacity			34	13	MVA	*from MP1*
$/kVA	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			5	5	$m	*from AV1*
Ratio (%)	Not defined	Not defined	0%	**0%**	%	
Distribution Transformer Capacity Utilisation						
Maximum Distribution Transformer Demand	59	64	63	63	MW	*from MP1*
Total Distribution Transformer Capacity (at year end)*	205	187	256	269	kVA	*from MP1*
Ratio (%)	28.8%	34.3%	24.5%	**23.6%**	%	
Return on Investment						
Regulatory Profit / Loss (pre-financing and distributions)			10	10	$m	*from FS1*
less Interest Tax Shield Adjustment			1	1	$m	*from FS3*
Adjusted Regulatory Profit	-	-	9	9	$m	
Regulatory Investment Value			119	127	$m	*from FS2*
Ratio (%)	Not defined	Not defined	7.77%	**7.05%**	%	

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

Expenditure comparison table

	Expenditure metrics ($ per): Total circuit length (for Supply) ($/km)	Electricity Supplied to Customers' Connection Points ($/MWh)	Maximum coincident system demand ($/MW)	Connection Point ($/ICP)	Distribution Transformer Capacity (EDB-Owned) ($/MVA)	
Capital Expenditure ($) per	2,790	33	169,178	352	46,977	*from FS2 & MP1*
Operational Expenditure ($) per	2,579	30	156,380	325	43,423	*from FS1 & MP1*

Note

Under the Transitional Provisions there is no requirement to provide previous years information for Operational Expenditure Ratio, Capital Expenditure Ratio, Capital Expenditure Growth Ratio, Renewal Expenditure Ratio and Return on Investment.

REPORT MP3: PRICE & QUALITY MEASURES
(Separate report required for each Non-contiguous Network)

ref		
6	Electricity Distribution Business:	Top Energy Limited
	For Year Ended:	2009
7	Network Name:	Top Energy Limited
	Disclosure:	Annual Disclosure - Requirement 6(1)
9		
10	**QUALITY**	
11		
12	**Interruptions**	
13	**Interruptions by class**	
14	Class A	1 planned interruptions by Transpower:
15	Class B	293 planned interruptions on the network
16	Class C	443 unplanned interruptions on the network
17	Class D	3 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**	**740 Total of above**
23		
24	**Interruption targets for Forecast Year**	**2010 Current Financial Year +1**
25	Class B	449 planned interruptions on the network
26	Class C	413 unplanned interruptions on the network
27		
28	**Average interruption targets for 5 Forecast Years**	**2010-2014 Current Financial Year +1 to +5**
29	Class B	476 planned interruptions on the network
30	Class C	352 unplanned interruptions on the network
31		
32	**Class C interruptions restored within**	≤3Hrs >3hrs
33		238 205
34		
35	**Faults**	
36	**Faults per 100 circuit kilometres**	
37	The total number of faults for Current Financial Year	11.54 in year 2009
38	The total number of faults forecast for the Forecast Year	10.76 in year 2010
39	The average annual number of faults forecast for the 5 Forecast Years	9.18 average over years 2010-2014
40		
41	**Fault Information per 100 circuit kilometres by Voltage and Type**	

ref		6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
42							
43	Is this voltage part of the EDB system?	Yes	Yes	Yes	Yes	No	No
44	Current Financial Year	7.14	0.03	3.65	0.73		
45	Forecast Year	6.65	0.02	3.38	0.70		
46	Average annual for 5 Forecast Years	5.71	0.02	2.85	0.60		
47							
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	0.36	0.03	-	0.10		
51	Overhead	6.78	-	3.65	0.63		
52							

MP3 Continued

Reliability			
Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	915.16	10.88	84.10
Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	73.90	0.60	123.25
Class C	841.26	10.28	81.82
Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	80.00	1.20	66.67
Class C	384.00	5.28	72.73
Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	84.80	1.27	66.67
Class C	328.00	3.94	83.16

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)	20,795	2,722	479	1,513	25,509	*from FS1*
Electricity Supplied to Customers' Connection Points (MWh)	225,036	33,416	7,356	58,738	324,546	*from MP1*
Number of Connection Points (ICPs) at year end	30,271	164	13	5	30,453	*from MP1*
Unit Price (cents/kWh)	**9.2**	**8.1**	**6.5**	**2.6**	**7.9**	
Relative Unit Price Index	1.00	0.88	0.70	0.28	0.85	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

Connection Point Class breakpoints methodology	Metering installation category based breakpoints	
kVA based breakpoints - additional disclosure		
Breakpoint between small and medium classes	23	kVA
Breakpoint between large and medium classes	345	kVA

Note: Connection Point Class breakpoints

The definition for large connection points (excluding largest 5 connection points), Electricity Distribution (Information Disclosure) Requirements 2008 dated 31 October 2008, suggests an upper limit of 100kVA. However, according to Electricity Commission Metering Installation Information Guide v1.0, ICPs qualified under such boundary are Metering Installation Category 1 but not all Category 2 ICPs.

The company believes that it is not feasible in following the definition of less than 100kVA strictly, since Top Energy classifies all Category 1 ICPs as small connection points. Rather, it is more reasonable to include Category 2 ICPs as medium connection points. In the absence of satisfactory data regarding the capacity of a Connection Point, the company considers it acceptable to include in the large connection point class those ICPs that are defined as being in Metering Installation Categories 3, 4, 5, and 6, as defined under the Electricity Governance Rules, excluding the largest 5 connection points.

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

Electricity Distribution Business: Top Energy Limited

For Year Ended 2009

($000)

A) Five year forecasts of expenditure

From most recent Asset Management Plan

	Actual for Current Financial Year	Forecast Years year 1	year 2	year 3	year 4	year 5	
for year ended	2009	2010	2011	2012	2013	2014	
Capital Expenditure: Customer Connection	-	800	1,200	1,500	1,500	1,500	*from FS2*
Capital Expenditure: System Growth	-	2,669	6,075	6,210	8,843	13,163	*from FS2*
Capital Expenditure: Reliability, Safety and Environment	-	2,966	1,026	2,322	1,466	1,250	*from FS2*
Capital Expenditure: Asset Replacement and Renewal	-	3,466	3,977	3,325	4,275	4,750	*from FS2*
Capital Expenditure: Asset Relocations	-	182	209	175	225	250	*from FS2*
Subtotal - Capital Expenditure on asset management	**10,518**	**10,083**	**12,487**	**13,532**	**16,309**	**20,913**	
Operational Expenditure: Routine and Preventative Maintenance	-	4,294	4,509	4,735	2,654	2,787	*from FS1*
Operational Expenditure: Refurbishment and Renewal Maintenance	-	500	525	551	579	608	*from FS1*
Operational Expenditure: Fault and Emergency Maintenance	-	1,000	800	600	630	662	*from FS1*
Subtotal - Operational Expenditure on asset management	**4,261**	**5,794**	**5,834**	**5,886**	**3,863**	**4,056**	
Total direct expenditure on distribution network	**14,779**	**15,878**	**18,321**	**19,418**	**20,172**	**24,969**	
Overhead to Underground Conversion Expenditure	-	-	-	-	-	-	

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	*from row 10*
Capital Expenditure: System Growth	-		Not defined	*from row 11*
Capital Expenditure: Asset Replacement and Renewal	-		Not defined	*from row 12*
Capital Expenditure: Reliability, Safety and Environment	-		Not defined	*from row 13*
Capital Expenditure: Asset Relocations	-		Not defined	*from row 14*
Subtotal - Capital Expenditure on asset management	**10,518**		**Not defined**	
Operational Expenditure: Routine and Preventative Maintenance	-		Not defined	*from row 17*
Operational Expenditure: Refurbishment and Renewal Maintenance	-		Not defined	*from row 18*
Operational Expenditure: Fault and Emergency Maintenance	-		Not defined	*from row 19*
Subtotal - Operational Expenditure on asset management	**4,261**		**Not defined**	
Total direct expenditure on distribution network	**14,779**	**-**	**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):

III. Transitional Provisions

Regulation 14-Performance Measures

	2009	2008	2007	2006
	$	$	$	$
(a) Direct Line Costs per Kilometre	1,424	1,217	1,288	1,478
(b) Indirect Line Costs per Electricity Consumer	134	114	107	80

Regulation 20-Energy Delivery Efficiency Performance Measures

		2009	2008	2007	2006
Total System Length (kms)	33kV	263	266	278	272
	11kV	2,717	2,904	2,689	2,937
	400V	857	925	832	778
	Total	**3,837**	**4,095**	**3,798**	**3,987**
Overhead Circuit Length (kms)	33kV	262	265	277	270
	11kV	2,560	2,753	2,539	2,801
	400V	234	287	240	196
	Total	**3,056**	**3,305**	**3,056**	**3,267**
Underground Circuit Length (kms)	33kV	1	1	1	2
	11kV	157	151	149	136
	400V	623	638	592	582
	Total	**781**	**790**	**742**	**720**

	2009	2008	2007	2006
Transformer Capacity (kVA)	227,919	220,255	200,334	205,000
Total Customers (average for Year)	30,213	29,601	29,073	28,486

Notes:

System Length (kms)

The reduction in system length (kms) is attributed to improved data capture.

Transformer Capacity (kVA)

Top Energy has been improving its GIS system and data integrity by investing in data capture projects. As a direct result of these initiatives we have restated the 2007 Transformer Capacity (2007; previous 186,750 kVa)

RELATED PARTY TRANSACTIONS

i. **Top Energy Consumer Trust:**

Top Energy Ltd is wholly owned by Top Energy Consumer Trust. For the period ended 31 March 2009, Top Energy Ltd paid $5.0m (31 March 2008: $5.85m) in the form of a dividend to the above Trust. This payment is reflected in the Statement of movements in Equity of Top Energy Ltd.

During the year Top Energy processed transactions on an agency basis on behalf of the Trust in order to settle routine business dealings. As at 31 March 2009, a balance of $1,310,970 was owed by the Company to the Trust (31 March 2008: $3,020 owed by the Company to the Trust). All transactions with the Trust are made on normal business terms

ii. **Transfer Payments between Line & 'Other' business:**

The following related party transactions occurred in the year between the Line & Other businesses.

	Note	**2009** (Income)/cost	**2008** (Income)/cost
Transfer Payment Cost to Line:			
Asset maintenance services	a	4,261,303	3,739,459
Avoided transmission charges	b	766,743	738,057
Property rental	c	71,012	69,764
Payment for meter data		Nil	Nil
Consumer based load control		Nil	Nil
Disconnection/reconnection services		Nil	Nil
Asset construction	d		
Sub transmission assets		Nil	Nil
Zone substations		1,639,429	949,838
Distribution lines & cable		6,536,214	2,804,530
Medium voltage switchgear		Nil	Nil
Distribution transformers		1,471,891	1,323,863
Distribution substations		Nil	Nil
Low voltage lines & cables		923,227	1,142,529
Other system fixed assets		Nil	Nil
Call Centre call charges	e	92,601	41,276

a. Asset maintenance services are provided by the Contracting Division in respect of the System fixed asset. Services are provided as contracted by the Line business and are charged at market rates on an arms length basis. Services were provided throughout the year. The outstanding balance at 31 March 2009 was $355,109 (2008: $309,637).

b. Avoided Transmission charges are paid in respect of embedded generation provided by Ngawha Generation Limited. Charges are based on the Transpower market rate. The service was provided for the full year. The outstanding balance at 31 March 2009 was $63,895 (2008: $61,365).

c. Property facilities are provided to the Line business by the Property Division. Rentals are at market rates for the specific sites. Services were provided throughout the year. The property rental includes cost recovery in respect of rates of $5,918 (2008: $5,814).

d. Asset construction services are provided by the Contracting Division in respect of the System fixed asset. Services are provided as contracted by the Line business and are charged on a full cost recovery basis. Services were provided throughout the year. The outstanding balance at 31 March 2009 was $621,453 (2008: $328,922).

e. Call centre charges are provided by Phone Plus (2000) Limited for services such as inquiry and fault calls. Charges are calculated on an arms length basis. The outstanding balance at 31 March 2009 was $7,717 (2008: $5,551).

CERTIFICATE FOR DISCLOSED INFORMATION

Pursuant to Requirement 11(1)

We, Paul Anthony Byrnes and Michael Wallace Simm, directors of Top Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Top Energy Limited prepared for the purposes of requirement 3, 4, 6 and 7(5) of the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 complies with those Requirements -

(i) Report FS1: Regulatory Profit Report;

(ii) Report FS2: Regulatory Asset and Financing Report;

(iii) Report FS3: Regulatory Tax Allowance Report;

(iv) Report AV1: Annual Regulatory Valuation Roll-Forward Report;

(v) Report AV2: Valuation Disclosure by Asset Class (for System Fixed Assets);

(vi) Report AV3: System Fixed Assets Replacement Cost Roll-Forward Report;

(vii) Report AV4: Merger or Acquisition Regulatory Asset Base Disclosure;

(viii) Report MP1: Network Information Report;

(ix) Report MP2: Performance Measures Report; and

(x) Report MP3: Price and Quality Report.

(xi) Report AM1: Expenditure Forecasts and Reconciliation.

P A BYRNES

M W SIMM

25 August 2009

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AUDITOR'S INDEPENDENT ASSURANCE REPORT

To the Board of Directors of Top Energy Limited

The Auditor-General is the auditor of Top Energy Limited (the company). The Auditor-General has appointed me, Jonathan Freeman, using the staff and resources of PricewaterhouseCoopers, to provide an opinion on the compliance of the attached reports on pages 1 to 19 prepared by the company in accordance 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 the Auditor-General to provide an opinion that the disclosure information prepared by the company complies with and is presented in all material respects in accordance with the Requirements for the financial year ended 31 March 2009.

Limitations and Use of this Independent Assurance Report

This independent assurance report has been prepared solely to discharge the Auditor-General's responsibilities under 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.

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 the company.

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 the company's compliance with the Requirements are undertaken on a test basis, our engagement cannot be relied on to detect all instances where the company may not have complied with the Requirements. Our opinion has been formed on the above basis.

Basis of Opinion

The company's financial statements and Threshold Compliance Statement prepared pursuant to the Commerce Act (Electricity Lines Thresholds) Notice 2004 for the year ended 31 March 2009 have been subject to audit. The audit opinion on the financial statements was unqualified. The audit opinion in respect of the Threshold Compliance Statement contained a qualification in respect of there being no practical audit procedures that we could adopt to independently confirm that all outage and interconnection point (ICP) data was properly recorded for inclusion in the SAIDI and SAIFI statistics for the year ended 31 March 2009.

PRICEWATERHOUSECOOPERS

AUDITOR'S INDEPENDENT ASSURANCE REPORT

To the Board of Directors of Top Energy Limited

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 complies with and has been presented in all material respects in accordance with the Requirements. We also included an assessment of the significant estimates and judgements, if any, made by the company in the preparation of the disclosure information.

Historical Financial and Non-Financial Information

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.

Our work in respect of 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 Statement of the company.

Our work in respect of 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 has been presented in all material respects in accordance with the Requirements.

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 information has been calculated based on source data provided by the company, whilst acknowledging it is likely that actual results will vary from those forecasted, since anticipated events frequently do not occur as expected (and those variations may be significant). We have not performed audit procedures on the source data.

Independence

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

Other than the engagement and the annual audit of the company's financial statements and Threshold Compliance Statement carried out on behalf of the Auditor-General, and the provision of other professional advisory services, we have no relationship with or interests in the company.

PRICEWATERHOUSECOOPERS

AUDITOR'S INDEPENDENT ASSURANCE REPORT

To the Board of Directors of Top Energy Limited

Unqualified Opinions

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

In our opinion:

- The company has kept proper records to enable the complete and accurate compilation of required information, in all material respects, as far as appears from our examination of those records; and
- The disclosure information prepared by the company for the financial year ended 31 March 2009 complies with the Requirements.

Historical Financial and Non-Financial Information

In our opinion, the company has:

- presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2009 that complies with the Requirements, in all material respects; and
- compiled the historical non-financial information included in reports MP1, MP2 and MP3 in accordance with the guidance (if any) issued pursuant to the Requirements, and has calculated the historical non-financial information based on unaudited source data provided by the company.

Prospective Financial and Non-Financial Information

In our opinion, the company has presented the 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 provided by the company.

Jonathan Freeman
PricewaterhouseCoopers
On behalf of the Auditor-General
Auckland
26 August 2009