

**Subject:** FW: WIAL Price Setting Exemptions

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**From:** Martin Harrington [mailto:Martin.Harrington@wellingtonairport.co.nz]

**Sent:** Friday, 30 September 2011 8:58 a.m.

**To:** Karen Murray

**Subject:** WIAL Price Setting Exemptions

Karen

Thank you again for meeting with us yesterday. We appreciate being able to discuss the disclosure requirements with the Commission and would be grateful for any guidance that can be provided on our proposed draft disclosure document.

Following your request at the meeting a list of the exemptions sought by WIAL for this disclosure is provided below.

| Clause                | Requirement  | Exemption Required  |
|-----------------------|--|---|
| 1.4<br>Interpretation | The Determination definition of "forecast operational expenditure" refers to the definition of "operational expenditure" which requires cost allocation to be compliant with Input Methodology which did not exist when the current prices were set. | Exemption from application of the definition of "forecast operational expenditure" such that WIAL will be required to provide " <i>operational expenditure used by an <b>airport</b> in determining the <b>airport's</b> total revenue requirement for the purposes of consultation undertaken as part of the <b>price setting event.</b></i> " That is, 'operational expenditure' will cease to be a defined term in this definition and consequently no link to the Input Methodology will be required. |
| 2.5(1)(e)             | Requires aims and objectives of <b>any</b> proposed investments to be disclosed.   | Exemption from requirement relating to <b>any</b> proposed investments with this disclosure limited to aims and objectives for key capital expenditure projects.  |
| 2.5.1(g)              | Requires disclosure of assumptions or justifications for operational expenditure by category. WIAL did not classify expenses in this manner in its material for the historical pricing consultation.   | Exemption from requirement to disclose assumptions or justifications for operating costs by category. Disclosure of assumptions and rationale for operating costs included in required revenue calculation will be provided as required by clause 2.5(1)(c)(iii).   |
| 2.7                   | Directors certification  | Commission to reconsider  |

| Clause               | Requirement   | Exemption Required   |
|----------------------|---|--|
|                      |   | requirement for certification for this disclosure.   |
| Schedule 18(b)(iv)   | Costs to be disclosed in three categories specified by the Commission. WIAL did not classify expenses in this manner in its material for the historical pricing consultation. | Exemption from requirement to disclose operating costs in the three specified categories. Disclosure of total operating expenditure only will be required. |
| Schedule 19a and 19b | Passenger busy hour and runway busy hour/data to be provided for 10 years from 2008. WIAL did not prepare this information.   | Exemption from requirement to disclose busy hour passenger numbers and movements during busy period.   |

I would be happy to provide any further clarification or explanation if you require this.

Regards

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