

Centralines Limited

Responses to:

Notice to Supply Information to the Commerce Commission – 16 March 2011

Notice to Supply Information to the Commerce Commission – 15 June 2011

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Directors Certificate

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Revenue Weights Information

Centralines Limited

Schedules A-A6 and B – Financial Information

A	B	C	D	E	F
1					
2		EDB Name	Centralines Limited		
3		Disclosure Year Ended	31 March 2010		
4	SCHEDULE A: REQUIRED INFORMATION				
5	row				
6	6		(\$000)		Ref
7	7	Line revenue through prices	8,632		from A1
8	8				
9	9	Other regulated income	238		from A1
10	10				
11	11	Pass-through costs	63		from A1
12	12				
13	13	Recoverable costs	2,257		from A1
14	14				
15	15	Operating expenditure	2,559		from A1
16	16				
17	17	Sum of opening RAB values—disclosure year 2010	42,857		from A3
18	18				
19	19	Sum of depreciation	2,023		from A3
20	20				
21	21	Sum of opening RAB values of assets with nil physical asset life at end of the disclosure year 2010	-		from A3
22	22				
23	23	Sum of opening RAB values of disposed assets for the disclosure year 2010	-		from A3
24	24				
25	25	Sum of opening RAB values of lost assets for the disclosure year 2010	-		from A3
26	26				
27	27	Sum of closing RAB values of commissioned assets for the disclosure year 2010	2,549		from A3
28	28				
29	29	Sum of closing RAB values of found assets for the disclosure year 2010	-		from A3
30	30				
31	31	Positive permanent differences	2		from A6
32	32				
33	33	Negative permanent differences	13		from A6
34	34				
35	35	Discretionary discounts and customer rebates	772		from A6
36	36				
37	37	Positive temporary differences	-		from A6
38	38				
39	39	Negative temporary differences	-		from A6
40	40				
41	41	Deferred tax balance relating to assets acquired in the disclosure year 2010	-		from A6
42	42				
43	43	Tax depreciation for disclosure year 2010	1,623		from A6
44	44				
45	45	Sum of regulatory tax asset values - first day of disclosure year 2010	16,846		from A6
46	46				
47	47	Weighted average remaining useful life of relevant assets (years)	27		from A6
48	48				

	A	B	C	D	F	G	H
1							
2				EDB Name	Centralines Limited		
3				Disclosure Year Ended	31 March 2010		
4			SCHEDULE A1: REGULATORY INCOME AND EXPENSES				
5			<i>row</i>				
6	6		Income		(\$000)	(\$000)	<i>Ref</i>
7	7		Line revenue through prices			8,632	1.1.4
8	8						
9	9		Other regulated income			238	5.3.2(7)
10	10						
11	11		Costs and expenditure				
12	12		Pass-through costs			63	3.1.2(1)
13	13						
14	14		Recoverable costs			2,257	3.1.3
15	15						
16	16		General management, administration and overheads		1,137		from A2
17	17		<i>plus</i> System management and operations		364		from A2
18	18		<i>plus</i> Routine and preventative maintenance		510		from A2
19	19		<i>plus</i> Refurbishment and renewal maintenance		129		from A2
20	20		<i>plus</i> Fault and emergency maintenance		416		from A2
21	21		<i>plus</i> Other		3		from A2
22	22		Operating expenditure			2,559	1.1.4
23	23						

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
61														
62														
63														
64	SCHEDULE A2: ALLOCATION OF OPERATING COSTS 2010 (PUBLIC)													
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EDB Name
Centralines Limited
For Year Ended
31 March 2010

Opex category	Cost allocators	Percentage of value allocated to electricity distribution services using proxy allocator	Percentage of value allocated to electricity distribution services using ACAM	Percentage of value allocated to electricity distribution services using ABAA	Percentage of value allocated to electricity distribution services using OVABAA	Value allocated			OVABAA allocation increase	Line items
						Arm's length deduction	Electricity distribution services	Non-electricity distribution services		
General management, administration and overheads										
Directly attributable operating costs										
Operating costs not directly attributable	Allocators	100.00%				717	420	118	538	
Total operating costs						1,137				
System management and operations										
Directly attributable operating costs										
Operating costs not directly attributable	Allocators	100.00%				344	33	32	55	
Total operating costs						384				
Routine and reactive maintenance										
Directly attributable operating costs										
Operating costs not directly attributable	Allocators					510				
Total operating costs						510				
Refurbishment and renewal maintenance										
Directly attributable operating costs										
Operating costs not directly attributable	Allocators					129				
Total operating costs not directly attributable						129				
Fault and emergency maintenance										
Directly attributable operating costs										
Operating costs not directly attributable	Allocators					416				
Total operating costs						416				
Other										
Directly attributable operating costs										
Operating costs not directly attributable	Allocators	100.00%				1	2	273	275	
Total operating costs						3				

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EDB Name **Centralines Limited**
Disclosure Year Ended **31 March 2010**

SCHEDULE A3: REGULATORY ASSET BASE VALUES 2010

Calculation of Initial RAB Values	Unallocated RAB * (\$000)	RAB (\$000)	Ref
2009 disclosed assets - Total Regulatory Asset Base Value (Excluding FDC) as of 31 March 2009		41,833	2009 disclosure reports
2009 modified asset values (adjusted for results of asset adjustment process)		41,833	Note 1
Adjustment to reinstate 2009 modified asset values to unallocated amounts	1,302		2.2.3(3)
Unallocated 2009 modified asset values	43,135		
<i>less (to the extent included in row 13)</i>			
Assets not used to supply electricity distribution services			1.1.4
Easement land			1.1.4
Non-qualifying intangible assets			2.2.2
Works under construction			2.2.2
Unallocated asset values excluded from unallocated 2009 modified asset values		-	1.1.4
<i>plus</i> FDC allowance of 2.45% (system fixed assets only)		1,024	2.2.3(1)(b)
Sum of opening RAB values—disclosure year 2010		44,159	42,857 from A5

RAB-related Information - Disclosure Year 2010			
Sum of depreciation		2,023	2.2.5(2)
Sum of opening RAB values of assets with nil physical asset life at end of the disclosure year 2010		-	2.2.9(3)
Sum of opening RAB values of disposed assets for the disclosure year 2010		-	1.1.4
Sum of opening RAB values of lost assets for the disclosure year 2010		-	1.1.4
Sum of closing RAB values of commissioned assets for the disclosure year 2010		2,549	from A5
Sum of closing RAB values of found assets for the disclosure year 2010		-	from A5

Note 1: '2009 modified asset values' are the values of 2009 disclosed assets - Total Regulatory Asset Base Value (Excluding FDC) contained in the 2009 disclosure reports adjusted for the results of the asset adjustment process, being the asset register adjustments summarised in Schedule A4 with the resultant value adjustments then updated to 31 March 2009 by taking account of unallocated depreciation and revaluation in accordance with cl. 2.2.1(4) and (5) (and disposals if applicable) and excluding any finance during construction allowance of 2.45%.

* The 'unallocated RAB' is the total value of assets used wholly or partially to provide electricity distribution services as if no allowance were made for the allocation of costs to non-electricity distribution services.

Note to line 30 - Sum of opening RAB values of assets with nil physical life at end of the disclosure year 2010 - Centralines Asset Register is not sophisticated enough to allow for this value to be extracted.

	A	B	C	D	F	H	J	L	N	P	Q	R
1												
2												
3												
4				EDB Name Centralines Limited								
5				Disclosure Year Ended 31 March 2010								
6				SCHEDULE A4: ASSET ADJUSTMENT PROCESS								
7				Summary of Engineer's Valuation Adjustments (at time asset enters regulatory asset register)								
8					2004 *	2005	2006	2007	2008	2009		
9					(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)		Ref
10				Asset adjustment process - adjustments								
11				Include load control relays								2.2.1(2)(a)
12				Correct asset register errors for 2004 ODV assets								
13				Insert details of asset or similar asset type								
14				Insert details of asset or similar asset type								
15				Insert details of asset or similar asset type								2.2.1(2)(b)
16				Correct asset register errors for 2005 – 2009 assets								
17				Insert details of asset or similar asset type								
18				Insert details of asset or similar asset type								
19				Insert details of asset or similar asset type								
20												2.2.1(2)(b)
21				Re-apply an existing multiplier to 2004 ODV assets								
22				Insert details of asset or similar asset type								
23				Insert details of asset or similar asset type								
24				Insert details of asset or similar asset type								
25												2.2.1(2)(c)
26				Re-apply a modified multiplier to 2004 ODV assets								
27				Insert details of asset or similar asset type								
28				Insert details of asset or similar asset type								
29				Insert details of asset or similar asset type								
30												2.2.1(2)(d)
31				Re-apply optimisation or EV tests to 2004 ODV assets								
32				Insert details of asset or similar asset type								
33				Insert details of asset or similar asset type								
34				Insert details of asset or similar asset type								
35												2.2.1(2)(e)
36												
37				Total value of adjustments by disclosure year								
38												
39												

* Includes assets which first entered the regulatory asset register in a disclosure year prior to 2004.

EDB Name
For Year Ended
Centralines Limited
31 March 2010

SCHEDULE AS: ALLOCATION OF UNALLOCATED RAB VALUES 2010 (PUBLIC)

Allocation of Opening RAB Values

Asset categories	Asset allocator	Percentage of value allocated to electricity distribution services using proxy allocator NYPE	Percentage of value allocated to electricity distribution services using ACAM	Percentage of value allocated to electricity distribution services using ABAA	Percentage of value allocated to electricity distribution services using OVABAA	Value allocated			OVABAA allocation increase	Line Items
						Arm's length deduction	Electricity distribution services	Non-electricity distribution services		
System Assets										
Regulated service asset value directly attributable							42,800			
Regulated service asset value not directly attributable										
Total regulated service asset value attributable							42,800			
Non System Assets										
Regulated service asset value directly attributable			100.00%				57	1,302		1,359
Regulated service asset value not directly attributable										
Total regulated service asset value attributable							57	1,302		1,359
Asset Category 1										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable										
Total regulated service asset value attributable										
Total regulated service asset value directly attributable							42,800			
Total regulated service asset value not directly attributable							57	1,302		1,359
Total regulated service asset value							42,857	1,302		44,159

Allocation of Closing RAB Values - Commissioned Assets and Found Assets

Asset categories	Asset allocator	Percentage of value allocated to electricity distribution services using proxy allocator NYPE	Percentage of value allocated to electricity distribution services using ACAM	Percentage of value allocated to electricity distribution services using ABAA	Percentage of value allocated to electricity distribution services using OVABAA	Value allocated			OVABAA allocation increase	Line Items
						Arm's length deduction	Electricity distribution services	Non-electricity distribution services		
Commissioned Assets										
Regulated service asset value directly attributable							2,474			
Regulated service asset value not directly attributable										
Total regulated service asset value attributable							2,474			
Found Assets										
Regulated service asset value directly attributable			100.00%				75	73		148
Regulated service asset value not directly attributable										
Total regulated service asset value attributable							75	73		148
Total regulated service asset value							2,549	73		2,622

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EDB Name **Centralines Limited**
Disclosure Year Ended **31 March 2010**

SCHEDULE A6: REGULATORY TAX INFORMATION

Tax Permanent Differences

(\$000) Ref

Income not included in regulatory profit / (loss) before tax but taxable	*		2.3.3(2)
Expenditure or loss in regulatory profit / (loss) before tax but not deductible	2	*	2.3.3(2)
Positive permanent differences		2	

* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).

Non-deductible entertainment

Income included in regulatory profit / (loss) before tax but not taxable	*		2.3.3(4)
Expenditure or loss deductible but not in regulatory profit / (loss) before tax	13	*	2.3.3(4)
Negative permanent differences		13	

* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).

Amortisation

Discretionary discounts and customer rebates 772 2.3.3(6)

Tax Temporary Differences

(\$000) Ref

Income not included in regulatory profit / (loss) before tax but taxable	*		2.3.8(4)
Expenditure or loss in regulatory profit / (loss) before tax but not deductible	*	*	2.3.8(4)
Positive temporary differences		-	

* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).

Income included in regulatory profit / (loss) before tax but not taxable	*		2.3.8(5)
Expenditure or loss deductible but not in regulatory profit / (loss) before tax	*	*	2.3.8(5)
Negative temporary differences		-	

* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).

Deferred tax balance relating to assets acquired in the disclosure year 2010 - 2.3.7(3)

Tax depreciation for disclosure year 2010 1,623 2.3.8(3)

Tax Asset Value Information

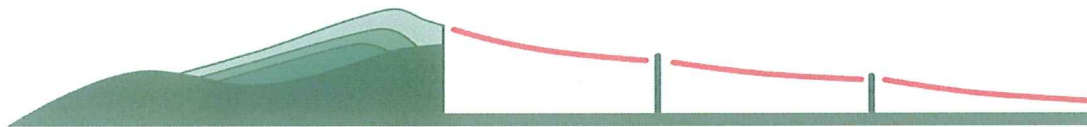
(\$000)

Sum of regulatory tax asset values - first day of disclosure year 2010 16,846 2.3.9

Weighted average remaining useful life of relevant assets (years) 27 defined

Centralines Limited

Directors Certificate



CENTRALINES LIMITED


OUR PEOPLE | OUR POWER

**SCHEDULE D
FORM OF DIRECTORS' CERTIFICATE**

We, James Robert Aitken and Samuel Robinson, being directors of Centralines Limited (Centralines) certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Schedule A complies with the Commission's requirements in respect of the request for information, which was issued by notice in writing to Centralines under section 53ZD of the Commerce Act 1986 on 16th March, 2011.



Director



Director

Centralines Limited
Independent Assurance Report

Independent Audit report of the Auditor-General**To the Commissioners of the New Zealand Commerce Commission and the
Directors of Centralines Limited**

The Auditor-General is the auditor of Centralines Limited (the company). The Auditor-General has appointed me, Mark Maloney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company on her behalf.

Audit New Zealand has been engaged to provide an independent assurance report on behalf of the Auditor-General on the Schedule of Required Information (Schedules A to A6) on pages 1 to 10 for the regulatory period ended 31 March 2010 prepared by the company in accordance with the Commerce Commission's requirements issued by notice in writing to the company under section 53ZD of the Commerce Act 1986 on 16 March 2011 (the Notice).

Directors' and Auditors' Responsibilities

The company's Directors are responsible for ensuring that the information provided is prepared in accordance with the Notice and for such internal controls as the Directors determine are necessary to ensure the information provided is free from material misstatement, whether due to fraud or error.

We are qualified as an auditor, on behalf of the Auditor-General, as defined in the Notice. Our responsibility is to express an independent opinion on whether the information prepared by the company has been calculated, in all material respects, in accordance with the Notice for the regulatory period ended 31 March 2010.

Use of this Independent Assurance Report

This independent assurance report has been prepared solely for the Directors of the company and the Commissioners of the New Zealand Commerce Commission in accordance with the Notice. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of the company and the Commissioners, or for any purpose other than that for which it was prepared.

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.

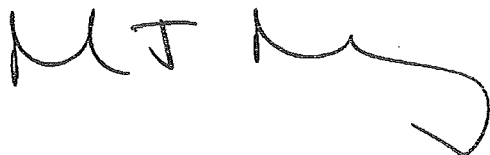
In addition to the engagement and the annual audit of the company's financial statements, we have carried out another audit engagement for the company. This involved issuing certificates pursuant to the Electricity Distribution (Information Disclosure) Requirements 2008 (distribution requirements); and the Electricity Information Disclosure Requirements consolidating all amendments to 31 October 2008 (original requirements). This assignment is compatible with those independence requirements.

Opinion

In our opinion:

- the recorded evidence and explanations we have obtained is sufficient and appropriate to provide a basis for our independent opinion on the company's compliance with the Notice;
- where relevant, the information used in the preparation of the information in Schedules A to A6 has been properly extracted from the company's accounting records, sourced from its financial systems; and
- the information in Schedule A to A6 has been calculated by the company, in all material respects, in accordance with the Notice.

Our assurance engagement was completed on 27 May 2011 and our opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'M J Maloney', with a long horizontal stroke extending to the right and a small hook at the end.

Mark Maloney
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

Centralines Limited
Revenue Weights Information

EDB Name: Centralines	Electricity Distribution Business
------------------------------	-----------------------------------

Distribution Revenue Weights (excluding transmission charges)		2010	2011
Estimated Proportion of Distribution Revenue Recovered via:			
Variable (throughput) unit charges (e.g. c/kwh)	%	55.07	57.2
Capacity or demand charges (e.g. \$/kva/day or \$/MW)	%	7.02	4.42
Fixed or other charges (e.g. \$/ICP, daily monthly or annual charges)	%	37.91	38.38
(to add to 100%)	%	100	100

Note: The quantities relating to each pricing year should relate to the quantities from the pricing year two years earlier. This means that for 2010 the quantities should cover the period 1 April 2008 to 31 March 2009. For 2011 the quantities should cover the period 1 April 2009 to 31 March 2010.