

Revenue Proposal Pro Forma Statements

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1.1 HISTORIC OPEX by expenditure category

(\$m, Nominal for 2004-07 then 2008 Dollars)	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total	Key cost drivers and explanation for material differences over time
<b>Maintenance</b>							
<b>Lines</b>							
Labour	5.77	5.15	6.36	5.69	5.74	28.72	
Materials and Expense	2.22	2.41	2.98	2.78	2.89	13.28	
<b>Sub-Totals</b>	7.99	7.56	9.34	8.47	8.63	42.00	
<b>Substations</b>							
Labour	15.05	14.88	14.89	16.45	16.51	77.79	
Materials and Expense	7.82	7.92	9.61	10.12	10.17	45.65	
<b>Sub-Totals</b>	22.87	22.81	24.50	26.58	26.68	123.44	
<b>Communications</b>							
Labour	3.93	3.40	3.75	5.03	3.70	19.81	
Materials and Expense	0.68	1.30	1.36	2.00	1.38	6.72	
<b>Sub-Totals</b>	4.61	4.70	5.11	7.02	5.08	26.53	
<b>Secondary Systems</b>							
Labour	3.92	3.65	3.87	3.79	4.52	19.74	
Materials and Expense	0.48	0.66	0.42	0.42	0.49	2.46	
<b>Sub-Totals</b>	4.40	4.31	4.29	4.21	5.00	22.20	
<b>Land and Easements</b>							
Labour	4.62	3.83	3.75	3.75	4.24	20.19	
Materials and Expense	7.34	9.84	8.14	8.56	9.42	43.29	
<b>Sub-Totals</b>	11.95	13.67	11.89	12.31	13.65	63.48	
<b>SUMMARY</b>							
Sub Total Labour	33.29	30.91	32.61	34.71	34.70	166.24	
Sub Total Materials and Expense	18.54	22.13	22.51	23.87	24.35	111.41	
<b>Total Maintenance</b>	51.83	53.05	55.13	58.58	59.06	277.65	The maintenance cost has minor fluctuations from year to year due to the cyclical nature of the work and growth in the asset base
<b>Maintenance Support &amp; Asset Management</b>	7.88	9.62	11.59	9.64	9.93	48.65	Increased expenditure in 06/07 due to one-off communications costs
<b>Total Maintenance Support &amp; Asset Management</b>	7.88	9.62	11.59	9.64	9.93	48.65	
<b>Operations / Control Room</b>	7.94	7.68	8.51	7.99	7.96	40.07	Cost savings due to the implementation of Virtual control room and changes to shift staffing
<b>Total Operations</b>	7.94	7.68	8.51	7.99	7.96	40.07	
<b>Grid Planning</b>	4.18	4.82	3.74	3.51	3.63	19.88	
<b>Total Grid Planning</b>	4.18	4.82	3.74	3.51	3.63	19.88	
<b>Insurance</b>	5.90	5.86	5.78	5.07	5.40	28.02	Insurance estimates are based on a Broker Assessment
<b>Rates &amp; Taxes</b>	1.41	2.84	3.09	3.22	3.29	13.85	
<b>Total Taxes and Insurance</b>	7.31	8.70	8.87	8.29	8.69	41.86	
<b>Property Management</b>	4.52	4.61	3.73	3.75	3.39	20.00	
<b>Environmental</b>	2.11	2.92	2.57	2.56	2.65	12.80	
<b>Total Property Management</b>	6.63	7.53	6.30	6.31	6.03	32.80	
<b>Corporate Governance</b>	9.36	5.78	6.00	5.98	6.11	33.24	Increased cost in 04/05 due to the write-off of extra-ordinary items
<b>Customer Relations</b>	2.45	3.48	3.26	2.95	1.81	13.97	
<b>Regulatory</b>	1.97	1.63	1.99	2.87	3.27	11.73	Fluctuations due to project costs and cyclical expenditure
<b>Total Corporate and Regulatory Management</b>	13.79	10.90	11.25	11.80	11.19	58.94	
<b>Finance</b>	3.66	3.74	3.84	3.79	3.91	18.94	
<b>Information Technology</b>	10.84	11.20	10.32	10.45	10.52	53.34	Rationalisation of IT Outsourcing
<b>HR &amp; Payroll</b>	3.17	3.49	3.55	3.55	3.66	17.42	
<b>Total Business Management</b>	17.68	18.43	17.71	17.79	18.09	89.70	
<b>TOTAL CONTROLLABLE OPEX</b>	117.23	120.73	123.09	123.92	124.59	609.55	
<b>OTHER OPEX</b>							
Debt Raising						0.00	
Equity Raising						0.00	
Self-insurance						0.00	
Network Support				5.70	45.70	51.40	
<b>TOTAL OTHER OPEX</b>	0.00	0.00	0.00	5.70	45.70	51.40	
<b>TOTAL REGULATORY OPEX</b>	117.23	120.73	123.09	129.62	170.29	660.95	
<b>Revenue Cap Allowance</b>	119.70	122.81	125.40	130.39	130.18	628.47	

**1.2 Historic Opex (Any part year) - NOT USED**

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1.3 Historic Opex by Category Year 2004-05

(\$m, Nominal)	2004-2005						
	Field Maintenance			Operations and Maintenance Support	Corporate Support		TOTAL
	Routine	Defects	Major Operating Projects		Network	Non-Network	
<b>Maintenance Lines</b>							
Labour	1.85	2.19	1.74				5.77
Materials and Expense	0.43	0.77	1.02				2.22
<b>Sub-Totals</b>	<b>2.28</b>	<b>2.96</b>	<b>2.75</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.99</b>
<b>Substations</b>							
Labour	9.29	3.95	1.81				15.05
Materials and Expense	4.05	2.20	1.57				7.82
<b>Sub-Totals</b>	<b>13.34</b>	<b>6.15</b>	<b>3.38</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>22.87</b>
<b>Communications</b>							
Labour	1.17	2.77	0.00				3.93
Materials and Expense	0.03	0.65	0.00				0.68
<b>Sub-Totals</b>	<b>1.19</b>	<b>3.42</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.61</b>
<b>Secondary Systems</b>							
Labour	2.69	1.23	0.00				3.92
Materials and Expense	0.24	0.24	0.00				0.48
<b>Sub-Totals</b>	<b>2.93</b>	<b>1.47</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.40</b>
<b>Land and Easements</b>							
Labour	0.52	4.04	0.05				4.62
Materials and Expense	2.36	4.97	0.01				7.34
<b>Sub-Totals</b>	<b>2.88</b>	<b>9.02</b>	<b>0.06</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.95</b>
<b>SUMMARY</b>							
<b>Sub Total Labour</b>	<b>15.52</b>	<b>14.18</b>	<b>3.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>33.29</b>
<b>Sub Total Materials and Expense</b>	<b>7.10</b>	<b>8.84</b>	<b>2.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18.54</b>
<b>Total Maintenance</b>	<b>22.62</b>	<b>23.02</b>	<b>6.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51.83</b>
<b>Maintenance Support &amp; Asset Management</b>				7.88			7.88
<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.88</b>	<b>0.00</b>	<b>0.00</b>	<b>7.88</b>
<b>Operations / Control Room</b>				7.94			7.94
<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.94</b>	<b>0.00</b>	<b>0.00</b>	<b>7.94</b>
<b>Grid Planning</b>					4.18		4.18
<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.18</b>	<b>0.00</b>	<b>4.18</b>
<b>Insurance</b>					5.90		5.90
<b>Rates &amp; Taxes</b>					1.41		1.41
<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.31</b>	<b>0.00</b>	<b>7.31</b>
<b>Property Management</b>					4.52		4.52
<b>Environmental</b>					2.11		2.11
<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.63</b>	<b>0.00</b>	<b>6.63</b>
<b>Corporate Governance</b>						9.36	9.36
<b>Customer Relations</b>					2.45		2.45
<b>Regulatory</b>					1.97		1.97
<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.42</b>	<b>9.36</b>	<b>13.79</b>
<b>Finance</b>						3.66	3.66
<b>Information Technology</b>						10.84	10.84
<b>HR &amp; Payroll</b>						3.17	3.17
<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17.68</b>	<b>17.68</b>
<b>TOTAL CONTROLLABLE OPEX</b>	<b>22.62</b>	<b>23.02</b>	<b>6.19</b>	<b>15.82</b>	<b>22.54</b>	<b>27.04</b>	<b>117.23</b>
<b>OTHER OPEX</b>							
Debt Raising							0.00
Equity Raising							0.00
Self-insurance							0.00
Network Support							0.00
<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL REGULATORY OPEX</b>	<b>22.62</b>	<b>23.02</b>	<b>6.19</b>	<b>15.82</b>	<b>22.54</b>	<b>27.04</b>	<b>117.23</b>
<b>Revenue Cap Allowance</b>							<b>119.70</b>

1.4 Historic Opex by Category Year 2005-06

(\$m, Nominal)	2005-2006						
	Field Maintenance			Operations and Maintenance Support	Corporate Support		TOTAL
	Routine	Defects	Major Operating Projects		Network	Non-Network	
<b>Maintenance</b>							
<b>Lines</b>							
Labour	2.23	1.86	1.06				5.15
Materials and Expense	0.92	0.68	0.81				2.41
<b>Sub-Totals</b>	3.15	2.54	1.87	0.00	0.00	0.00	7.56
<b>Substations</b>							
Labour	6.42	7.28	1.18				14.88
Materials and Expense	0.63	5.77	1.52				7.92
<b>Sub-Totals</b>	7.05	13.05	2.70	0.00	0.00	0.00	22.81
<b>Communications</b>							
Labour	1.08	2.32	0.00				3.40
Materials and Expense	-0.13	1.43	0.00				1.30
<b>Sub-Totals</b>	0.95	3.75	0.00	0.00	0.00	0.00	4.70
<b>Secondary Systems</b>							
Labour	2.86	0.79	0.00				3.65
Materials and Expense	0.25	0.40	0.00				0.66
<b>Sub-Totals</b>	3.11	1.20	0.00	0.00	0.00	0.00	4.31
<b>Land and Easements</b>							
Labour	2.09	1.73	0.00				3.83
Materials and Expense	5.10	4.74	0.00				9.84
<b>Sub-Totals</b>	7.19	6.48	0.00	0.00	0.00	0.00	13.67
<b>SUMMARY</b>							
Sub Total Labour	14.68	13.99	2.24	0.00	0.00	0.00	30.91
Sub Total Materials and Expense	6.77	13.03	2.33	0.00	0.00	0.00	22.13
<b>Total Maintenance</b>	21.45	27.02	4.58	0.00	0.00	0.00	53.05
<b>Maintenance Support &amp; Asset Management</b>				9.62			9.62
<b>Total Maintenance Support &amp; Asset Management</b>	0.00	0.00	0.00	9.62	0.00	0.00	9.62
<b>Operations / Control Room</b>				7.68			7.68
<b>Total Operations</b>	0.00	0.00	0.00	7.68	0.00	0.00	7.68
<b>Grid Planning</b>					4.82		4.82
<b>Total Grid Planning</b>	0.00	0.00	0.00	0.00	4.82	0.00	4.82
<b>Insurance</b>					5.86		5.86
<b>Rates &amp; Taxes</b>					2.84		2.84
<b>Total Taxes and Insurance</b>	0.00	0.00	0.00	0.00	8.70	0.00	8.70
<b>Property Management</b>					4.61		4.61
<b>Environmental</b>					2.92		2.92
<b>Total Property Management</b>	0.00	0.00	0.00	0.00	7.53	0.00	7.53
<b>Corporate Governance</b>						5.78	5.78
<b>Customer Relations</b>					3.48		3.48
<b>Regulatory</b>					1.63		1.63
<b>Total Corporate and Regulatory Management</b>	0.00	0.00	0.00	0.00	5.12	5.78	10.90
<b>Finance</b>						3.74	3.74
<b>Information Technology</b>						11.20	11.20
<b>HR &amp; Payroll</b>						3.49	3.49
<b>Total Business Management</b>	0.00	0.00	0.00	0.00	0.00	18.43	18.43
<b>TOTAL CONTROLLABLE OPEX</b>	21.45	27.02	4.58	17.29	26.17	24.22	120.73
<b>OTHER OPEX</b>							
Debt Raising							0.00
Equity Raising							0.00
Self-insurance							0.00
Network Support							0.00
<b>TOTAL OTHER OPEX</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL REGULATORY OPEX</b>	21.45	27.02	4.58	17.29	26.17	24.22	120.73
<b>Revenue Cap Allowance</b>							122.81

1.5 Historic Opex by Category Year 2006-07

(\$m, Nominal)

2006-2007							
Field Maintenance			Operations and Maintenance Support	Corporate Support		TOTAL	
Routine	Defects	Major Operating Projects		Network	Non-Network		
<b>Maintenance</b>							
<b>Lines</b>							
Labour	2.70	2.71	0.95			6.36	
Materials and Expense	1.16	1.08	0.74			2.98	
<b>Sub-Totals</b>	<b>3.86</b>	<b>3.79</b>	<b>1.69</b>	<b>0.00</b>	<b>0.00</b>	<b>9.34</b>	
<b>Substations</b>							
Labour	6.00	7.14	1.75			14.89	
Materials and Expense	0.65	6.45	2.51			9.61	
<b>Sub-Totals</b>	<b>6.65</b>	<b>13.59</b>	<b>4.26</b>	<b>0.00</b>	<b>0.00</b>	<b>24.50</b>	
<b>Communications</b>							
Labour	1.25	2.49	0.00			3.75	
Materials and Expense	0.04	1.32	0.00			1.36	
<b>Sub-Totals</b>	<b>1.29</b>	<b>3.82</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.11</b>	
<b>Secondary Systems</b>							
Labour	3.04	0.83	0.00			3.87	
Materials and Expense	0.00	0.42	0.00			0.42	
<b>Sub-Totals</b>	<b>3.03</b>	<b>1.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.29</b>	
<b>Land and Easements</b>							
Labour	2.50	1.25	0.00			3.75	
Materials and Expense	5.19	2.95	0.00			8.14	
<b>Sub-Totals</b>	<b>7.69</b>	<b>4.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.89</b>	
<b>SUMMARY</b>							
<b>Sub Total Labour</b>	<b>15.49</b>	<b>14.43</b>	<b>2.70</b>	<b>0.00</b>	<b>0.00</b>	<b>32.61</b>	
<b>Sub Total Materials and Expense</b>	<b>7.03</b>	<b>12.22</b>	<b>3.26</b>	<b>0.00</b>	<b>0.00</b>	<b>22.51</b>	
<b>Total Maintenance</b>	<b>22.52</b>	<b>26.65</b>	<b>5.96</b>	<b>0.00</b>	<b>0.00</b>	<b>55.13</b>	
<b>Maintenance Support &amp; Asset Management</b>				11.59		11.59	
<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.59</b>	<b>0.00</b>	<b>11.59</b>	
<b>Operations / Control Room</b>				8.51		8.51	
<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.51</b>	<b>0.00</b>	<b>8.51</b>	
<b>Grid Planning</b>					3.74	3.74	
<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.74</b>	<b>3.74</b>	
<b>Insurance</b>					5.78	5.78	
<b>Rates &amp; Taxes</b>					3.09	3.09	
<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.87</b>	<b>8.87</b>	
<b>Property Management</b>					3.73	3.73	
<b>Environmental</b>					2.57	2.57	
<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.30</b>	<b>6.30</b>	
<b>Corporate Governance</b>						6.00	
<b>Customer Relations</b>					3.26	3.26	
<b>Regulatory</b>					1.99	1.99	
<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.25</b>	<b>11.25</b>	
<b>Finance</b>						3.84	
<b>Information Technology</b>						10.32	
<b>HR &amp; Payroll</b>						3.55	
<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17.71</b>	
<b>TOTAL CONTROLLABLE OPEX</b>	<b>22.52</b>	<b>26.65</b>	<b>5.96</b>	<b>20.09</b>	<b>24.15</b>	<b>23.71</b>	
<b>OTHER OPEX</b>							
Debt Raising						0.00	
Equity Raising						0.00	
Self-insurance						0.00	
Network Support						0.00	
<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>TOTAL REGULATORY OPEX</b>	<b>22.52</b>	<b>26.65</b>	<b>5.96</b>	<b>20.09</b>	<b>24.15</b>	<b>23.71</b>	
<b>Revenue Cap Allowance</b>						<b>125.40</b>	

1.6 Historic Opex by Category Year 2007-08

(\$m, 2008 dollars)

2007-2008								
Field Maintenance			Operations and Maintenance Support	Corporate Support		TOTAL		
Routine	Defects	Major Operating Projects		Network	Non-Network			
<b>Maintenance</b>								
<b>Lines</b>								
	Labour	2.55	2.55	0.59			5.69	
	Materials and Expense	1.12	1.03	0.63			2.78	
	<b>Sub-Totals</b>	<b>3.67</b>	<b>3.58</b>	<b>1.22</b>	<b>0.00</b>	<b>0.00</b>	<b>8.47</b>	
<b>Substations</b>								
	Labour	6.70	7.64	2.11			16.45	
	Materials and Expense	0.75	7.12	2.26			10.12	
	<b>Sub-Totals</b>	<b>7.45</b>	<b>14.76</b>	<b>4.37</b>	<b>0.00</b>	<b>0.00</b>	<b>26.58</b>	
<b>Communications</b>								
	Labour	1.43	2.90	0.70			5.03	
	Materials and Expense	0.04	1.58	0.38			2.00	
	<b>Sub-Totals</b>	<b>1.47</b>	<b>4.48</b>	<b>1.07</b>	<b>0.00</b>	<b>0.00</b>	<b>7.02</b>	
<b>Secondary Systems</b>								
	Labour	2.96	0.83	0.00			3.79	
	Materials and Expense	0.00	0.43	0.00			0.42	
	<b>Sub-Totals</b>	<b>2.96</b>	<b>1.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.21</b>	
<b>Land and Easements</b>								
	Labour	1.76	0.84	1.14			3.75	
	Materials and Expense	3.75	2.04	2.77			8.56	
	<b>Sub-Totals</b>	<b>5.51</b>	<b>2.88</b>	<b>3.91</b>	<b>0.00</b>	<b>0.00</b>	<b>12.31</b>	
<b>SUMMARY</b>								
	<b>Sub Total Labour</b>	<b>15.40</b>	<b>14.77</b>	<b>4.54</b>	<b>0.00</b>	<b>0.00</b>	<b>34.71</b>	
	<b>Sub Total Materials and Expense</b>	<b>5.65</b>	<b>12.19</b>	<b>6.03</b>	<b>0.00</b>	<b>0.00</b>	<b>23.87</b>	
	<b>Total Maintenance</b>	<b>21.06</b>	<b>26.96</b>	<b>10.57</b>	<b>0.00</b>	<b>0.00</b>	<b>58.58</b>	
	<b>Maintenance Support &amp; Asset Management</b>				9.64		9.64	
	<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.64</b>	<b>0.00</b>	<b>9.64</b>	
	<b>Operations / Control Room</b>				7.99		7.99	
	<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.99</b>	<b>0.00</b>	<b>7.99</b>	
	<b>Grid Planning</b>					3.51	3.51	
	<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.51</b>	<b>3.51</b>	
	<b>Insurance</b>				5.07		5.07	
	<b>Rates &amp; Taxes</b>				3.22		3.22	
	<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.29</b>	<b>0.00</b>	<b>8.29</b>	
	<b>Property Management</b>				3.75		3.75	
	<b>Environmental</b>				2.56		2.56	
	<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.31</b>	<b>0.00</b>	<b>6.31</b>	
	<b>Corporate Governance</b>					5.98	5.98	
	<b>Customer Relations</b>				2.95		2.95	
	<b>Regulatory</b>				2.87		2.87	
	<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.83</b>	<b>5.98</b>	<b>11.80</b>	
	<b>Finance</b>					3.79	3.79	
	<b>Information Technology</b>					10.45	10.45	
	<b>HR &amp; Payroll</b>					3.55	3.55	
	<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17.79</b>	<b>17.79</b>	
<b>TOTAL CONTROLLABLE OPEX</b>		<b>21.06</b>	<b>26.96</b>	<b>10.57</b>	<b>17.63</b>	<b>23.94</b>	<b>23.77</b>	<b>123.92</b>
<b>OTHER OPEX</b>								
	<b>Debt Raising</b>						0.00	
	<b>Equity Raising</b>						0.00	
	<b>Self-insurance</b>						0.00	
	<b>Network Support</b>				5.70		5.70	
	<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.70</b>	<b>0.00</b>	<b>5.70</b>
<b>TOTAL REGULATORY OPEX</b>		<b>21.06</b>	<b>26.96</b>	<b>10.57</b>	<b>17.63</b>	<b>29.64</b>	<b>23.77</b>	<b>129.62</b>
<b>Revenue Cap Allowance</b>								<b>130.39</b>

1.7 Historic Opex by Category Year 2008-09

		2008-2009						
		Field Maintenance			Operations and Maintenance Support	Corporate Support		TOTAL
		Routine	Defects	Major Operating Projects		Network	Non-Network	
(\$m, 2008 dollars)								
<b>Maintenance</b>								
<b>Lines</b>								
	Labour	2.54	2.54	0.66				5.74
	Materials and Expense	1.07	0.99	0.83				2.89
	<b>Sub-Totals</b>	<b>3.61</b>	<b>3.53</b>	<b>1.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.63</b>
<b>Substations</b>								
	Labour	6.69	7.63	2.19				16.51
	Materials and Expense	0.72	6.86	2.59				10.17
	<b>Sub-Totals</b>	<b>7.42</b>	<b>14.49</b>	<b>4.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26.68</b>
<b>Communications</b>								
	Labour	1.12	2.28	0.30				3.70
	Materials and Expense	0.03	1.20	0.16				1.38
	<b>Sub-Totals</b>	<b>1.15</b>	<b>3.47</b>	<b>0.46</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.08</b>
<b>Secondary Systems</b>								
	Labour	3.53	0.99	0.00				4.52
	Materials and Expense	0.00	0.49	0.00				0.49
	<b>Sub-Totals</b>	<b>3.52</b>	<b>1.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.00</b>
<b>Land and Easements</b>								
	Labour	1.67	0.76	1.81				4.24
	Materials and Expense	3.42	1.78	4.22				9.42
	<b>Sub-Totals</b>	<b>5.08</b>	<b>2.54</b>	<b>6.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.65</b>
<b>SUMMARY</b>								
	<b>Sub Total Labour</b>	<b>15.55</b>	<b>14.20</b>	<b>4.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>34.70</b>
	<b>Sub Total Materials and Expense</b>	<b>5.24</b>	<b>11.31</b>	<b>7.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>24.35</b>
	<b>Total Maintenance</b>	<b>20.79</b>	<b>25.51</b>	<b>12.75</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>59.06</b>
	<b>Maintenance Support &amp; Asset Management</b>				9.93			9.93
	<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.93</b>	<b>0.00</b>	<b>0.00</b>	<b>9.93</b>
	<b>Operations / Control Room</b>				7.96			7.96
	<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.96</b>	<b>0.00</b>	<b>0.00</b>	<b>7.96</b>
	<b>Grid Planning</b>					3.63		3.63
	<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.63</b>	<b>0.00</b>	<b>3.63</b>
	<b>Insurance</b>					5.40		5.40
	<b>Rates &amp; Taxes</b>					3.29		3.29
	<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.69</b>	<b>0.00</b>	<b>8.69</b>
	<b>Property Management</b>					3.39		3.39
	<b>Environmental</b>					2.65		2.65
	<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.03</b>	<b>0.00</b>	<b>6.03</b>
	<b>Corporate Governance</b>						6.11	6.11
	<b>Customer Relations</b>					1.81		1.81
	<b>Regulatory</b>					3.27		3.27
	<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.08</b>	<b>6.11</b>	<b>11.19</b>
	<b>Finance</b>						3.91	3.91
	<b>Information Technology</b>						10.52	10.52
	<b>HR &amp; Payroll</b>						3.66	3.66
	<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18.09</b>	<b>18.09</b>
<b>TOTAL CONTROLLABLE OPEX</b>		<b>20.79</b>	<b>25.51</b>	<b>12.75</b>	<b>17.89</b>	<b>23.44</b>	<b>24.20</b>	<b>124.59</b>
<b>OTHER OPEX</b>								
	<b>Debt Raising</b>							0.00
	<b>Equity Raising</b>							0.00
	<b>Self-insurance</b>							0.00
	<b>Network Support</b>					45.70		45.70
	<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>45.70</b>	<b>0.00</b>	<b>45.70</b>
<b>TOTAL REGULATORY OPEX</b>		<b>20.79</b>	<b>25.51</b>	<b>12.75</b>	<b>17.89</b>	<b>69.14</b>	<b>24.20</b>	<b>170.29</b>
<b>Revenue Cap Allowance</b>								<b>130.18</b>



2.1 Forecast Opex by Category - Summary

(\$m, 2008 dollars)	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Total	Key cost drivers and explanation for material differences over time
<b>Maintenance</b>							
<b>Lines</b>							
Labour	6.68	7.86	6.63	8.31	8.12	37.60	
Materials and Expense	3.24	3.21	2.77	3.33	3.21	15.76	
<b>Sub-Totals</b>	9.92	11.08	9.40	11.64	11.33	53.36	
<b>Substations</b>							
Labour	17.95	20.56	22.54	23.95	24.70	109.70	
Materials and Expense	9.88	11.62	12.50	12.85	13.05	59.90	
<b>Sub-Totals</b>	27.84	32.18	35.04	36.80	37.75	169.61	
<b>Communications</b>							
Labour	5.17	6.25	5.80	7.48	7.85	32.55	
Materials and Expense	1.79	2.11	1.92	2.37	2.41	10.59	
<b>Sub-Totals</b>	6.95	8.36	7.72	9.85	10.26	43.14	
<b>Secondary Systems</b>							
Labour	3.77	4.65	5.71	6.52	6.44	27.09	
Materials and Expense	0.38	0.46	0.55	0.61	0.59	2.59	
<b>Sub-Totals</b>	4.14	5.11	6.26	7.13	7.04	29.68	
<b>Land and Easements</b>							
Labour	4.47	4.46	4.64	4.98	5.25	23.81	
Materials and Expense	9.16	8.88	9.14	9.68	10.06	46.92	
<b>Sub-Totals</b>	13.64	13.34	13.78	14.66	15.31	70.73	
<b>SUMMARY</b>							
Sub Total Materials and Expense	38.04	43.78	45.32	51.24	52.37	230.75	The forecast maintenance costs have minor fluctuations from year to year due to the cyclical nature of the work. Growth in the asset base and increasing labour cost are the key cost drivers in the coming period.
Sub Total Materials	24.45	26.28	26.88	28.85	29.32	135.77	
<b>Total Maintenance</b>	62.49	70.06	72.20	80.09	81.68	366.52	
<b>Maintenance Support &amp; Asset Management</b>	12.57	12.82	13.31	13.90	14.41	67.01	
<b>Operations / Control Room</b>	9.05	9.25	9.63	10.08	10.49	48.50	
<b>Grid Planning</b>	4.19	4.28	4.46	4.66	4.85	22.45	
<b>Insurance</b>	5.86	6.24	6.68	7.06	7.29	33.13	Insurance estimates are based on a Broker Assessment
<b>Rates &amp; Taxes</b>	3.55	3.62	3.81	4.00	4.09	19.07	
<b>Property Management</b>	3.64	3.68	3.75	3.84	3.93	18.83	
<b>Environmental</b>	2.96	3.03	3.14	3.29	3.41	15.83	
<b>Corporate Governance</b>	6.70	6.80	6.98	7.20	7.41	35.08	Fluctuations due to project costs and cyclical expenditure
<b>Customer Relations</b>	3.08	3.13	3.22	3.34	3.45	16.23	
<b>Regulatory</b>	1.73	1.76	2.29	3.39	3.91	13.08	
<b>Total Corporate and Regulatory Management</b>	11.50	11.69	12.50	13.93	14.77	64.39	
<b>Finance</b>	4.38	4.46	4.60	4.78	4.95	23.17	
<b>Information Technology</b>	10.97	11.12	11.38	11.69	11.98	57.14	
<b>HR &amp; Payroll</b>	4.06	4.14	4.28	4.45	4.62	21.55	
<b>Total Business Management</b>	19.41	19.72	20.26	20.91	21.55	101.86	
<b>TOTAL CONTROLLABLE OPEX</b>	135.23	144.39	149.73	161.76	166.49	757.60	
<b>OTHER OPEX</b>							
Debt Raising	3.69	4.03	4.31	4.83	5.13	21.99	
Equity Raising	0.94	1.65	3.13	4.01	4.17	13.89	
Self-insurance	1.91	1.91	1.91	1.91	1.91	9.54	
Network Support	21.50	6.00	6.00	6.00	6.00	45.50	
<b>TOTAL OTHER OPEX</b>	28.04	13.59	15.35	16.75	17.20	90.93	
<b>TOTAL REGULATORY OPEX</b>	163.27	157.98	165.08	178.51	183.69	848.53	

2.2 Forecast Opex by Category Year 2009-10

(\$m, 2008 dollars)

2009-2010							TOTAL
Field Maintenance			Operations and Maintenance Support	Corporate Support			
Routine	Defects	Major Operating Projects		Network	Non-Network		
<b>Maintenance</b>							
<b>Lines</b>							
Labour	2.77	2.77	1.13				6.68
Materials and Expense	1.08	1.00	1.16				3.24
<b>Sub-Totals</b>	<b>3.85</b>	<b>3.77</b>	<b>2.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.92</b>
<b>Substations</b>							
Labour	7.46	8.50	1.99				17.95
Materials and Expense	0.74	7.04	2.10				9.88
<b>Sub-Totals</b>	<b>8.20</b>	<b>15.54</b>	<b>4.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>27.84</b>
<b>Communications</b>							
Labour	1.52	3.10	0.54				5.17
Materials and Expense	0.04	1.49	0.26				1.79
<b>Sub-Totals</b>	<b>1.56</b>	<b>4.59</b>	<b>0.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.95</b>
<b>Secondary Systems</b>							
Labour	2.94	0.82	0.00				3.77
Materials and Expense	0.00	0.38	0.00				0.38
<b>Sub-Totals</b>	<b>2.94</b>	<b>1.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.14</b>
<b>Land and Easements</b>							
Labour	2.23	0.97	1.27				4.47
Materials and Expense	4.27	2.12	2.77				9.16
<b>Sub-Totals</b>	<b>6.51</b>	<b>3.09</b>	<b>4.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.64</b>
<b>SUMMARY</b>							
<b>Sub Total Labour</b>	<b>16.93</b>	<b>16.17</b>	<b>4.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>38.04</b>
<b>Sub Total Materials and Expense</b>	<b>6.13</b>	<b>12.02</b>	<b>6.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>24.45</b>
<b>Total Maintenance</b>	<b>23.06</b>	<b>28.19</b>	<b>11.23</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62.49</b>
<b>Maintenance Support &amp; Asset Management</b>				12.57			12.57
<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12.57</b>	<b>0.00</b>	<b>0.00</b>	<b>12.57</b>
<b>Operations / Control Room</b>				9.05			9.05
<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.05</b>	<b>0.00</b>	<b>0.00</b>	<b>9.05</b>
<b>Grid Planning</b>					4.19		4.19
<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.19</b>	<b>0.00</b>	<b>4.19</b>
<b>Insurance</b>					5.86		5.86
<b>Rates &amp; Taxes</b>					3.55		3.55
<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.41</b>	<b>0.00</b>	<b>9.41</b>
<b>Property Management</b>					3.64		3.64
<b>Environmental</b>					2.96		2.96
<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.60</b>	<b>0.00</b>	<b>6.60</b>
<b>Corporate Governance</b>						6.70	6.70
<b>Customer Relations</b>					3.08		3.08
<b>Regulatory</b>					1.73		1.73
<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.80</b>	<b>6.70</b>	<b>11.50</b>
<b>Finance</b>						4.38	4.38
<b>Information Technology</b>						10.97	10.97
<b>HR &amp; Payroll</b>						4.06	4.06
<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19.41</b>	<b>19.41</b>
<b>TOTAL CONTROLLABLE OPEX</b>	<b>23.06</b>	<b>28.19</b>	<b>11.23</b>	<b>21.62</b>	<b>25.01</b>	<b>26.11</b>	<b>135.23</b>
<b>Debt Raising</b>						3.69	3.69
<b>Equity Raising</b>						0.94	0.94
<b>Self-insurance</b>					1.91		1.91
<b>Network Support</b>					21.50		21.50
<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23.41</b>	<b>4.63</b>	<b>28.04</b>
<b>TOTAL REGULATORY OPEX</b>	<b>23.06</b>	<b>28.19</b>	<b>11.23</b>	<b>21.62</b>	<b>48.42</b>	<b>30.74</b>	<b>163.27</b>

2.3 Forecast Opex by Category Year 2010-11

2010-2011							TOTAL
Field Maintenance			Operations and Maintenance Support	Corporate Support			
Routine	Defects	Major Operating Projects		Network	Non-Network		
<b>Maintenance</b>							
<b>Lines</b>							
Labour	3.42	3.42	1.02				7.86
Materials and Expense	1.32	1.21	0.69				3.21
<b>Sub-Totals</b>	<b>4.73</b>	<b>4.64</b>	<b>1.71</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.08</b>
<b>Substations</b>							
Labour	8.65	9.86	2.04				20.56
Materials and Expense	0.85	8.09	2.68				11.62
<b>Sub-Totals</b>	<b>9.50</b>	<b>17.95</b>	<b>4.72</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32.18</b>
<b>Communications</b>							
Labour	1.88	3.82	0.56				6.25
Materials and Expense	0.05	1.80	0.26				2.11
<b>Sub-Totals</b>	<b>1.93</b>	<b>5.62</b>	<b>0.82</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.36</b>
<b>Secondary Systems</b>							
Labour	3.63	1.02	0.00				4.65
Materials and Expense	0.00	0.46	0.00				0.46
<b>Sub-Totals</b>	<b>3.63</b>	<b>1.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.11</b>
<b>Land and Easements</b>							
Labour	2.91	1.20	0.35				4.46
Materials and Expense	5.53	2.60	0.75				8.88
<b>Sub-Totals</b>	<b>8.43</b>	<b>3.81</b>	<b>1.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.34</b>
<b>SUMMARY</b>							
<b>Sub Total Labour</b>	<b>20.49</b>	<b>19.32</b>	<b>3.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43.78</b>
<b>Sub Total Materials and Expense</b>	<b>7.74</b>	<b>14.16</b>	<b>4.38</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26.28</b>
<b>Total Maintenance</b>	<b>28.22</b>	<b>33.49</b>	<b>8.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>70.06</b>
<b>Maintenance Support &amp; Asset Management</b>				12.82			12.82
<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12.82</b>	<b>0.00</b>	<b>0.00</b>	<b>12.82</b>
<b>Operations / Control Room</b>				9.25			9.25
<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.25</b>	<b>0.00</b>	<b>0.00</b>	<b>9.25</b>
<b>Grid Planning</b>					4.28		4.28
<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.28</b>	<b>0.00</b>	<b>4.28</b>
<b>Insurance</b>					6.24		6.24
<b>Rates &amp; Taxes</b>					3.62		3.62
<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.86</b>	<b>0.00</b>	<b>9.86</b>
<b>Property Management</b>					3.68		3.68
<b>Environmental</b>					3.03		3.03
<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.70</b>	<b>0.00</b>	<b>6.70</b>
<b>Corporate Governance</b>						6.80	6.80
<b>Customer Relations</b>					3.13		3.13
<b>Regulatory</b>					1.76		1.76
<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.89</b>	<b>6.80</b>	<b>11.69</b>
<b>Finance</b>						4.46	4.46
<b>Information Technology</b>						11.12	11.12
<b>HR &amp; Payroll</b>						4.14	4.14
<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19.72</b>	<b>19.72</b>
<b>TOTAL CONTROLLABLE OPEX</b>	<b>28.22</b>	<b>33.49</b>	<b>8.35</b>	<b>22.07</b>	<b>25.73</b>	<b>26.52</b>	<b>144.39</b>
<b>Debt Raising</b>						4.03	4.03
<b>Equity Raising</b>						1.65	1.65
<b>Self-insurance</b>					1.91		1.91
<b>Network Support</b>					6.00		6.00
<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.91</b>	<b>5.68</b>	<b>13.59</b>
<b>TOTAL REGULATORY OPEX</b>	<b>28.22</b>	<b>33.49</b>	<b>8.35</b>	<b>22.07</b>	<b>33.64</b>	<b>32.20</b>	<b>157.98</b>

2.4 Forecast Opex by Category Year 2011-12

(\$m, 2008 dollars)

2011-2012							
		Field Maintenance		Operations and Maintenance Support	Corporate Support		TOTAL
		Routine	Defects	Major Operating Projects	Network	Non-Network	
<b>Maintenance</b>							
<b>Lines</b>							
	Labour	2.83	2.83	0.97			6.63
	Materials and Expense	1.06	0.98	0.72			2.77
	<b>Sub-Totals</b>	<b>3.89</b>	<b>3.81</b>	<b>1.69</b>	<b>0.00</b>	<b>0.00</b>	<b>9.40</b>
<b>Substations</b>							
	Labour	9.50	10.82	2.22			22.54
	Materials and Expense	0.92	8.74	2.84			12.50
	<b>Sub-Totals</b>	<b>10.42</b>	<b>19.56</b>	<b>5.06</b>	<b>0.00</b>	<b>0.00</b>	<b>35.04</b>
<b>Communications</b>							
	Labour	1.72	3.50	0.57			5.80
	Materials and Expense	0.04	1.61	0.26			1.92
	<b>Sub-Totals</b>	<b>1.77</b>	<b>5.11</b>	<b>0.84</b>	<b>0.00</b>	<b>0.00</b>	<b>7.72</b>
<b>Secondary Systems</b>							
	Labour	4.46	1.25	0.00			5.71
	Materials and Expense	-0.01	0.56	0.00			0.55
	<b>Sub-Totals</b>	<b>4.46</b>	<b>1.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.26</b>
<b>Land and Easements</b>							
	Labour	3.05	1.26	0.33			4.64
	Materials and Expense	5.74	2.70	0.70			9.14
	<b>Sub-Totals</b>	<b>8.79</b>	<b>3.97</b>	<b>1.03</b>	<b>0.00</b>	<b>0.00</b>	<b>13.78</b>
<b>SUMMARY</b>							
	<b>Sub Total Labour</b>	<b>21.56</b>	<b>19.67</b>	<b>4.09</b>	<b>0.00</b>	<b>0.00</b>	<b>45.32</b>
	<b>Sub Total Materials and Expense</b>	<b>7.76</b>	<b>14.59</b>	<b>4.53</b>	<b>0.00</b>	<b>0.00</b>	<b>26.88</b>
	<b>Total Maintenance</b>	<b>29.32</b>	<b>34.26</b>	<b>8.61</b>	<b>0.00</b>	<b>0.00</b>	<b>72.20</b>
	<b>Maintenance Support &amp; Asset Management</b>				13.31		13.31
	<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.31</b>	<b>0.00</b>	<b>13.31</b>
	<b>Operations / Control Room</b>				9.63		9.63
	<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.63</b>	<b>0.00</b>	<b>9.63</b>
	<b>Grid Planning</b>					4.46	4.46
	<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.46</b>	<b>4.46</b>
	<b>Insurance</b>					6.68	6.68
	<b>Rates &amp; Taxes</b>					3.81	3.81
	<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.48</b>	<b>10.48</b>
	<b>Property Management</b>					3.75	3.75
	<b>Environmental</b>					3.14	3.14
	<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.90</b>	<b>6.90</b>
	<b>Corporate Governance</b>					6.98	6.98
	<b>Customer Relations</b>					3.22	3.22
	<b>Regulatory</b>					2.29	2.29
	<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.52</b>	<b>12.50</b>
	<b>Finance</b>					4.60	4.60
	<b>Information Technology</b>					11.38	11.38
	<b>HR &amp; Payroll</b>					4.28	4.28
	<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>20.26</b>	<b>20.26</b>
<b>TOTAL CONTROLLABLE OPEX</b>		<b>29.32</b>	<b>34.26</b>	<b>8.61</b>	<b>22.94</b>	<b>27.35</b>	<b>149.73</b>
<b>Other OPEX</b>							
	<b>Debt Raising</b>					4.31	4.31
	<b>Equity Raising</b>					3.13	3.13
	<b>Self-insurance</b>					1.91	1.91
	<b>Network Support</b>					6.00	6.00
	<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.94</b>	<b>15.35</b>
<b>TOTAL REGULATORY OPEX</b>		<b>29.32</b>	<b>34.26</b>	<b>8.61</b>	<b>22.94</b>	<b>35.26</b>	<b>165.08</b>

2.5 Forecast Opex by Category Year 2012-13

(\$m, 2008 dollars)

2012-2013							TOTAL
Field Maintenance			Operations and Maintenance Support	Corporate Support			
Routine	Defects	Major Operating Projects		Network	Non-Network		
<b>Maintenance</b>							
<b>Lines</b>							
Labour	3.67	3.68	0.96				8.31
Materials and Expense	1.34	1.24	0.75				3.33
<b>Sub-Totals</b>	<b>5.01</b>	<b>4.92</b>	<b>1.71</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.64</b>
<b>Substations</b>							
Labour	10.11	11.52	2.32				23.95
Materials and Expense	0.96	9.13	2.77				12.85
<b>Sub-Totals</b>	<b>11.07</b>	<b>20.65</b>	<b>5.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>36.80</b>
<b>Communications</b>							
Labour	2.27	4.61	0.60				7.48
Materials and Expense	0.05	2.05	0.26				2.37
<b>Sub-Totals</b>	<b>2.32</b>	<b>6.67</b>	<b>0.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.85</b>
<b>Secondary Systems</b>							
Labour	5.09	1.42	0.00				6.52
Materials and Expense	-0.01	0.62	0.00				0.61
<b>Sub-Totals</b>	<b>5.09</b>	<b>2.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.13</b>
<b>Land and Easements</b>							
Labour	3.31	1.37	0.30				4.98
Materials and Expense	6.15	2.90	0.63				9.68
<b>Sub-Totals</b>	<b>9.46</b>	<b>4.27</b>	<b>0.93</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14.66</b>
<b>SUMMARY</b>							
Sub Total Labour	24.46	22.61	4.17	0.00	0.00	0.00	51.24
Sub Total Materials and Expense	8.50	15.94	4.41	0.00	0.00	0.00	28.85
<b>Total Maintenance</b>	<b>32.96</b>	<b>38.55</b>	<b>8.58</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>80.09</b>
Maintenance Support & Asset Management				13.90			13.90
<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.90</b>	<b>0.00</b>	<b>0.00</b>	<b>13.90</b>
Operations / Control Room				10.08			10.08
<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.08</b>	<b>0.00</b>	<b>0.00</b>	<b>10.08</b>
Grid Planning					4.66		4.66
<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.66</b>	<b>0.00</b>	<b>4.66</b>
Insurance					7.06		7.06
Rates & Taxes					4.00		4.00
<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.06</b>	<b>0.00</b>	<b>11.06</b>
Property Management					3.84		3.84
Environmental					3.29		3.29
<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.13</b>	<b>0.00</b>	<b>7.13</b>
Corporate Governance						7.20	7.20
Customer Relations					3.34		3.34
Regulatory					3.39		3.39
<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.73</b>	<b>7.20</b>	<b>13.93</b>
Finance						4.78	4.78
Information Technology						11.69	11.69
HR & Payroll						4.45	4.45
<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>20.91</b>	<b>20.91</b>
<b>TOTAL CONTROLLABLE OPEX</b>	<b>32.96</b>	<b>38.55</b>	<b>8.58</b>	<b>23.98</b>	<b>29.58</b>	<b>28.11</b>	<b>161.76</b>
<b>Debt Raising</b>							4.83
<b>Equity Raising</b>							4.01
<b>Self-insurance</b>							1.91
<b>Network Support</b>							6.00
<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.91</b>	<b>8.84</b>	<b>16.75</b>
<b>TOTAL REGULATORY OPEX</b>	<b>32.96</b>	<b>38.55</b>	<b>8.58</b>	<b>23.98</b>	<b>37.49</b>	<b>36.95</b>	<b>178.51</b>

2.6 Forecast Opex by Category Year 2013-14

(\$m, 2008 dollars)

2013-2014							
Field Maintenance			Operations and Maintenance Support	Corporate Support		TOTAL	
Routine	Defects	Major Operating Projects		Network	Non-Network		
<b>Maintenance</b>							
<b>Lines</b>							
Labour	3.57	3.58	0.97			8.12	
Materials and Expense	1.27	1.17	0.77			3.21	
<b>Sub-Totals</b>	<b>4.84</b>	<b>4.75</b>	<b>1.74</b>	<b>0.00</b>	<b>0.00</b>	<b>11.33</b>	
<b>Substations</b>							
Labour	10.37	11.82	2.52			24.70	
Materials and Expense	0.96	9.17	2.91			13.05	
<b>Sub-Totals</b>	<b>11.33</b>	<b>20.99</b>	<b>5.43</b>	<b>0.00</b>	<b>0.00</b>	<b>37.75</b>	
<b>Communications</b>							
Labour	2.38	4.85	0.62			7.85	
Materials and Expense	0.05	2.08	0.27			2.41	
<b>Sub-Totals</b>	<b>2.44</b>	<b>6.93</b>	<b>0.89</b>	<b>0.00</b>	<b>0.00</b>	<b>10.26</b>	
<b>Secondary Systems</b>							
Labour	5.04	1.41	0.00			6.44	
Materials and Expense	-0.01	0.60	0.00			0.59	
<b>Sub-Totals</b>	<b>5.03</b>	<b>2.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.04</b>	
<b>Land and Easements</b>							
Labour	3.50	1.45	0.31			5.25	
Materials and Expense	6.40	3.01	0.64			10.06	
<b>Sub-Totals</b>	<b>9.90</b>	<b>4.46</b>	<b>0.95</b>	<b>0.00</b>	<b>0.00</b>	<b>15.31</b>	
<b>SUMMARY</b>							
<b>Sub Total Labour</b>	<b>24.86</b>	<b>23.10</b>	<b>4.41</b>	<b>0.00</b>	<b>0.00</b>	<b>52.37</b>	
<b>Sub Total Materials and Expense</b>	<b>8.68</b>	<b>16.04</b>	<b>4.59</b>	<b>0.00</b>	<b>0.00</b>	<b>29.32</b>	
<b>Total Maintenance</b>	<b>33.54</b>	<b>39.14</b>	<b>9.01</b>	<b>0.00</b>	<b>0.00</b>	<b>81.68</b>	
<b>Maintenance Support &amp; Asset Management</b>				14.41		14.41	
<b>Total Maintenance Support &amp; Asset Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14.41</b>	<b>0.00</b>	<b>14.41</b>	
<b>Operations / Control Room</b>				10.49		10.49	
<b>Total Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.49</b>	<b>0.00</b>	<b>10.49</b>	
<b>Grid Planning</b>					4.85	4.85	
<b>Total Grid Planning</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.85</b>	<b>4.85</b>	
<b>Insurance</b>					7.29	7.29	
<b>Rates &amp; Taxes</b>					4.09	4.09	
<b>Total Taxes and Insurance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.39</b>	<b>11.39</b>	
<b>Property Management</b>					3.93	3.93	
<b>Environmental</b>					3.41	3.41	
<b>Total Property Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.34</b>	<b>7.34</b>	
<b>Corporate Governance</b>						7.41	
<b>Customer Relations</b>					3.45	3.45	
<b>Regulatory</b>					3.91	3.91	
<b>Total Corporate and Regulatory Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.36</b>	<b>14.77</b>	
<b>Finance</b>						4.95	
<b>Information Technology</b>						11.98	
<b>HR &amp; Payroll</b>						4.62	
<b>Total Business Management</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21.55</b>	
<b>TOTAL CONTROLLABLE OPEX</b>	<b>33.54</b>	<b>39.14</b>	<b>9.01</b>	<b>24.91</b>	<b>30.94</b>	<b>28.96</b>	
<b>Debt Raising</b>						5.13	
<b>Equity Raising</b>						4.17	
<b>Self-insurance</b>					1.91	1.91	
<b>Network Support</b>					6.00	6.00	
<b>TOTAL OTHER OPEX</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.91</b>	<b>9.29</b>	
<b>TOTAL REGULATORY OPEX</b>	<b>33.54</b>	<b>39.14</b>	<b>9.01</b>	<b>24.91</b>	<b>38.85</b>	<b>38.25</b>	

3.1 Historic CAPEX by project category - Summary

(\$m, Nominal for 2004-07 then 2008 Dollars)

Project Category		Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
		2004/05	2005/06	2006/07	2007/08	2008/09	
<b>NETWORK</b>							
<b>LOAD DRIVEN</b>	<b>Augmentation</b>	49.8	54.9	64.8	221.2	345.9	736.5
	<b>Land/ Easements</b>	9.0	7.4	33.0	21.9	42.2	113.5
	<b>Connections</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>NON-LOAD DRIVEN</b>	<b>Replacement</b>	49.9	66.8	79.3	71.9	76.7	344.6
	<b>Security/Compliance</b>	0.8	3.2	7.4	8.6	18.8	38.9
	<b>Other Network</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>NON NETWORK</b>							
<b>BUSINESS IT</b>	<b>Information Technology</b>	10.6	14.0	9.8	13.1	14.3	61.7
<b>SUPPORT THE BUSINESS</b>	<b>Facilities</b>	1.4	1.0	10.3	9.0	12.7	34.5
	<b>Motor Vehicles</b>	5.8	2.6	7.1	6.1	1.7	23.4
	<b>Other</b>	3.2	0.8	1.6	1.9	1.6	9.1
<b>TOTAL HISTORIC CAPEX</b>		130.6	150.7	213.4	353.7	513.8	1,362.1

3.2 HISTORIC CAPEX by asset class - Summary

(\$m, Nominal for 2004-07 then 2008 Dollars)

<b>Asset class</b>
Transmission Lines & Cables - Augmentation
Substations - Augmentation
Secondary Systems - Augmentation
Communications - Augmentation
Transmission Lines & Cables - Replacement
Substations - Replacement
Secondary Systems - Replacement
Communications - Replacement
Land & Easement
Business IT
Support the Business - Minor Plant
Motor Vehicles & Mobile Plant
<b>TOTAL CAPEX</b>

<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>TOTAL</b>
<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	
10.4	9.7	10.5	32.9	58.6	122.1
33.9	40.6	52.0	166.3	254.4	547.2
2.1	1.7	2.7	11.8	14.2	32.4
3.6	3.2	2.9	12.3	19.3	41.3
3.3	7.1	2.3	12.7	21.7	47.1
28.0	41.5	57.1	38.0	50.3	214.8
1.6	2.8	4.1	3.6	2.5	14.7
3.2	3.9	3.5	3.1	2.7	16.4
8.8	7.5	33.1	21.9	42.3	113.5
10.6	14.0	9.8	13.1	14.3	61.7
19.3	16.1	28.3	31.9	31.9	127.5
5.8	2.6	7.1	6.1	1.7	23.4
130.6	150.7	213.4	353.7	513.8	1,362.1







3.4 HISTORIC CAPEX - Network Programs & Non-Network

(\$m, Nominal for 2004-07 then 2008 Dollars)

Project ID	Project Name	Commissioning Date	Category^						REASON FOR PROJECT	Business Case (Y/N)	Reg Test / Business Case Cost Estimate (Nominal)	Reason for Variance from Cost Estimate	
				Year 1	Year 2	Year 3	Year 4	Year 5					TOTAL
				2004/05	2005/06	2006/07	2007/08	2008/09					
8181 a	Buildings & Facilities	Ongoing	Facilities	1.4	1.0	10.3	9.0	12.7	34.5	Poor asset condition	Yes	20.4	Input price Increase
8018 a	Communication & Control Replacement	Ongoing	Replacement	2.4	2.8	2.4	2.5	1.6	11.8	Asset replace'n for end of life condition	Yes	9.8	Input price Increase
8016	Communication & Control Replacement	Ongoing	Security/Compliance	0.1	0.1	0.0	0.1	0.0	0.4	NEM Compliance	Yes	0.0	
8177 a	Information Technology	Ongoing	Information Technology	10.6	14.0	9.8	13.1	14.3	61.7	End of life asset/ system upgrade	Yes	59.9	No material variance
8178	Misc Assets & Office Equipment	Ongoing	Other	3.2	0.8	1.6	1.9	1.6	9.1	Poor asset condition	Yes	7.7	Extra items being purchased
8179	Motor Vehicles	Ongoing	Motor Vehicles	5.8	2.6	7.1	6.1	1.7	23.4	Business Operation need	Yes	16.7	Fall in disposal returns & scope change
8058 a	Protection & Metering	Ongoing	Replacement	0.5	1.4	2.1	2.6	1.4	8.1	Asset replace'n for end of life condition	Yes	6.4	Scope change
8019	Protection & Metering	Ongoing	Security/Compliance	0.1	0.4	0.4	0.2	0.0	1.1	NEM Compliance	Yes	0.4	
8090 a	Substation - Circuit Breaker	Ongoing	Replacement	5.3	5.2	2.5	1.8	0.7	15.6	Asset replace'n for end of life condition	Yes	11.3	Scope change
8136 a	Substation - Civil Work	Ongoing	Replacement	0.4	0.5	0.4	0.6	1.3	3.3	Poor asset condition	Yes	1.9	Scope change
8106 a	Substation - Instrument transformers	Ongoing	Replacement	3.8	7.0	7.0	4.8	4.7	27.3	Asset replace'n for end of life condition	Yes	24.7	No material variance
8092	Substation - Instrument transformers	Ongoing	Security/Compliance	0.2	0.8	1.0	0.1	0.4	2.4	Environmental Compliance	Yes	1.8	Input price Increase
8133 a	Substation - Plant & Equipment	Ongoing	Replacement	4.3	3.3	3.7	1.9	3.2	16.3	Asset replace'n for end of life condition	Yes	13.4	Scope change
8137	Substation - Security Fences	Ongoing	Replacement	4.9	5.7	7.2	16.9	11.9	46.7	NEM Compliance	Yes	39.1	Scope change
8143 a	Substation - Security Systems	Ongoing	Security/Compliance	0.5	1.3	2.6	4.2	6.4	15.0	NEM Compliance	Yes	10.9	Scope change
8169 a	Transformer Replacement & Additions	Ongoing	Replacement	6.4	1.1	5.1	1.6	3.3	17.3	Asset replace'n for end of life condition	Yes	14.8	Input price Increase
8162 a	Transmission Lines - minor upgrade	Ongoing	Replacement	2.4	1.4	0.7	1.1	2.1	7.7	Maintain ongoing reliability of the network	Yes	6.3	Scope change
8160 a	Transmission Lines - minor upgrade	Ongoing	Security/Compliance	0.0	0.2	0.0	0.0	0.0	0.2	NEM Compliance	Yes	0.2	No material variance
8164 a	Transmission Lines - Wood Poles	Ongoing	Replacement	2.1	6.7	2.6	6.9	4.8	23.1	Asset replace'n for end of life condition	Yes	13.6	Input price Increase

^refers to the categories used in table 4.1 (eg Information Technology, Motor Vehicles etc)

4.1 FORECAST CAPEX by project category - Summary

(\$m, 2008 dollars)

Project Category		Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
		2009/10	2010/11	2011/12	2012/13	2013/14	
<b>NETWORK</b>							
LOAD DRIVEN	Augmentation	328.6	279.1	573.0	343.4	139.4	1,663.5
	Land/ Easements	63.2	92.2	37.7	26.5	67.9	287.4
	Connections	0.0	0.0	0.0	0.0	0.0	0.0
NON-LOAD DRIVEN	Replacement	96.3	82.7	104.5	129.2	80.7	493.4
	Security/Compliance	10.2	3.8	5.4	5.6	1.1	26.1
	Other Network	0.0	0.0	0.0	0.0	0.0	0.0
<b>NON NETWORK</b>							
BUSINESS IT	Information Technology	17.9	22.9	20.3	13.2	21.7	95.9
SUPPORT THE BUSINESS	Facilities	10.0	4.7	0.0	0.0	0.0	14.7
	Motor Vehicles	9.3	9.3	5.9	4.6	10.0	39.1
	Other	1.4	1.3	1.2	1.3	1.4	6.6
<b>TOTAL FORECAST CAPEX</b>		536.8	495.9	748.0	523.8	322.3	2,626.8

4.2 FORECAST CAPEX by asset class - Summary

(\$m, 2008 dollars)

Asset class

Transmission Lines & Cables - Augmentation
Substations - Augmentation
Secondary Systems - Augmentation
Communications - Augmentation
Transmission Lines & Cables - Replacement
Substations - Replacement
Secondary Systems - Replacement
Communications - Replacement
Land & Easement
Business IT
Support the Business - Minor Plant
Motor Vehicles & Mobile Plant

Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
2009/10	2010/11	2011/12	2012/13	2013/14		
84.9	141.3	362.5	198.2	66.1	853.0	
219.1	143.3	247.0	218.7	102.2	930.3	
11.9	10.2	15.2	17.3	18.6	73.2	
24.4	32.0	24.5	7.9	4.8	93.7	
6.4	6.3	3.9	4.4	5.3	26.4	
76.4	24.6	21.1	22.3	15.7	160.1	
7.6	6.0	6.7	7.6	6.3	34.2	
4.2	2.0	2.0	1.7	2.2	12.0	
63.3	92.2	37.7	26.5	67.9	287.6	
17.9	22.9	20.3	13.2	21.7	95.9	
11.4	6.0	1.2	1.3	1.4	21.3	
9.3	9.3	5.9	4.6	10.0	39.1	
<b>TOTAL CAPEX</b>	<b>536.8</b>	<b>495.9</b>	<b>748.0</b>	<b>523.8</b>	<b>322.3</b>	<b>2,626.8</b>

4.3 FORECAST CAPEX - NETWORK - by project

(\$m, 2008 dollars)

Project ID	Project Name	Commissioning Date	Category^	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	REASON FOR PROJECT	Reg Test / Business Case (Y/N)
				2009/10	2010/11	2011/12	2012/13	2013/14			
6380	Albury-Mulwala Lines-Trip Scheme	2010	Augmentation	0.6	0.0	0.0	0.0	0.0	0.6	Customer request	Yes
6242	Armidale 330kV SVC Control Replacement	2015	Replacement	0.0	0.0	0.0	0.0	0.9	1.0	Reliability, manufacturer support withdrawal	Yes
5990	Armidale-Coffs Harbour 96C 132kV Line upgrade	2011	Augmentation	8.0	5.1	0.0	0.0	0.0	13.1	Customer request	Yes
6275	Bamarang 330kV establishment	2014	Augmentation	0.0	0.2	2.6	14.9	27.4	45.2		
6275	Bamarang 330kV establishment	2014	Easements	0.0	0.4	0.3	1.6	0.0	2.4	Asset approaching limit of capacity	Yes
5567	Bannaby-South Creek 500kV Lines & Sub	2014	Augmentation	1.5	3.9	28.5	179.0	109.5	322.5		
5567	Bannaby-South Creek 500kV Lines & Sub	2014	Easements	3.9	26.4	27.1	13.9	0.0	71.3	Network reinforcement for load growth	Yes
6378	Beaconfield West 132kV GIS Replacement	2013	Replacement	2.4	7.2	10.5	28.1	0.0	48.1	Poor asset condition	Yes
6096	Beaconsfield West 132kV Capacitor Bank	2011	Augmentation	0.6	6.2	0.0	0.0	0.0	6.8	Network approaching limit of capacity	Yes
5818	Beaconsfield West 330kV 3rd Transformer	2011	Augmentation	1.3	11.8	0.0	0.0	0.0	13.1	Network approaching limit of capacity	Yes
6263	Beaconsfield West 330kV Substation Busbar	2017	Augmentation	0.0	0.0	0.0	0.0	0.1	0.1		
6263	Beaconsfield West 330kV Substation Busbar	2017	Easements	0.0	0.0	0.0	0.0	36.2	36.2	Asset approaching limit of capacity	Yes
6157	Beryl 132kV Sub2 x 66kV bays	2014	Augmentation	0.0	0.0	0.0	0.0	0.9	0.9	Customer request	Yes
6460	Broken Hill SVC Upgrade	2012	Replacement	0.2	1.0	9.3	0.0	0.0	10.4	Poor asset condition	Yes
6167	Burrinjuck 132kV Substation rebuild	2015	Easements	0.0	0.0	0.0	0.3	0.0	0.3	Asset replace'n for end of life condition	Yes
6167	Burrinjuck 132kV Substation rebuild	2015	Replacement	0.0	0.0	0.0	0.3	4.2	4.5		
9032	Cable 41 Reactor Replacement	2011	Replacement	6.1	0.0	0.0	0.0	0.0	6.1	Asset replace'n for end of life condition	Yes
6381	Canberra 132kV Cap Banks (new, 4th bank)	2010	Augmentation	2.7	0.0	0.0	0.0	0.0	2.7	Voltage Support	Yes
6152	Canberra 132kV Capacitor Bank No.1	2013	Augmentation	0.0	0.0	0.3	2.7	0.0	3.0	Voltage Support	Yes
6383	Canberra 330kV Cap Banks 200MVA	2010	Augmentation	4.3	0.0	0.0	0.0	0.0	4.3	Voltage Support	Yes
5620	Canberra 330kV Sub No.2 Transformer	2014	Replacement	0.0	0.0	0.0	0.6	7.6	8.2	Asset replace'n for end of life condition	Yes
6025	Canberra 330kV Tunnel Board Replacement	2013	Replacement	0.0	0.1	1.1	2.3	0.0	3.5	Asset replace'n for end of life condition	Yes
5995	Chullora 330kV Sub Establishment	2013	Augmentation	0.0	6.1	11.6	42.0	0.0	59.7		
5995	Chullora 330kV Sub Establishment	2013	Easements	7.4	0.0	0.0	0.0	0.0	7.4	Network approaching limit of capacity	Yes
9045	Coffs Harbour 132kV Transformers	2010	Augmentation	6.2	0.0	0.0	0.0	0.0	6.2	Capacity to meet NER System	Yes
5999	Coffs Harbour 330kV Sub 2nd Transformer	2012	Augmentation	0.0	1.0	9.8	0.0	0.0	10.8	Customer request	Yes
6193	Coffs Harbour 66kV Cap Bank No.3 Replacement	2012	Replacement	0.0	0.1	1.1	0.0	0.0	1.2	Asset replace'n for end of life condition	Yes
9127	Coffs Harbour -Kempsey 132kV Conversion	2010	Augmentation	13.0	0.0	0.0	0.0	0.0	13.0	Network approaching limit of capacity	Yes
5601	Communication - Albury, ANM, Hume	2011	Augmentation	0.1	3.3	0.0	0.0	0.0	3.4	Communication upgrade to meet NEMMCO Std	Yes
6244	Communication - FSX/FLX multiplex network	2013	Replacement	0.0	0.0	1.5	7.7	0.0	9.2	End of life asset upgrade	Yes
5603	Communication - New England Microwave radio	2013	Augmentation	0.0	0.0	0.6	9.3	0.0	9.9		
5603	Communication - New England Microwave radio	2013	Easements	0.0	0.2	0.0	0.0	0.0	0.2	Communication upgrade to meet NEMMCO Std	Yes
6243	Communication - North Coast Microwave Replacement	2011	Replacement	1.3	6.7	0.0	0.0	0.0	8.0	End of life asset upgrade	Yes
6245	Communication - PNX phone network Replacement	2012	Replacement	0.1	1.9	3.8	0.0	0.0	5.7	Asset replace'n for end of life condition	Yes
5830	Communication - South NSW Microwave Radio	2011	Augmentation	0.1	2.8	0.0	0.0	0.0	2.9	Communication upgrade to meet NEMMCO Std	Yes
5607	Communication - SW NSW Microwave & Satellite	2011	Augmentation	0.2	4.6	0.0	0.0	0.0	4.8	Communication upgrade to meet NEMMCO Std	Yes
6154	Communication- Beryl SCADA Microwave Radio	2012	Augmentation	0.0	0.6	2.8	0.0	0.0	3.4	Communication upgrade to meet NEMMCO Std	Yes
9055	Communication Network Upgrade (various)	2010	Augmentation	30.5	0.0	0.0	0.0	0.0	30.5	Communication to meet NEMMCO Std	Yes
6256	Communication:Spur microwave system Replacement	2014	Replacement	0.0	0.0	0.0	0.1	1.8	1.9	Manufacturer support withdrawn	Yes
9080	Communications-- Voice Over Internet Protocol	2010	Augmentation	1.7	0.0	0.0	0.0	0.0	1.7	Communication to meet NEMMCO Std	Yes
5131	Cooma 132kV bay	2011	Augmentation	0.1	1.6	0.0	0.0	0.0	1.7	Customer request	Yes
6194	Cooma 132kV Sub replacement and new bay	2014	Easements	0.0	0.1	0.5	0.0	0.0	0.6		
6194	Cooma 132kV Sub replacement and new bay	2014	Replacement	0.0	0.0	1.1	11.5	30.2	42.8	Poor asset condition	Yes
5616	Cowra 132kV Sub Transformers	2010	Augmentation	7.2	0.0	0.0	0.0	0.0	7.2	Network approach limit of capacity	Yes
9090	Dapto Line Switchbay & Fault Level	2010	Augmentation	0.9	0.0	0.0	0.0	0.0	0.9	End of life asset upgrade	Yes
6021	Dapto- Syd Sth 330kV line rehabilitation	2012	Replacement	3.9	3.9	4.6	0.0	0.0	12.4	Poor asset condition	Yes
6182	Darlington Pt-Colleambelly 132kV Line duplication	2015	Augmentation	0.0	0.0	0.0	0.2	1.8	2.0		
6182	Darlington Pt-Colleambelly 132kV Line duplication	2015	Easements	0.0	0.0	0.0	0.2	1.0	1.2	Customer request	Yes
9094	Dumaresq-Lismore 330kV Line	2012	Augmentation	5.5	80.0	80.0	0.0	0.0	165.5		
9095	Dumaresq-Lismore 330kV Line	2012	Easements	17.0	5.0	0.0	0.0	0.0	22.0	Network approaching limit of capacity	Yes
6108	Eraring & Kemps Creek 550kV Sub Transformer radiator	2013	Augmentation	0.0	0.0	0.1	1.1	0.0	1.1	Network approaching limit of capacity	Yes
9098	Glen Innes - Inverell 132kV Line	2010	Augmentation	9.7	0.0	0.0	0.0	0.0	9.7	Asset approaching limit of capacity	Yes
6175	Griffith 132kV Sub 3 x 60MVA Replacement	2013	Replacement	0.0	0.0	0.8	5.8	0.0	6.6	Asset replace'n for end of life condition	Yes
6147	Griffith 33kV Capacitors Bank No.1&2	2010	Security/Compliance	1.6	0.0	0.0	0.0	0.0	1.6	PCB contaminated	Yes
6115	Hawkesbury 500kV Substation site acquisition	2012	Easements	1.0	0.0	0.0	0.0	0.0	1.0	Procurement for future reliability development	Yes
5992	Hawks Nest 132kV Substation	2011	Augmentation	1.2	6.7	0.0	0.0	0.0	7.8		
5992	Hawks Nest 132kV Substation	2011	Easements	0.5	0.1	0.0	0.0	0.0	0.6	Customer request	Yes
9191	Haymarket Sub EA 132KV cables	2010	Augmentation	0.2	0.0	0.0	0.0	0.0	0.2	Customer request	Yes
5588	Hérons Creek 132kV Substation	2012	Augmentation	0.0	1.4	6.9	0.0	0.0	8.3		
5588	Hérons Creek 132kV Substation	2012	Easements	0.0	0.4	0.1	0.0	0.0	0.5	Network approaching limit of capacity	Yes
4213	Holroyd 330kV Substation	2012	Augmentation	9.9	21.9	74.9	0.0	0.0	106.7		
4213	Holroyd 330kV Substation	2012	Easements	1.5	0.0	0.0	0.0	0.0	1.5	Network approaching limit of capacity	Yes
4188	Holroyd- Sydney West 330kV line	2012	Augmentation	0.3	1.6	7.8	0.0	0.0	9.6		
4188	Holroyd- Sydney West 330kV line	2012	Easements	9.9	50.8	0.0	0.0	0.0	60.7	Network approaching limit of capacity	Yes
6204	Holroyd-Chullora 330kV Cable	2013	Augmentation	0.0	23.5	187.5	33.5	0.0	244.5		



Project ID	Project Name	Commissioning		2009/10	2010/11	2011/12	2012/13	2013/14		REASON FOR PROJECT	Reg Test / Business Case (Y/N)
		Date	Category^								
6113	Trip Scheme - System protection scheme	2012	Augmentation	0.0	0.1	0.1	0.0	0.0		Reliability control equipment	Yes
6162	Tumut 132kV Sub 66kV bay	2014	Augmentation	0.0	0.0	0.0	0.1	1.2	1.3	Customer request	Yes
6271	Vales Point 132kV Sub new busbar	2012	Augmentation	0.0	0.6	5.7	0.0	0.0	6.3		
6271	Vales Point 132kV Sub new busbar	2012	Easements	0.6	0.0	0.0	0.0	0.0	0.6	Customer request	Yes
6223	Vineyard 132kV Sub 2 new line bays	2012	Augmentation	0.0	0.3	1.8	0.0	0.0	2.1	Customer request	Yes
6316	Vineyard 330kV No.3 Transformer (375MVA)	2012	Augmentation	0.1	1.3	11.5	0.0	0.0	12.8	Customer request	Yes
9256	Wagga 330kV Transformer	2010	Security/Compliance	6.9	0.0	0.0	0.0	0.0	6.9	PCB contaminated	Yes
9257	Wagga North 132kV Substation	2010	Augmentation	0.7	0.0	0.0	0.0	0.0	0.7	Asset approaching limit of capacity	Yes
6379	Wagga Town 132kV No.2 Transformer Replacement	2012	Replacement	0.0	0.3	3.5	0.0	0.0	3.8	Asset replace'n for end of life condition	Yes
6208	Wallerawang 132kV Sub Switchyard rebuild	2012	Easements	0.6	0.0	0.0	0.0	0.0	0.6		
6208	Wallerawang 132kV Sub Switchyard rebuild	2012	Replacement	0.5	5.7	12.1	0.0	0.0	18.3	Asset replace'n for end of life condition	Yes
6183	Wallerawang-Orange 132kV line 944 rebuild	2013	Augmentation	0.7	2.3	17.7	23.0	0.0	43.7		
6183	Wallerawang-Orange 132kV line 944 rebuild	2013	Easements	0.2	1.8	1.3	0.0	0.0	3.3	End of life asset upgrade	Yes
5625	Wallerawang No.1&2 Transformer	2010	Augmentation	19.0	0.0	0.0	0.0	0.0	19.0	Asset replace'n for end of life condition	Yes
6001	Waratah West 330kV Sub 2nd Transformer & 95N Convers	2011	Augmentation	2.7	15.5	0.0	0.0	0.0	18.2	Network reinforcement for load growth	Yes
6197	Wellington 132kV Cap Bank No.2 Repl	2012	Replacement	0.0	0.5	3.8	0.0	0.0	4.3	Asset replace'n for end of life condition	Yes
6212	Wellington 132kV Sub new line bay	2012	Augmentation	0.0	0.2	0.8	0.0	0.0	1.0	Customer request	Yes
9263	Wellington 330kV Shunt Reactor	2010	Replacement	2.9	0.0	0.0	0.0	0.0	2.9	Asset approaching limit of capacity	Yes
9270 a	Western 500kV Development	2010	Augmentation	77.6	0.0	0.0	0.0	0.0	77.6	Network approaching limit of capacity	Yes
9276 a	Williamsdale 330kV Substation	2010	Augmentation	31.1	0.0	0.0	0.0	0.0	31.1	To meet ACT jurisdiction std	Yes
6174	Williamsdale 330kV Sub 32kV line bay	2012	Augmentation	0.0	0.2	1.6	0.0	0.0	1.9	Customer request	Yes
9286	Wollar-Wellington 330kV development	2010	Augmentation	6.4	0.0	0.0	0.0	0.0	6.4	Network approaching limit of capacity	Yes
5618	Yanco 132kV Sub Transformer Replacement	2013	Replacement	0.0	0.0	0.6	7.1	0.0	7.6	Asset replace'n for end of life condition	Yes
6382	Yass 132kV Cap Banks (new 80MVAR)	2011	Augmentation	0.2	2.1	0.0	0.0	0.0	2.3	Improve reliability of purchased assets	Yes
5619	Yass 132kV Sub Transformer Replacement	2013	Replacement	0.0	0.0	0.2	2.9	0.0	3.1	Voltage support	Yes
5559	Yass-Cowra 999 132kV Lines	2017	Augmentation	0.0	0.0	0.0	0.1	0.7	0.8		
5559	Yass-Cowra 999 132kV Lines	2017	Easements	0.0	0.0	0.0	0.0	0.2	0.2	Network approaching limit of capacity	Yes

^refers to the categories used in table 4.1 (eg Information Technology, Motor Vehicles etc)



4.4 FORECAST CAPEX - Network Programs & Non-Network

(\$m, 2008 dollars)

Project ID	Project Name	Commissioning Date	Category^								
				Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL		
				2009/10	2010/11	2011/12	2012/13	2013/14			
5161	Buildings & Facilities	Ongoing	Facilities	10.0	4.7	0.0	0.0	0.0	14.7	Poor asset condition	Yes
4978 a	Communication & Control Replacement	Ongoing	Replacement	2.4	1.9	2.0	1.7	2.2	10.1	Asset replace'n for end of life condition	Yes
IT	Information Technology	Ongoing	Information Technology	17.9	22.9	20.3	13.2	21.7	95.9	System and IT assets upgrade	Yes
Office	Miscellaneous Plant & office Machines	Ongoing	Other	1.4	1.3	1.2	1.3	1.4	6.6	End of life asset upgrade	Yes
Fleet	Motor Vehicles	Ongoing	Motor Vehicles	9.3	9.3	5.9	4.6	10.0	39.1	Business operation	Yes
6353 a	Protection & Metering	Ongoing	Replacement	5.1	5.9	5.0	6.0	5.2	27.2	Asset replace'n for end of life condition	Yes
6095 a	Substation - Capacitor Bank	Ongoing	Replacement	3.3	3.3	4.4	5.8	5.0	21.8	Asset replace'n for end of life condition	Yes
5087 a	Substation - Instrument transformers	Ongoing	Replacement	5.2	4.7	3.9	3.8	4.2	21.8	Asset replace'n for end of life condition	Yes
5098 a	Substation - Plant & Equipment	Ongoing	Replacement	3.0	1.4	0.8	1.0	0.1	6.4	Asset replace'n for end of life condition	Yes
5100 a	Substation - Security	Ongoing	Replacement	0.1	0.0	0.0	0.0	0.0	0.1	Asset replace'n for end of life condition	Yes
6340 a	Substation - Security	Ongoing	Security/Compliance	1.6	3.8	5.4	5.6	1.1	17.6	Asset replace'n for end of life condition	Yes
5949 a	Substation - Civil Work	Ongoing	Replacement	3.5	3.9	3.0	2.7	0.8	14.0	Asset replace'n for end of life condition	Yes
6423 a	Transformer Replacement & Addition	Ongoing	Replacement	12.2	5.5	5.1	5.0	5.6	33.4	Asset replace'n for end of life condition	Yes
5158 a	Transmission Lines- Minor upgrades	Ongoing	Replacement	0.1	0.2	0.0	0.6	1.6	2.5	Asset replace'n for end of life condition	Yes
4939 a	Transmission Lines- Wood Poles	Ongoing	Replacement	6.2	6.1	3.9	3.9	3.8	23.9	Asset replace'n for end of life condition	Yes

^refers to the categories used in table 4.1 (eg Information Technology, Motor Vehicles etc)

**5.1 Historic and Forecast Opex Commentary proforma: key cost drivers**

<p><b>Commentary on cost drivers and material changes over the current regulatory period</b></p> <p><i>Section 6 of the Revenue Proposal provides information on TransGrid's performance in the current regulatory period. Please refer to this section for commentary on cost drivers and other material changes in this period.</i></p>
<p><b>Supporting information</b></p> <p><i>Supporting documentation is being provided separately to the AER.</i></p>
<p><b>Commentary on cost drivers and material changes affecting the upcoming regulatory period</b></p> <p><i>Section 8 of the Revenue Proposal provides information on TransGrid's forecast operating expenditure. This section includes a description of the operation of the Opex Model, including commentary on the major cost drivers used to develop the operating expenditure forecast.</i></p>
<p><b>Supporting information</b></p> <p><i>Supporting documentation is being provided separately to the AER.</i></p>

**5.2 Historic Capex Commentary Proforma: reasons for variance**

<b>Commentary on reasons for variances</b>
<i>Section 6 of the Revenue Proposal provides information on TransGrid's performance in the current regulatory period. Please refer to this section for commentary on variances.</i>
<b>Supporting information</b>
<i>Supporting documentation is being provided separately to the AER.</i>

### 5.3 Forecast Capex Commentary Proforma: reasons for project

<b>Themes sets and Scenarios modelled</b>
<i>Section 7 of the Revenue Proposal provides information on TransGrid's forecast capital expenditure. This section includes a description of the capital estimate forecasting methodology. The themes and scenarios modelled are discussed in Section 7.4.4.</i>
<b>Supporting information</b>
<i>Supporting documentation is being provided separately to the AER.</i>

<b>6.1 OPEX - Instructions and definitions</b>	
<b>PURPOSE OF INFORMATION AND USE BY THE AER:</b>	<p>The historic worksheets (1.1 to 1.7) are a key input into the AER's assessment of a TNSP's historic opex performance to assist it in establishing a starting point from which to set efficient opex for the next regulatory period.</p> <p>The forecast worksheets (2.1 to 2.6) are a key input into the AER's assessment of a TNSP's proposed forecast opex.</p> <p>Key cost drivers for expenditure are important to the AER's understanding of what has happened in the current regulatory period and any step changes in opex claimed for the next regulatory period.</p>
<b>INSTRUCTIONS</b>	<p>Data to be input on the basis of the definitions provided.</p> <p>All expenditure must relate to the provision of prescribed services.</p> <p>Key cost drivers for expenditure: reasons for material changes in costs should be expanded upon in the relevant opex commentary proforma.</p> <p>Templates must be completed in accordance with the instructions contained in the AER's Information Requirements Guidelines (eg. cost allocation methodology.)</p> <p>Values for 2007/08 and 2008/09 are estimated values only</p>
<b>DEFINITIONS</b>	<p><b>Maintenance</b> - all field-based costs for routine maintenance, defect maintenance and major operating projects such as plant refurbishment</p> <p><b>Maintenance Support and Asset Management</b> - Management of field-based maintenance teams, asset management and costs of running business systems that directly support the field maintenance activities, fleet costs, logistics and supply management.</p> <p><b>Operations/ control room</b> - Around-the-clock state system control and regional control functions.</p> <p><b>Grid planning</b> - Operational costs associated with planning for the development of the transmission network</p> <p><b>Rates and Taxes</b> - Operating costs paid to external authorities</p> <p><b>Insurance</b> - Operating costs paid to insurance companies</p> <p><b>Property management</b> - Ongoing management of property and issues related to easements and environmental compliance</p> <p><b>Corporate and Regulatory Management</b> - Customer relations, stakeholder relations, providing assurance of effective corporate governance and regulatory support</p> <p><b>Business management</b> - Business administration, including human resources, payroll functions, finance, accounting and IT.</p> <p><b>Other</b> - debt-raising costs, equity-raising costs, self-insurance and network support</p>

**6.2 Historic Capex Instructions and definitions**

<p><b>PURPOSE OF INFORMATION AND USE BY THE AER:</b></p>	<p>The templates are key inputs into the AER's assessment of historic capex and will assist in the analysis of the prudence of expenditure.</p> <p>Specifying expenditure by project enables the AER to select projects on which to undertake more detailed analysis. The capex categories are essentially divided between Network and Non-network. Network includes augmentation capex which is subject to the Regulatory Test.</p>
<p><b>INSTRUCTIONS:</b></p>	<p>Data to be input on the basis of the definitions provided.</p> <p>All expenditure must relate to the provision of prescribed services.</p> <p>Categorisation of capex should be performed according to the primary reason for expenditure.</p> <p>Capex amounts should be entered on an as-commissioned basis, excluding customer contributions.</p> <p>Customer contributions are to be noted separately.</p> <p>Reasons for variance: if actual expenditure materially varies from the amount determined under the Regulatory Test/Business case, or the date of commissioning was later than planned, then reasons should be given on the Historic Capex Commentary pro forma with a brief reference in the 'Reasons for variance' column of Table 3.3 and 3.4.</p> <p>Templates must be completed according to the instructions contained in the AER's Information Requirements Guidelines.</p> <p>Values for 2007/08 and 2008/09 are estimated values only.</p>
<p><b>DEFINITIONS:</b></p>	<p><b>Augmentation</b> - Projects to enlarge the network or increase its transmission capability</p> <p><b>Replacement</b> - Works to replace transmission lines, substation primary plant, secondary systems, communications equipment and other system assets</p> <p><b>Land/ Easement</b> - Acquisitions for future augmentation and connection projects</p> <p><b>Security/ compliance</b> - Projects that ensure the physical security of critical infrastructure assets, and that ensure TransGrid complies with applicable regulatory obligations or requirements</p> <p><b>Information Technology</b> - Development and maintenance of IT capacity and improvements to functionality of business systems</p> <p><b>Facilities</b> -- Projects to replace and upgrade buildings to meet business requirements</p> <p><b>Motor Vehicles</b> -- The acquisition of fleet vehicles and mobile plant</p> <p><b>Office machines and miscellaneous plant</b></p>

**6.3 Forecast Capex Instructions and definitions**

<b>PURPOSE OF INFORMATION AND USE BY THE AER:</b>	The templates are key inputs into the AER's assessment of forecast capex and will enable an analysis of the proposed expenditure. Specifying expenditure by project enables the AER to select projects on which to undertake more detailed analysis.
<b>INSTRUCTIONS:</b>	Data to be input on the basis of the definitions provided. All expenditure must relate to the provision of prescribed services. Categorisation of capex should be performed according to the primary reason for expenditure. Capex amounts should be entered on an as-incurred basis, excluding customer contributions. Customer contributions are to be noted separately. Templates must be completed according to the instructions contained in the AER's Information Requirements Guidelines.  The TNSP is also requested to provide consultants reports on the probabilistic methodology adopted, including information on theme sets and scenarios upon which the proposed capex spend is based. Further, details on the consultants assumptions, inputs and detailed information on the outcomes are requested.
<b>DEFINITIONS:</b>	Refer to Table 6.2

**7.1 Weighted Average Cost of Capital**

**Setting the Revenue Cap Forecast - Rate of Return ("WACC")**

Notes for the preparation of information on this proforma:

1. The proforma sets out the minimum inputs required by the AER to model a TNSP's estimate of WACC.
2. The minimum inputs set out in the proforma are averages for the five-year regulatory period.
3. A post-tax nominal WACC framework involves the use of a cash flow modelling approach to derive the revenue requirement.
4. A TNSP shall provide to the AER:
  - (a) an estimate of its post-tax nominal return on equity; post-tax nominal WACC; and pre-tax real WACC.
  - (b) the assumptions underlying the estimation.
  - (c) full and detailed explanations of the basis of any calculations.
  - (d) references to any sources of information or precedents.

**Setting the Revenue Cap Forecast - Rate of Return ("WACC")**

TNSP: <b>TransGrid</b>	Reporting date: <b>2009/14</b>
	<i>Proposed value</i> %
Nominal risk free rate	5.70%
Real risk free rate	3.10%
Inflation Rate	2.52%
Proportion of debt funding	60.00%
Nominal pre-tax cost of debt	7.45%
Cost of debt margin over the risk free rate	1.75%
Market risk premium	6.00%
Corporate tax rate	30.00%
Effective tax rate for equity	24.30%
Proportion of franking credits attributed to shareholders	50.00%
Equity beta	1.00
Post-tax nominal return on equity	11.70%
Nominal vanilla WACC	9.15%



7.2 Depreciation

Inputs for Post-Tax Revenue Model

Asset Class	Opening WDV	Ave Lives Remaining	Standard Lives	Forecast Net Capital Expenditure – As Commissioned (\$m 2009 dollars)				
				2009-10	2010-11	2011-12	2012-13	2013-14
Transmission Lines (pre 2004-05)	1,204.38	23.13	50	-	-	-	-	-
Underground Cables (pre 2004-05)	209.33	35.30	45	-	-	-	-	-
Substations including Buildings (pre 2004-05)	793.44	21.48	40	-	-	-	-	-
SCADA and Communications (pre 2004-05)	31.41	6.77	15	-	-	-	-	-
Non-network Assets (pre 2004-05)	41.76	1.66	10	-	-	-	-	-
SMHEA Assets (pre 2004-05)	39.55	8.02	40	-	-	-	-	-
Accelerated Lines (pre 2004-05)	0.04	-	n/a	-	-	-	-	-
Accelerated Substations (pre 2004-05)	0.01	-	n/a	-	-	-	-	-
Land and Easements (pre 2004-05)	510.51	n/a	n/a	-	-	-	-	-
Transmission Lines (2004-09)	173.33	49.10	50	-	-	-	-	-
Underground Cables (2004-09)	8.94	41.41	45	-	-	-	-	-
Substations including Buildings (2004-09)	859.50	38.82	40	-	-	-	-	-
SCADA and Communications (2004-09)	58.06	13.78	15	-	-	-	-	-
Non-network Assets (2004-09)	183.10	8.36	10	-	-	-	-	-
Land and Easements (2004-09)	124.08	n/a	n/a	-	-	-	-	-
Transmission Lines & Cables - Aug. (09-14)	-	n/a	50	71.94	133.38	349.84	245.02	66.73
Substations - Augmentation (09-14)	-	n/a	40	216.94	127.66	242.86	234.81	125.89
Secondary Systems - Augmentation (09-14)	-	n/a	35	10.28	7.35	16.20	9.72	13.62
Communications - Augmentation (09-14)	-	n/a	35	23.21	29.31	29.36	7.91	4.95
Transmission Lines & Cables - Rep. (09-14)	-	n/a	26	6.57	6.47	4.03	4.56	5.49
Substations - Replacement (09-14)	-	n/a	30	74.59	24.12	20.52	21.83	15.04
Secondary Systems - Replacement (09-14)	-	n/a	30	7.65	6.21	6.84	7.86	6.50
Communications - Replacement (09-14)	-	n/a	11	4.30	2.06	2.05	1.76	2.21
Land & Easement (09-14)	-	n/a	n/a	60.00	88.14	21.55	39.55	16.77
Business IT (09-14)	-	n/a	4	18.36	23.49	20.86	13.56	22.33
Support the Business - Minor Plant (09-14)	-	n/a	8	11.71	6.14	1.28	1.30	1.48
Motor Vehicles & Mobile Plant (09-14)	-	n/a	8	4.64	4.62	1.16	0.26	5.32
<b>Total</b>	<b>4,237.43</b>			<b>510.20</b>	<b>458.95</b>	<b>716.54</b>	<b>587.62</b>	<b>286.32</b>

Based on these inputs, the PTRM will calculate the amount of straight-line depreciation annually. These amounts will then be entered into the depreciation schedule below.

Depreciation Schedule

Asset Class	Straight-line Depreciation (\$m 2009 dollars)					
	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Transmission Lines (pre 2004-05)	52.06	52.06	52.06	52.06	52.06	260.32
Underground Cables (pre 2004-05)	5.93	5.93	5.93	5.93	5.93	29.65
Substations including Buildings (pre 2004-05)	36.95	36.95	36.95	36.95	36.95	184.74
SCADA and Communications (pre 2004-05)	4.64	4.64	4.64	4.64	4.64	23.21
Non-network Assets (pre 2004-05)	25.20	16.56	-	-	-	41.76
SMHEA Assets (pre 2004-05)	4.93	4.93	4.93	4.93	4.93	24.64
Accelerated Lines (pre 2004-05)	0.04	-	-	-	-	0.04
Accelerated Substations (pre 2004-05)	0.01	-	-	-	-	0.01
Land and Easements (pre 2004-05)	-	-	-	-	-	-
Transmission Lines (2004-09)	3.53	3.53	3.53	3.53	3.53	17.65
Underground Cables (2004-09)	0.22	0.22	0.22	0.22	0.22	1.08
Substations including Buildings (2004-09)	22.14	22.14	22.14	22.14	22.14	110.70
SCADA and Communications (2004-09)	4.21	4.21	4.21	4.21	4.21	21.07
Non-network Assets (2004-09)	21.90	21.90	21.90	21.90	21.90	109.48
Land and Easements (2004-09)	-	-	-	-	-	-
Transmission Lines & Cables - Aug. (09-14)	-	1.48	4.24	11.46	16.51	33.69
Substations - Augmentation (09-14)	-	5.60	8.89	15.15	21.21	50.85
Secondary Systems - Augmentation (09-14)	-	0.30	0.52	1.00	1.28	3.10
Communications - Augmentation (09-14)	-	0.68	1.55	2.41	2.65	7.29
Transmission Lines & Cables - Rep. (09-14)	-	0.26	0.51	0.67	0.84	2.28
Substations - Replacement (09-14)	-	2.53	3.35	4.05	4.79	14.72
Secondary Systems - Replacement (09-14)	-	0.26	0.47	0.70	0.97	2.40
Communications - Replacement (09-14)	-	0.39	0.57	0.76	0.92	2.64
Land & Easement (09-14)	-	-	-	-	-	-
Business IT (09-14)	-	4.74	10.80	16.18	19.68	51.39
Support the Business - Minor Plant (09-14)	-	1.51	2.30	2.47	2.64	8.92
Motor Vehicles & Mobile Plant (09-14)	-	0.60	1.19	1.34	1.31	4.45
<b>Total Depreciation</b>	<b>181.76</b>	<b>191.41</b>	<b>190.90</b>	<b>212.69</b>	<b>229.30</b>	<b>1,006.07</b>

Location of assets

- see network map and forecast capex claim of TNSP.

NER requirements

- as per cl 6A.6.3 and Schedule 6A.1.3(7) of NER.

**7.3 Service Target Performance Incentive Scheme Parameters**

**Instructions:**

TNSPs are required to list all appropriate parameters for the revenue reset period, grouped under the relevant subheading.

TNSPs must list the relevant unit for each parameter, what weighting that sub-parameters is given and the targets for the reset period.

Targets must be provided for each year of the revenue reset period. Proposed caps and collars for those targets should also be included.

These should be included in the format X / Y / Z, where X is the collar, Y is the target and Z is the cap.

Measure	Unit	Weighting Factor(%)	Proposed Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
<b>Circuit Availability Parameter</b>							
Transmission Line Availability	%	0.2	98.92 / 99.12 / 99.24	98.92 / 99.12 / 99.24	98.92 / 99.12 / 99.24	98.92 / 99.12 / 99.24	98.92 / 99.12 / 99.24
Transformer Availability	%	0.15	97.29 / 98.58 / 98.85	97.29 / 98.58 / 98.85	97.29 / 98.58 / 98.85	97.29 / 98.58 / 98.85	97.29 / 98.58 / 98.85
Reactive Plant Availability	%	0.1	98.67 / 99.13 / 99.33	98.67 / 99.13 / 99.33	98.67 / 99.13 / 99.33	98.67 / 99.13 / 99.33	98.67 / 99.13 / 99.33
<b>Loss of Supply Parameter</b>							
Loss of Supply > 0.05 System Minutes	Events	0.25	7 / 4 / 2	7 / 4 / 2	7 / 4 / 2	7 / 4 / 2	7 / 4 / 2
Loss of Supply > 0.25 System Minutes	Events	0.1	2 / 1 / 0	2 / 1 / 0	2 / 1 / 0	2 / 1 / 0	2 / 1 / 0
<b>Outage Parameter</b>							
Average Outage Restoration Time	Minutes	0.2	917 / 790 / 663	917 / 790 / 663	917 / 790 / 663	917 / 790 / 663	917 / 790 / 663
<b>Market Impact of Transmission Congestion</b>							
Market Impact Performance Component	Dispatch Intervals	2	- / 2873 / 0	- / 2873 / 0	- / 2873 / 0	- / 2873 / 0	- / 2873 / 0

**7.4 Opex Efficiency Carry Forward**

(\$m, Nominal for 2004/5- 2008/09 then 2009 Dollars)

Efficiency Carry forward	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Benchmark Opex	119.70	122.81	125.40	130.39	133.83					
<b>Outturn Opex</b>	117.23	120.73	123.09	123.92	128.08					
Underspend	2.48	2.08	2.32	6.47	5.75					
Incremental gain against benchmark	2.48	-0.39	0.23	4.15	-0.72					
Gains to business from outperformance	2.48	2.08	2.32	6.47	5.75	6.17	3.37	3.80	3.55	-0.72
<b>O&amp;M Efficiency Carry-forward to be added to Target Revenue</b>						6.17	3.37	3.80	3.55	-0.72
Carry Over in Respect of Year 04/05		2.55	2.61	2.72	2.80	2.80				
Carry Over in Respect of Year 05/06			-0.40	-0.42	-0.43	-0.43	-0.43			
Carry Over in Respect of Year 06/07				0.24	0.25	0.25	0.25	0.25		
Carry Over in Respect of Year 07/08					4.27	4.27	4.27	4.27	4.27	
Carry Over in Respect of Year 08/09						-0.72	-0.72	-0.72	-0.72	-0.72