

**Western Power Revised Access Arrangement Real Pre-tax Model WACC Updated as at 06-Aug-08**

All model inputs are entered into the inputs cells of this worksheet denoted as; **13.480**

Ref	2	3	5	7	9
6			<b>Total WP</b>	<b>Distribution</b>	<b>Transmission</b>
7			<b>Real</b>	<b>Real</b>	<b>Real</b>
7	<b>30/06/2009 Asset Value [m\$ 30/06/09]</b>				
8	Asset Value		5,327.130	2,911.658	2,415.472
9	Working Capital		-	-	-
10	Regulatory Asset Base		5,327.130	2,911.658	2,415.472
11	<b>30/06/2012 Asset Value [m\$ 30/06/09]</b>				
12	Asset Value		8,279.693	4,129.187	4,150.506
13	Working Capital		-	-	-
14	Regulatory Asset Base		8,279.693	4,129.187	4,150.506
15	<b>PV of Gross Cost of Service [m\$ 30/06/09]</b>				
16	Opex		1,318.993	1,049.905	269.088
17	Depreciation		633.537	415.205	218.332
18	Redundant Assets (Accelerated Depreciation)		9.343	9.343	-
19	Return on Assets		1,425.014	741.307	683.707
20	Return on Working Capital		14.659	12.193	2.466
21	Cost of Service		3,401.547	2,227.954	1,173.593
22	<b>PV of Gross Regulatory Revenue [m\$ 30/06/09]</b>				
23	Opex		1,318.993	1,049.905	269.088
24	Capex		3,143.013	1,447.080	1,695.933
25	Asset Opening Value		5,327.130	2,911.658	2,415.472
26	Asset Residual Value		-6,402.248	-3,192.882	-3,209.367
27	Working Capital Variation		14.659	12.193	2.466
28	Gross Regulatory Revenue		3,401.547	2,227.954	1,173.593
29	<b>Check</b>		<b>OK</b>	<b>OK</b>	<b>OK</b>
30	<b>PV of Net Reference Service Revenue [m\$ 30/06/09]</b>				
31	Gross CoS		3,401.547	2,227.954	1,173.593
32	Unforeseen Events Revenue Adjustment		-	-	-
33	Technical Rule Change Revenue Adjustment		-	-	-
34	IAM Revenue Adjustment		45.211	30.163	15.049
35	CCAM Revenue Adjustment		-125.450	-84.110	-41.340
36	Non Reference Service Revenue		-29.651	-13.943	-15.708
37	Tariff Equalisation		-	-	-
38	Net Reference Service Revenue		3,291.658	2,160.063	1,131.595
39	<b>PV of Reference Service Revenue [m\$ 30/06/09]</b>				
40	PV of Reference Service Revenue		3,099.797	1,982.781	1,117.016
41	<b>Check</b>		<b>OK - Deferred</b>	<b>OK - Deferred</b>	<b>OK - Deferred</b>
42	Year 1 Reference Service Revenue [m\$ 30/06/06]		953.878	623.689	330.188
43	Revenue Smoothing Factor			25.00%	32.20%
44	<b>PV of Net Cash Flow [m\$ 30/06/09]</b>				
45	Reference Service Revenue		3,099.797	1,982.781	1,117.016
46	Opex		-1,318.993	-1,049.905	-269.088
47	Capex		-3,143.013	-1,447.080	-1,695.933
48	Non Reference Service Revenue		29.651	13.943	15.708
49	Tariff Equalisation		-	-	-
50	Unforeseen Events Revenue Adjustment		-	-	-
51	Technical Rule Change Revenue Adjustment		-	-	-
52	IAM Revenue Adjustment		-45.211	-30.163	-15.049
53	CCAM Revenue Adjustment		125.450	84.110	41.340
54	Asset Opening Value		-5,327.130	-2,911.658	-2,415.472
55	Asset Residual Value		6,402.248	3,192.882	3,209.367
56	Working Capital Variation		-14.659	-12.193	-2.466
57	Net Cash Flow		-	-	-
58	<b>Check</b>		<b>OK</b>	<b>OK</b>	<b>OK</b>
59	<b>Internal Rate of Return</b>		<b>Pre-tax WACC</b>		
60	Real		8.95%	8.95%	8.95%
61	Nominal		11.92%	11.92%	11.92%
62	<b>Check</b>			<b>OK</b>	<b>OK</b>
63	<b>Check</b>			<b>OK</b>	<b>OK</b>

**Western Power Revised Access Arrangement Real Pre-tax Model**

Ref	2	3	5	6	7	8	9	11	12	13
<b>Regulatory Period</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>
4	<b>Determination of the Weighted Average Cost of Capital (WACC)</b>		<b>WP</b>	<b>WP</b>	<b>WP</b>	<b>WP</b>	<b>WP</b>	<b>WP</b>	<b>WP</b>	<b>WP</b>
5			<b>Lo</b>	<b>Hi</b>	<b>Lo + 10%</b>	<b>Hi - 10%</b>	<b>Proposed</b>	<b>Lo</b>	<b>Hi</b>	<b>Proposed</b>
6	<b>Date of Risk Free Rates</b>		<b>2-Apr-07</b>	<b>2-Apr-07</b>	<b>2-Apr-07</b>	<b>2-Apr-07</b>	<b>2-Apr-07</b>	<b>6-Aug-08</b>	<b>6-Aug-08</b>	<b>6-Aug-08</b>
7	<b>Nominal Risk Free Rate (Rfn)</b>		<b>5.81%</b>	5.81%	5.81%	5.81%	5.81%	<b>6.45%</b>	6.45%	6.45%
8	<b>Real Risk Free Rate (Rfr)</b>		<b>2.63%</b>	2.63%	2.63%	2.63%	2.63%	3.62%	3.62%	3.62%
9	<b>Inflation Rate (I)</b>		3.10%	3.10%	3.10%	3.10%	3.10%	<b>2.73%</b>	2.73%	2.73%
10	<b>Debt Proportion (D)</b>		<b>60%</b>	60%				<b>60%</b>	60%	
11	<b>Equity Proportion (E)</b>		40%	40%				40%	40%	
12	<b>Cost of Debt; Debt Risk Premium (Drp)</b>		<b>1.100%</b>	<b>1.300%</b>				<b>3.240%</b>	<b>3.540%</b>	
13	<b>Cost of Debt; Debt Issuing Cost (Disc)</b>		<b>0.125%</b>	<b>0.125%</b>				<b>0.125%</b>	<b>0.125%</b>	
14	<b>Cost of Debt; Risk Margin (DRm)</b>		1.225%	1.425%				3.365%	3.665%	
15	<b>Australian Market Risk Premium (Rp)</b>		<b>5.00%</b>	<b>6.00%</b>				<b>6.00%</b>	<b>7.00%</b>	
16	<b>Debt Beta (Bd)</b>		0.25	0.24				0.56	0.52	
17	<b>Equity Beta (Be)</b>		<b>0.80</b>	<b>1.00</b>				<b>0.90</b>	<b>1.10</b>	
18	<b>Asset Beta (Ba)</b>		0.47	0.54				0.70	0.75	
19	<b>Corporate Tax Rate (T)</b>		<b>30%</b>	30%	30%	30%	30%	<b>30%</b>	30%	30%
20	<b>Franking Credit (g)</b>		<b>60%</b>	<b>30%</b>				<b>50%</b>	<b>0%</b>	
21	<b>Imputation Adj (G)</b>		79.5%	88.6%				82.4%	100.0%	
22	<b>Debt</b>									
23	<b>Nominal Cost of Debt (DPn)</b>		7.04%	7.24%				9.82%	10.12%	
24	<b>Real Cost of Debt (DPr)</b>		3.82%	4.01%				6.90%	7.19%	
25	<b>Equity</b>									
26	<b>Nominal Pre Tax Cost of Equity (EPn)</b>		11.15%	14.95%				13.94%	20.21%	
27	<b>Real Pre Tax Cost of Equity (EPr)</b>		7.81%	11.49%				10.91%	17.02%	
28	<b>Nominal After Tax Cost of Equity (EAn)</b>		9.81%	11.81%				11.85%	14.15%	
29	<b>Real After Tax Cost of Equity (EAr)</b>		6.51%	8.45%				8.88%	11.12%	
30	<b>WACC; Pre-tax Officer (Market Practise or Forward Transformation)</b>									
31	<b>Nominal Pre Tax WACC (WPn)</b>		8.68%	10.32%	8.84%	10.16%	10.07%	11.47%	14.15%	11.92%
32	<b>Real Pre Tax WACC (WPr)</b>		<b>5.41%</b>	<b>7.01%</b>	<b>5.57%</b>	<b>6.85%</b>	<b>6.76%</b>	<b>8.50%</b>	<b>11.12%</b>	<b>8.95%</b>
33	<b>WACC; After-tax Officer</b>									
34	<b>Nominal After Tax WACC (WAN)</b>		6.08%	7.22%	6.19%	7.11%	7.05%	8.03%	9.91%	8.35%
35	<b>Real After Tax WACC (WAr)</b>		2.89%	4.00%	3.00%	3.89%	3.83%	5.16%	6.99%	5.47%

**Western Power Revised Access Arrangement Real Pre-tax Model**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>Year ending 30 June</b>										2006	2007	2008	2009	2010	2011	2012
<b>Project Year</b>										0	1	2	3	4	5	6
<b>Regulatory Period</b>											1	1	1	2	2	2
6	<b>WP's Inflation</b>															
7	June CPI															
8	Annual Inflation															
9	Inflation Factor															
10	0.910	0.929	0.971	1.000	1.025	1.051	1.080									
<b>ICB</b>																
<b>Year ending 30 June</b>																
<b>Project Year</b>																
<b>Regulatory Period</b>																
<b>ICB [m\$ 30/06/2009]</b>										<b>Life as at 30 June 2006 [Years]</b>						
16	<b>Distribution</b>															
17	Wooden Pole Lines		14,500			519,181										
18	Underground Cables		36,900			587,967										
19	Transformers		16,900			223,849										
20	Switchgear		13,500			119,314										
21	Street lighting		1,200			5,775										
22	Meters and Services		9,200			184,788										
23	IT&T		9,800			16,934										
24	SCADA & Communications		10,200			14,090										
25	Other Distribution Non-Network		11,300			56,270										
26	Distribution Land & Easements					23,539										
27	Total Distribution					1,751,697										
28																
<b>Capital Expenditure (as incurred)</b>																
<b>Year ending 30 June</b>										2006	2007	2008	2009	2010	2011	2012
<b>Project Year</b>										0	1	2	3	4	5	6
<b>Regulatory Period</b>											1	1	1	2	2	2
<b>WP's Capex [m\$ OD]</b>										<b>Life as at 30 June 2006 [Years]</b>						
34	<b>Distribution</b>															
35	Wooden Pole Lines		41,000			89,971	114,334	162,970	191,603	224,861	299,389					
36	Underground Cables		60,000			170,780	170,376	205,592	234,720	257,972	268,507					
37	Transformers		35,000			55,649	56,018	66,852	76,569	83,598	93,264					
38	Switchgear		35,000			43,004	51,457	65,501	78,123	88,451	107,901					
39	Street lighting		20,000			16,792	17,355	20,819	25,423	27,657	29,444					
40	Meters and Services		25,000			10,721	12,400	12,600	48,397	50,117	53,294					
41	IT&T		10,160			17,978	33,975	24,575	27,975	23,025	14,400					
42	SCADA & Communications		10,160			2,317	2,360	2,966	6,922	7,263	7,668					
43	Other Distribution Non-Network		10,160			9,075	9,075	21,032	35,777	34,691	14,675					
44	Distribution Land & Easements		-			-	-	-	-	-	-					
45	Total Distribution					416,286	467,350	582,907	725,510	797,634	888,541					
<b>Modelled Capex [m\$ 30/06/09]</b>																
47	<b>Distribution</b>															
48	Wooden Pole Lines		41,000			96,832	117,744	162,970	186,976	213,889	277,299					
49	Underground Cables		60,000			183,803	175,459	205,592	229,052	245,384	248,695					
50	Transformers		35,000			59,893	57,689	66,852	74,720	79,519	86,383					
51	Switchgear		35,000			46,283	52,992	65,501	76,237	84,135	99,939					
52	Street lighting		20,000			18,072	17,873	20,819	24,809	26,308	27,271					
53	Meters and Services		25,000			11,539	12,770	12,600	47,229	47,671	49,361					
54	IT&T		10,160			19,348	34,989	24,575	27,300	21,902	13,338					
55	SCADA & Communications		10,160			2,493	2,431	2,966	6,754	6,909	7,102					
56	Other Distribution Non-Network		10,160			9,767	9,346	21,032	34,913	32,998	13,593					
57	Distribution Land & Easements		-			-	-	-	-	-	-					
58	Total Distribution					448,030	481,292	582,907	707,991	758,714	822,981					
59																
<b>AA#1 Forecast Capital Expenditure - IAM Categories [m\$ 30/06/06]</b>																
61	<b>Distribution</b>															
62	<b>DEMAND RELATED</b>															
63	Distribution Capacity					30,467	32,236	37,241								
64	Customer Driven					90,156	104,747	119,339								
65	Customer Driven - Vested Assets					15,496	18,915	22,113								
66	<b>OTHER</b>															
67	State Undergrounding Power Program (SUPP)					16,627	15,445	15,800								
68	Rural Power Improvement Program (RPIP)					9,976	10,051	11,089								
69	Total Distribution					162,721	181,394	205,583								
70																
<b>AA#1 Forecast Capital Expenditure - IAM Categories [m\$ 30/06/09]</b>																
72	<b>Distribution</b>															
73	<b>DEMAND RELATED</b>															
74	Distribution Capacity					33,470	35,413	40,912								
75	Customer Driven					99,043	115,073	131,103								
76	Customer Driven - Vested Assets					17,024	20,779	24,293								
77	<b>OTHER</b>															
78	State Undergrounding Power Program (SUPP)					18,266	16,967	17,358								
79	Rural Power Improvement Program (RPIP)					10,959	11,042	12,182								
80	Total Distribution					178,762	199,275	225,848								
81																
<b>WP's Actual Capex - IAM Categories [m\$ OD]</b>																
83	<b>Distribution</b>															
84	<b>DEMAND RELATED</b>															
85	Distribution Capacity					75,882	61,400	89,200								
86	Customer Driven					181,000	189,500	131,890								
87	Customer Driven - Vested Assets					21,993	20,300	94,300								
88	<b>OTHER</b>															
89	State Undergrounding Power Program (SUPP)					21,052	22,000	29,290								
90	Rural Power Improvement Program (RPIP)					9,619	23,600	22,000								
91	Total Distribution					309,546	316,800	366,680								
92																
<b>Modelled Capex [m\$ 30/06/09]</b>																
93	<b>Distribution</b>															
94	<b>DEMAND RELATED</b>															
95	Distribution Capacity					81,668	63,232	89,200								
96	Customer Driven					194,802	195,153	131,890								
97	Customer Driven - Vested Assets					23,670	20,906	94,300								
98	<b>OTHER</b>															
99	State Undergrounding Power Program (SUPP)					22,658	22,656	29,290								
100	Rural Power Improvement Program (RPIP)					10,352	24,304	22,000								
101	Total Distribution					333,151	326,251	366,680								
102																

Capital Contributions (as received)							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period					2	2	2
<b>WP's Capital Contribution [m\$ OD]</b>							
108	Distribution				Forecast		
109					13.460	14.067	14.986
110					108.737	115.113	111.955
111					34.662	36.357	37.774
112					21.897	23.016	23.562
113					12.999	13.764	13.371
114					-	-	-
115					-	-	-
116					-	-	-
117					-	-	-
118					-	-	-
119					191.756	202.317	201.649
<b>Modelled Capital Contribution [m\$ 30/06/09]</b>							
121	Distribution						
122					13.135	13.381	13.680
123					106.111	109.496	103.694
124					33.825	34.583	34.987
125					21.368	21.893	21.824
126					12.686	13.092	12.385
127					-	-	-
128					-	-	-
129					-	-	-
130					-	-	-
131					-	-	-
132					187.126	192.445	186.770
133							
<b>WP's Capital Contribution [m\$ OD]</b>							
135	Distribution				Actual		
136	<b>DEMAND RELATED</b>						
137							
138							
139							
140							
141	<b>NON DEMAND RELATED</b>						
142							
143							
144	<b>OTHER</b>						
145							
146							
147							
148							
149							
150							
151							
151		132.960	136.500	145.200			
<b>Modelled Capital Contribution [m\$ 30/06/09]</b>							
153	Distribution						
154	<b>DEMAND RELATED</b>						
155							
156							
157							
158							
159	<b>NON DEMAND RELATED</b>						
160							
161							
162	<b>OTHER</b>						
163							
164							
165							
166							
167							
168							
169							
169		143.099	140.572	145.200			
<b>Deemed Capital Contribution [m\$ 30/06/09]</b>							
171	Distribution						
172	<b>DEMAND RELATED</b>						
173							
174							
175							
176	<b>NON DEMAND RELATED</b>						
177							
178							
179							
180	<b>OTHER</b>						
181							
182							
183							
184							
185							
186							
187							
187		100.655	117.290	134.322			
188							

<b>Redundant Assets</b>							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period	0	1	1	1	2	2	2
<b>Redundant Assets [m\$ OD]</b>							
				Actual	Forecast		
194	Distribution						
195	Wooden Pole Lines			2.936	2.936	2.936	2.904
196	Underground Cables			-	-	-	2.904
197	Transformers			0.783	0.783	0.783	0.774
198	Switchgear			0.196	0.196	0.196	0.194
199	Street lighting			-	-	-	-
200	Meters and Services			-	-	-	-
201	IT&T			-	-	-	-
202	SCADA & Communications			-	-	-	-
203	Other Distribution Non-Network			-	-	-	-
204	Distribution Land & Easements			-	-	-	-
205	Total Distribution			3.915	3.915	3.915	3.872
							3.872
							3.872
<b>Modelled Redundant Assets [m\$ 30/06/09]</b>							
207	Distribution						
208	Wooden Pole Lines			3.160	3.024	2.936	2.834
209	Underground Cables			-	-	-	2.762
210	Transformers			0.843	0.806	0.783	2.690
211	Switchgear			0.211	0.202	0.196	0.756
212	Street lighting			-	-	-	0.737
213	Meters and Services			-	-	-	0.717
214	IT&T			-	-	-	-
215	SCADA & Communications			-	-	-	-
216	Other Distribution Non-Network			-	-	-	-
217	Distribution Land & Easements			-	-	-	-
218	Total Distribution			4.214	4.032	3.915	3.778
219							3.683
							3.586
<b>Operating Expenditure (as incurred)</b>							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period	0	1	1	1	2	2	2
<b>WP's Opex [m\$ OD]</b>							
225	Distribution						
226	<b>OPERATIONS</b>						
227	Reliability				1.090	1.136	1.197
228	SCADA & Communications				1.420	1.505	1.745
229	Non-reference services				7.607	9.050	10.596
230	Network Operations				20.528	22.948	25.045
231	<b>MAINTENANCE</b>						
232	Maintenance Strategy				-	-	-
233	Preventive Condition				93.475	97.848	103.551
234	Preventive Routine				55.450	59.217	64.093
235	Corrective Deferred				23.903	27.031	30.712
236	Corrective Emergency				72.788	78.120	84.696
237	<b>CUSTOMER SERVICE AND BILLING</b>						
238	Call Centre				5.498	5.750	5.987
239	Metering				20.714	25.715	31.387
240	<b>CORPORATE</b>						
241	Business Support				78.472	82.741	87.234
242	<b>OTHER OPERATING EXPENDITURE</b>						
243	Non-recurring opex				22.791	26.779	24.890
244	Total Distribution				403.735	437.841	471.134
<b>Modelled Opex [m\$ 30/06/09]</b>							
246	Distribution						
247	<b>OPERATIONS</b>						
248	Reliability				1.063	1.080	1.108
249	SCADA & Communications				1.386	1.432	1.616
250	Non-reference services				7.423	8.609	9.815
251	Network Operations				20.032	21.828	23.197
252	<b>MAINTENANCE</b>						
253	Maintenance Strategy				-	-	-
254	Preventive Condition				91.218	93.074	95.911
255	Preventive Routine				54.111	56.328	59.364
256	Corrective Deferred				23.326	25.712	28.446
257	Corrective Emergency				71.030	74.309	78.447
258	<b>CUSTOMER SERVICE AND BILLING</b>						
259	Call Centre				5.365	5.469	5.545
260	Metering				20.214	24.460	29.071
261	<b>CORPORATE</b>						
262	Business Support				76.577	78.704	80.797
263	<b>OTHER OPERATING EXPENDITURE</b>						
264	Non-recurring opex				22.241	25.472	23.054
265	Total Distribution				393.986	416.476	436.371
266							

Other inputs							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period		1	1	1	2	2	2
<b>Tariff Equalisation</b>							
272 Nominal Value [m\$ OD]					-	-	-
273 Real Value [m\$ 30/06/09]					-	-	-
274							
<b>Non Reference Service Revenue</b>							
276 Nominal Value [m\$ OD]					4.801	5.845	6.923
277 Real Value [m\$ 30/06/09]					4.686	5.560	6.412
278							
<b>Working Capital</b>							
280 Receivables						45.0	
281 Inventory						-	
282 Prepayments						-	
283 Creditors						19.4	
284							
<b>2008/09 Revenue Cap</b>							
286 2008/09 Revenue Cap							
287 2008/09 Revenue for pricing purposes [m\$ OD]							438.600
288							







Western Power Revised Access Arrangement Real Pre-tax Model													
Ref	2	3	4	5	8	9	10	11	12	13	14	15	16
<b>Distribution Real Calculations [m\$ 30/06/09]</b>													
Year ending 30 June							2006	2007	2008	2009	2010	2011	2012
Project Year							0	1	2	3	4	5	6
Regulatory Period								1	1	1	2	2	2
<b>Approved Depreciation [m\$ 30/06/06]</b>													
8	<b>ICB</b>												
9	Wooden Pole Lines							-97.390	-97.390	-97.390			
10	Underground Cables							-14.594	-14.594	-14.594			
11	Transformers							-12.897	-12.897	-12.897			
12	Switchgear							-8.840	-8.840	-8.840			
13	Street lighting							-4.380	-4.376	-			
14	Meters and Services							-18.283	-18.283	-18.283			
15	IT&T							-1.873	-1.873	-1.873			
16	SCADA & Communications							-1.237	-1.237	-1.237			
17	Other Distribution Non-Network							-4.533	-4.533	-4.533			
18	Distribution Land & Easements							-	-	-			
19	Total Distribution Depn							-97.226	-93.447	-92.282			
20													
21	<b>Capex Year ending 30 June 2007 - 1</b>						1						
22	Wooden Pole Lines							-	-1.296	-1.296			
23	Underground Cables							-	-1.897	-1.897			
24	Transformers							-	-8.788	-8.788			
25	Switchgear							-	-8.823	-8.823			
26	Street lighting							-	-8.963	-8.963			
27	Meters and Services							-	-8.177	-8.177			
28	IT&T							-	-1.843	-1.843			
29	SCADA & Communications							-	-8.388	-8.388			
30	Other Distribution Non-Network							-	-1.218	-1.218			
31	Distribution Land & Easements							-	-	-			
32	Total Distribution Depn							-	-8.413	-8.413			
33													
34	<b>Capex Year ending 30 June 2008 - 2</b>						2						
35	Wooden Pole Lines							-	-	-1.788			
36	Underground Cables							-	-	-1.877			
37	Transformers							-	-	-8.984			
38	Switchgear							-	-	-8.834			
39	Street lighting							-	-	-8.833			
40	Meters and Services							-	-	-8.340			
41	IT&T							-	-	-1.886			
42	SCADA & Communications							-	-	-8.168			
43	Other Distribution Non-Network							-	-	-1.281			
44	Distribution Land & Easements							-	-	-			
45	Total Distribution Depn							-	-	-9.809			
46													
47	<b>Capex Year ending 30 June 2009 - 3</b>						3						
48	Wooden Pole Lines							-	-	-			
49	Underground Cables							-	-	-			
50	Transformers							-	-	-			
51	Switchgear							-	-	-			
52	Street lighting							-	-	-			
53	Meters and Services							-	-	-			
54	IT&T							-	-	-			
55	SCADA & Communications							-	-	-			
56	Other Distribution Non-Network							-	-	-			
57	Distribution Land & Easements							-	-	-			
58	Total Distribution Depn							-	-	-			
59													
<b>Depreciation [m\$ 30/06/09]</b>													
61	<b>ICB</b>						<b>Life</b>						
62	Wooden Pole Lines						14.500	-35.806	-35.573	-35.329	-35.074	-34.804	-34.514
63	Underground Cables						36.900	-15.934	-15.934	-15.934	-15.934	-15.934	-15.934
64	Transformers						16.900	-13.245	-13.193	-13.138	-13.082	-13.023	-12.962
65	Switchgear						13.500	-8.838	-8.821	-8.804	-8.785	-8.765	-8.743
66	Street lighting						1.200	-4.812	-4.962	-	-	-	-
67	Meters and Services						9.200	-20.086	-20.086	-20.086	-20.086	-20.086	-20.086
68	IT&T						9.800	-1.728	-1.728	-1.728	-1.728	-1.728	-1.728
69	SCADA & Communications						10.200	-1.381	-1.381	-1.381	-1.381	-1.381	-1.381
70	Other Distribution Non-Network						11.300	-4.980	-4.980	-4.980	-4.980	-4.980	-4.980
71	Distribution Land & Easements						-	-	-	-	-	-	-
72	Total Distribution Depn							-106.810	-102.658	-101.379	-101.050	-100.702	-100.327
73													
74	<b>Capex Year ending 30 June 2007 - 1</b>						1	<b>Life</b>					
75	Wooden Pole Lines						41.000	-	-1.423	-1.423	-2.410	-2.410	-2.410
76	Underground Cables						60.000	-	-1.864	-1.864	-3.105	-3.105	-3.105
77	Transformers						35.000	-	-0.876	-0.876	-1.762	-1.762	-1.762
78	Switchgear						35.000	-	-0.685	-0.685	-1.361	-1.361	-1.361
79	Street lighting						20.000	-	-0.618	-0.618	-0.935	-0.935	-0.935
80	Meters and Services						25.000	-	-0.194	-0.194	-0.485	-0.485	-0.485
81	IT&T						10.160	-	-2.024	-2.024	-1.875	-1.875	-1.875
82	SCADA & Communications						10.160	-	-0.229	-0.229	-0.249	-0.249	-0.249
83	Other Distribution Non-Network						10.160	-	-1.329	-1.329	-0.871	-0.871	-0.871
84	Distribution Land & Easements						-	-	-	-	-	-	-
85	Total Distribution Depn							-	-9.242	-9.242	-13.053	-13.053	-13.053
86													
87	<b>Capex Year ending 30 June 2008 - 2</b>						2	<b>Life</b>					
88	Wooden Pole Lines						41.000	-	-	-1.940	-2.895	-2.895	-2.895
89	Underground Cables						60.000	-	-	-2.167	-2.937	-2.937	-2.937
90	Transformers						35.000	-	-	-1.091	-1.665	-1.665	-1.665
91	Switchgear						35.000	-	-	-1.026	-1.528	-1.528	-1.528
92	Street lighting						20.000	-	-	-0.717	-0.903	-0.903	-0.903
93	Meters and Services						25.000	-	-	-0.379	-0.516	-0.516	-0.516
94	IT&T						10.160	-	-	-1.743	-3.629	-3.629	-3.629
95	SCADA & Communications						10.160	-	-	-0.185	-0.245	-0.245	-0.245
96	Other Distribution Non-Network						10.160	-	-	-1.528	-0.853	-0.853	-0.853
97	Distribution Land & Easements						-	-	-	-	-	-	-
98	Total Distribution Depn							-	-	-10.776	-15.173	-15.173	-15.173
99													

100	<b>Capex Year ending 30 June 2009 - 3</b>	<b>3</b>	<b>Life</b>						
101	Wooden Pole Lines		41.000	-	-	-	-3.975	-3.975	-3.975
102	Underground Cables		60.000	-	-	-	-3.427	-3.427	-3.427
103	Transformers		35.000	-	-	-	-1.910	-1.910	-1.910
104	Switchgear		35.000	-	-	-	-1.871	-1.871	-1.871
105	Street lighting		20.000	-	-	-	-1.041	-1.041	-1.041
106	Meters and Services		25.000	-	-	-	-0.504	-0.504	-0.504
107	IT&T		10.160	-	-	-	-2.419	-2.419	-2.419
108	SCADA & Communications		10.160	-	-	-	-0.292	-0.292	-0.292
109	Other Distribution Non-Network		10.160	-	-	-	-2.070	-2.070	-2.070
110	Distribution Land & Easements		-	-	-	-	-	-	-
111	<b>Total Distribution Depn</b>			-	-	-	<b>-17.509</b>	<b>-17.509</b>	<b>-17.509</b>
112									
113	<b>Capex Year ending 30 June 2010 - 4</b>	<b>4</b>	<b>Life</b>						
114	Wooden Pole Lines		41.000	-	-	-	-	-4.240	-4.240
115	Underground Cables		60.000	-	-	-	-	-2.049	-2.049
116	Transformers		35.000	-	-	-	-	-1.168	-1.168
117	Switchgear		35.000	-	-	-	-	-1.568	-1.568
118	Street lighting		20.000	-	-	-	-	-0.606	-0.606
119	Meters and Services		25.000	-	-	-	-	-1.889	-1.889
120	IT&T		10.160	-	-	-	-	-2.687	-2.687
121	SCADA & Communications		10.160	-	-	-	-	-0.665	-0.665
122	Other Distribution Non-Network		10.160	-	-	-	-	-3.436	-3.436
123	Distribution Land & Easements		-	-	-	-	-	-	-
124	<b>Total Distribution Depn</b>			-	-	-	-	<b>-18.309</b>	<b>-18.309</b>
125									
126	<b>Capex Year ending 30 June 2011 - 5</b>	<b>5</b>	<b>Life</b>						
127	Wooden Pole Lines		41.000	-	-	-	-	-	-4.890
128	Underground Cables		60.000	-	-	-	-	-	-2.265
129	Transformers		35.000	-	-	-	-	-	-1.284
130	Switchgear		35.000	-	-	-	-	-	-1.778
131	Street lighting		20.000	-	-	-	-	-	-0.661
132	Meters and Services		25.000	-	-	-	-	-	-1.907
133	IT&T		10.160	-	-	-	-	-	-2.156
134	SCADA & Communications		10.160	-	-	-	-	-	-0.680
135	Other Distribution Non-Network		10.160	-	-	-	-	-	-3.248
136	Distribution Land & Easements		-	-	-	-	-	-	-
137	<b>Total Distribution Depn</b>			-	-	-	-	-	<b>-18.869</b>
138									
139	<b>Capex Year ending 30 June 2012 - 6</b>	<b>6</b>	<b>Life</b>						
140	Wooden Pole Lines		41.000	-	-	-	-	-	-
141	Underground Cables		60.000	-	-	-	-	-	-
142	Transformers		35.000	-	-	-	-	-	-
143	Switchgear		35.000	-	-	-	-	-	-
144	Street lighting		20.000	-	-	-	-	-	-
145	Meters and Services		25.000	-	-	-	-	-	-
146	IT&T		10.160	-	-	-	-	-	-
147	SCADA & Communications		10.160	-	-	-	-	-	-
148	Other Distribution Non-Network		10.160	-	-	-	-	-	-
149	Distribution Land & Easements		-	-	-	-	-	-	-
150	<b>Total Distribution Depn</b>			-	-	-	-	-	-
151									

**Western Power Revised Access Arrangement Real Pre-tax Model**

Ref	2	3	4	5	6	7	8	9	10	11	12	13
<b>Year ending 30 June</b>									<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Project Year</b>									<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Regulatory Period</b>									<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
6	<b>Pre-tax WACC</b>											
7	Real								6.76%	6.76%	6.76%	6.76%
8												

**Asset Category Allocation**

<b>Asset Allocation</b>												
11	<b>Distribution</b>	<b>Wooden Pole Lrground CransformeSwitchgearstreet lightirers and Serv IT&amp;T &amp; Commurtribution Ncon Land &amp; E</b>										
12	<b>DEMAND RELATED</b>											
13	Distribution Capacity	27%	54%	13%	6%	0%	0%	0%	0%	0%	0%	0%
14	Customer Driven	8%	53%	20%	12%	6%	0%	0%	0%	0%	0%	0%
15	Customer Driven - Vested Assets	8%	53%	20%	12%	6%	0%	0%	0%	0%	0%	0%
16	<b>OTHER</b>											
17	State Undergrounding Power Program (SUPP)	0%	77%	7%	7%	9%	0%	0%	0%	0%	0%	0%
18	Rural Power Improvement Program (RPIP)	80%	0%	0%	20%	0%	0%	0%	0%	0%	0%	0%
19												

**IAM Asset Base**

<b>Year ending 30 June</b>													
<b>Project Year</b>													
<b>Regulatory Period</b>													
<b>IAM Forecast Asset Account [m\$ 30/06/09]</b>													
25	<b>Opening Value</b>								<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	
26	Wooden Pole Lines								0	1	2	3	
27	Underground Cables								1	1	1	1	
28	Transformers												
29	Switchgear												
30	Street lighting												
31	Meters and Services												
32	IT&T												
33	SCADA & Communications												
34	Other Distribution Non-Network												
35	Distribution Land & Easements												
36	<b>Total</b>									-	178.762	373.970	
37	<b>Capex</b>												
38	Wooden Pole Lines									27.448	29.666	33.686	
39	Underground Cables									94.090	104.702	118.407	
40	Transformers									28.650	32.750	37.371	
41	Switchgear									19.489	21.934	24.882	
42	Street lighting									9.085	10.223	11.503	
43	Meters and Services									-	-	-	
44	IT&T									-	-	-	
45	SCADA & Communications									-	-	-	
46	Other Distribution Non-Network									-	-	-	
47	Distribution Land & Easements									-	-	-	
48	<b>Total</b>									178.762	199.275	225.848	
49	<b>Depreciation</b>												
50	Wooden Pole Lines									41.000	-	-0.669	-1.393
51	Underground Cables									60.000	-	-1.568	-3.313
52	Transformers									35.000	-	-0.819	-1.754
53	Switchgear									35.000	-	-0.557	-1.184
54	Street lighting									20.000	-	-0.454	-0.965
55	Meters and Services									25.000	-	-	-
56	IT&T									10.160	-	-	-
57	SCADA & Communications									10.160	-	-	-
58	Other Distribution Non-Network									10.160	-	-	-
59	Distribution Land & Easements									-	-	-	
60	<b>Total</b>									-	-4.067	-8.609	
61	<b>Closing Value</b>												
62	Wooden Pole Lines									27.448	56.445	88.737	
63	Underground Cables									94.090	197.224	312.317	
64	Transformers									28.650	60.581	96.198	
65	Switchgear									19.489	40.866	64.565	
66	Street lighting									9.085	18.853	29.391	
67	Meters and Services									-	-	-	
68	IT&T									-	-	-	
69	SCADA & Communications									-	-	-	
70	Other Distribution Non-Network									-	-	-	
71	Distribution Land & Easements									-	-	-	
72	<b>Total</b>									178.762	373.970	591.208	
73													

IAM Actual Asset Account [m\$ 30/06/09]				
75	<b>Opening Value</b>			
76	Wooden Pole Lines		48.570	102.373
77	Underground Cables		178.180	343.537
78	Transformers		55.501	107.350
79	Switchgear		34.890	70.663
80	Street lighting		16.010	31.411
81	Meters and Services		-	-
82	IT&T		-	-
83	SCADA & Communications		-	-
84	Other Distribution Non-Network		-	-
85	Distribution Land & Easements		-	-
86	<b>Total</b>		- 333.151	655.335
87	<b>Capex</b>			
88	Wooden Pole Lines		48.570	54.472
89	Underground Cables		178.180	166.925
90	Transformers		55.501	52.668
91	Switchgear		34.890	36.330
92	Street lighting		16.010	15.856
93	Meters and Services		-	-
94	IT&T		-	-
95	SCADA & Communications		-	-
96	Other Distribution Non-Network		-	-
97	Distribution Land & Easements		-	-
98	<b>Total</b>		333.151	326.251
99	<b>Depreciation</b>			
100	Wooden Pole Lines		-	-0.669
101	Underground Cables		-	-1.568
102	Transformers		-	-0.819
103	Switchgear		-	-0.557
104	Street lighting		-	-0.454
105	Meters and Services		-	-
106	IT&T		-	-
107	SCADA & Communications		-	-
108	Other Distribution Non-Network		-	-
109	Distribution Land & Easements		-	-
110	<b>Total</b>		-	-4.067
111	<b>Closing Value</b>			
112	Wooden Pole Lines		48.570	102.373
113	Underground Cables		178.180	343.537
114	Transformers		55.501	107.350
115	Switchgear		34.890	70.663
116	Street lighting		16.010	31.411
117	Meters and Services		-	-
118	IT&T		-	-
119	SCADA & Communications		-	-
120	Other Distribution Non-Network		-	-
121	Distribution Land & Easements		-	-
122	<b>Total</b>		333.151	655.335
123				1,013.405
<b>IAM Adjustment</b>				
<b>Year ending 30 June</b>				
			2006	2007
			2008	2009
	<b>Project Year</b>		0	1
	<b>Regulatory Period</b>		1	1
<b>IAM Forecast Asset Account [m\$ 30/06/09]</b>				
129	<b>Forecast</b>			
130	Return on Assets	PV <sub>30/06/2006</sub>	31.378	38.182
131	Depreciation		10.644	12.952
132	Cost of Service		42.022	51.133
133				
134	<b>Actual</b>			
135	Return on Assets	PV <sub>30/06/2006</sub>	56.166	68.344
136	Depreciation		10.644	12.952
137	Cost of Service		66.810	81.296
138				
139	<b>Cashflow analysis to confirm amount of IAM adjustment</b>			
140	IAM A/Capex	PV <sub>30/06/2006</sub>	-899.642	-1,094.701
141	Asset Opening Value		-	-
142	Asset Residual Value		832.832	1,013.405
143	CoS Received		42.022	51.133
144	Total Cashflow		-24.788	-30.163
145	<b>Check</b>		OK	OK

**Western Power Revised Access Arrangement Real Pre-tax Model**

Ref	2	3	8	9	10	11	12	13	14	15	16
<b>Year ending 30 June</b>											
Project Year	0	1	2	3	4	5	6				
Regulatory Period	1	1	1	1	2	2	2				
6 Modelled Inflation											
7 June CPI			154.3	157.5	162.4	167.4	172.0	176.7	181.5		
8 Annual Inflation				2.07%	3.10%	3.10%	2.73%	2.73%	2.73%		
9 Inflation Factor						1.000	1.027	1.055	1.084		
10 Pre-tax WACC											
11 Real			6.76%	6.76%	6.76%	6.76%	8.95%	8.95%	8.95%		
12 Nominal			10.07%	10.07%	10.07%	10.07%	11.92%	11.92%	11.92%		
13											
<b>Distribution, Real Calculations [m\$ 30/06/09]</b>											
<b>Year ending 30 June</b>											
Project Year	0	1	2	3	4	5	6				
Regulatory Period	1	1	1	1	2	2	2				
<b>Asset Value [m\$ 30/06/09]</b>											
19 Asset Value											
20 Opening Asset Value			1,751.697	2,088.703	2,454.063	2,911.658	3,281.960	3,679.801			
21 Adjusted Opening Asset Value											
22 Capex				448.030	481.292	582.907	520.866	566.269	636.210		
23 Redundant Assets (Accelerated Depreciation)				-4,214	-4,032	-3,915	-3,778	-3,683	-3,586		
24 Depreciation				-106,810	-111,901	-121,397	-146,784	-164,745	-183,239		
25 Closing Asset Value			1,751.697	2,088.703	2,454.063	2,911.658	3,281.960	3,679.801	4,129.187		
26											
<b>Year ending 30 June</b>											
Project Year	0	1	2	3	4	5	6				
Days		365	366	365	365	365	366				
Regulatory Period		1	1	1	1	2	2				
<b>Working Capital [m\$ 30/06/09]</b>											
32 Gross Cost of Service (excluding Working Capital)		PV									
33 Opex		1,049,905					393,986	416,476	436,371		
34 Depreciation		415,205					146,784	164,745	183,239		
35 Redundant Assets (Accelerated Depreciation)		9,343					3,778	3,683	3,586		
36 Return on Assets		741,307					260,593	293,735	329,342		
37 Cost of Service		2,215,761					805,142	878,639	952,539		
38 Net Covered Service Revenue		PV									
39 Gross CoS		2,215,761					805,142	878,639	952,539		
40 Tariff Equalisation		-					-	-	-		
41 Net Covered Service Revenue		2,215,761					805,142	878,639	952,539		
42 Expenses		PV									
43 Opex		1,049,905					393,986	416,476	436,371		
44 Capex		1,447,080					520,866	566,269	636,210		
45 Total Expenses		2,496,985					914,852	982,745	1,072,582		
46 Working Capital		Days									
47 Receivables		45.0					99,264	108,325	117,115		
48 Inventory		-					-	-	-		
49 Prepayments		-					-	-	-		
50 Creditors		-20.0					-50,129	-53,849	-58,611		
51 Working Capital							49,135	54,476	58,504		
52 Asset & Working Capital Value											
53 Opening Asset Value							2,911.658	3,281.960	3,679.801		
54 Opening Working Capital							49,135	54,476	58,504		
55 Regulatory Opening Asset Value							2,960,793	3,336,437	3,738,306		
56											
<b>Adjustments in accordance with previous access arrangement [m\$ 30/06/09]</b>											
58 Unforeseen Events Revenue Adjustment		PV									
59 Unforeseen Events Revenue Adjustment		-									
60 Technical Rule Change Revenue Adjustment		PV									
61 Technical Rule Change Revenue Adjustment		-									
62 Investment Adjustment Mechanism		PV									
63 Difference in Return on Assets		30,163			10,437	19,020					
64 Difference in Depreciation		-			-	-					
65 Total Foregone Revenue		30,163			10,437	19,020					
66 Capital Contribution Adjustment Mechanism		PV									
67 Difference in Actual and Forecast Capital Contribution		-84,110			-42,444	-23,283	-10,878				
68											
<b>Cost of Service [m\$ 30/06/09]</b>											
70 Gross Cost of Service		PV									
71 Opex		1,049,905					393,986	416,476	436,371		
72 Depreciation		415,205					146,784	164,745	183,239		
73 Redundant Assets (Accelerated Depreciation)		9,343					3,778	3,683	3,586		
74 Return on Assets		741,307					260,593	293,735	329,342		
75 Return on Working Capital		12,193					4,398	4,876	5,236		
76 Cost of Service		2,227,954					809,540	883,515	957,775		
77 Gross Regulatory Revenue		PV									
78 Opex		1,049,905					393,986	416,476	436,371		
79 Capex		1,447,080					520,866	566,269	636,210		
80 Asset Opening Value		2,911,658				2,911,658	-	-	-		
81 Asset Residual Value		-3,192,882					-	-	-		
82 Working Capital Variation		12,193					49,135	5,341	4,028		
83 Gross Regulatory Revenue		2,227,954					2,960,793	920,193	986,773		
84 Check		OK									
85 Net Reference Service Revenue		PV									
86 Gross CoS		2,227,954					809,540	883,515	957,775		
87 Non Reference Service Revenue		-13,943					-4,686	-5,560	-6,412		
88 Tariff Equalisation		-					-	-	-		
89 Unforeseen Events Revenue Adjustment		-					-	-	-		
90 Technical Rule Change Revenue Adjustment		-					-	-	-		
91 IAM Revenue Adjustment		30,163					32,862				
92 CCAM Revenue Adjustment		-84,110					-9,638				
93 Net Reference Service Revenue		2,160,063					746,078	877,955	951,362		
94											

Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period		1	1	1	2	2	2
<b>Smoothed Cost of Service [m\$ 30/06/09]</b>							
99 Net Reference Service Revenue Requirements	PV						
100 Net Reference Service Revenue	2,160,063				746,078	877,955	951,362
101 Smoothed Reference Service Revenue	1,982,781	-42.20%	25.00%		623,689	779,612	974,514
102 Deferred Reference Service Revenue	177,282			438,600	55,765	69,706	87,132
103 Delta PV	-				122,389	98,343	-110,284
104 Net Cash Flow	PV						
105 Smoothed Reference Service Revenue	1,982,781				623,689	779,612	974,514
106 Deferred Reference Service Revenue	177,282				55,765	69,706	87,132
107 Opex	-1,049,905				-393,986	-416,476	-436,371
108 Capex	-1,447,080				-520,866	-566,269	-636,210
109 Non Reference Service Revenue	13,943				4,686	5,560	6,412
110 Tariff Equalisation	-				-	-	-
111 Unforeseen Events Revenue Adjustment	-				-	-	-
112 Technical Rule Change Revenue Adjustment	-				-	-	-
113 IAM Revenue Adjustment	-30,163				-32,862	-	-
114 CCAM Revenue Adjustment	84,110				91,638	-	-
115 Asset Opening Value	-2,911,658			-2,911,658	-	-	-
116 Asset Residual Value	3,192,882				-	-	4,129,187
117 Working Capital Variation	-12,193			-49,135	-5,341	-4,028	58,504
118 Net Cash Flow	-			-2,960,793	-177,277	-131,895	4,183,168
119 Check	OK						
120 Internal Rate of Return							
121 IRR							8.95%
122 Check	OK						
123 Nominal from Real	PV						
124 Net Cash Flow	-			-2,960,793	-182,117	-139,195	4,535,208
125 Check	OK						
126 Internal Rate of Return							
127 IRR							11.92%
128 Check	OK						
129							
<b>Revenue Cap [m\$ 30/06/09]</b>							
131 Revenue Cap for reference services	PV						
132 DR <sub>t</sub>	2,036,728				640,659	800,823	1,001,029
133 AA# <sub>1</sub>	-53,948				-16,969	-21,212	-26,515
134 TEC <sub>t</sub>	-				-	-	-
135 Total	1,982,781				623,689	779,612	974,514
136 Check	OK						
137 Deferred Reference Service Revenue	177,282				55,765	69,706	87,132
138 Grand Total	2,160,063				679,454	849,317	1,061,647
139 Check	OK						
140							
141 Reference Service Revenue Summary	PV						
142 Reference Service Revenue to be collected in AA#2	2,036,728				640,659	800,823	1,001,029
143 Reference Service Revenue to be deferred to AA#3	177,282				55,765	69,706	87,132
144 Total Reference Service Revenue due to AA#2 CoS	2,214,011				696,423	870,529	1,088,161
145 Check	OK						
146 Adjustments in accordance with previous access arrangement	-53,948				-16,969	-21,212	-26,515
147 Grand Total Reference Service Revenue	2,160,063				679,454	849,317	1,061,647
148 Check	OK						
149 Grand Total Reference Service Revenue to be collected in AA#2	1,982,781				623,689	779,612	974,514
150 Check	OK						



Capital Contributions (as received)							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period		1	1	1	2	2	2
<b>WPC's Capital Contribution [m\$ OD]</b>					<b>Forecast</b>		
102	<b>Transmission</b>						
103	Transmission cables				-	-	-
104	Transmission steel towers				46.168	79.974	61.768
105	Transmission wood poles				-	-	-
106	Transmission Metering				-	-	-
107	Transmission transformers				3.738	6.475	5.001
108	Transmission reactors				-	-	-
109	Transmission capacitors				0.058	0.100	0.077
110	Transmission circuit breakers				-	-	-
111	SCADA and Communications				-	-	-
112	IT&T				-	-	-
113	Other Non-Network Assets				-	-	-
114	Land & Easements				-	-	-
115	Total Transmission				1.254	2.172	1.678
<b>Modelled Capital Contribution [m\$ 30/06/09]</b>					51.217	88.721	68.524
117	<b>Transmission</b>						
118	Transmission cables				-	-	-
119	Transmission steel towers				45.053	76.072	57.211
120	Transmission wood poles				-	-	-
121	Transmission Metering				-	-	-
122	Transmission transformers				3.648	6.159	4.632
123	Transmission reactors				-	-	-
124	Transmission capacitors				0.056	0.095	0.071
125	Transmission circuit breakers				-	-	-
126	SCADA and Communications				-	-	-
127	IT&T				-	-	-
128	Other Non-Network Assets				-	-	-
129	Land & Easements				1.224	2.066	1.554
130	Total Transmission				49.980	84.392	63.468
131							
<b>WPC's Capital Contribution [m\$ OD]</b>					<b>Actual</b>		
133	<b>Transmission</b>						
134	<b>DEMAND RELATED</b>						
135	System Capacity						
136	Customer Driven - Bulk Loads				34.100	32.500	27.000
137	Customer Driven - Generation						
138	<b>NON DEMAND RELATED</b>						
139	Asset Replacement						
140	Safety, Environmental & Statutory						
141	Reliability Driven						
142	<b>OTHER</b>						
143	SCADA & Communications						
144	IT (inc. Market Reform)						
145	Support						
146	Total Transmission				34.100	32.500	27.000
<b>Modelled Capital Contribution [m\$ 30/06/09]</b>							
148	<b>Transmission</b>						
149	<b>DEMAND RELATED</b>						
150	System Capacity						
151	Customer Driven - Bulk Loads				36.700	33.470	27.000
152	Customer Driven - Generation						
153	<b>NON DEMAND RELATED</b>						
154	Asset Replacement						
155	Safety, Environmental & Statutory						
156	Reliability Driven						
157	<b>OTHER</b>						
158	SCADA & Communications						
159	IT (inc. Market Reform)						
160	Support						
161	Total Transmission				36.700	33.470	27.000
162							
<b>Deemed Capital Contribution [m\$ 30/06/09]</b>							
116	<b>Transmission</b>						
117	<b>DEMAND RELATED</b>						
118	System Capacity						
119	Customer Driven - Bulk Loads						
120	Customer Driven - Generation				17.323	28.218	13.353
121	<b>NON DEMAND RELATED</b>						
122	Asset Replacement						
123	Safety, Environmental & Statutory						
124	Reliability Driven						
125	<b>OTHER</b>						
126	SCADA & Communications						
127	IT (inc. Market Reform)						
128	Support						
129	Total Transmission				17.323	28.218	13.353
178							



<b>Redundant Assets</b>							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period	0	1	1	1	2	2	2
<b>Redundant Assets [m\$ OD]</b>							
184 Transmission	Actual				Forecast		
185 Transmission cables	-	-	-	-	-	-	-
186 Transmission steel towers	-	-	-	-	-	-	-
187 Transmission wood poles	-	-	-	-	-	-	-
188 Transmission Metering	-	-	-	-	-	-	-
189 Transmission transformers	-	-	-	-	-	-	-
190 Transmission reactors	-	-	-	-	-	-	-
191 Transmission capacitors	-	-	-	-	-	-	-
192 Transmission circuit breakers (and Site)	-	-	-	-	-	-	-
193 SCADA and Communications	-	-	-	-	-	-	-
194 IT&T	-	-	-	-	-	-	-
195 Other Non-Network Assets	-	-	-	-	-	-	-
196 Land & Easements	-	-	-	-	-	-	-
197 Total Transmission	-	-	-	-	-	-	-
<b>Modelled Redundant Assets [m\$ 30/06/09]</b>							
199 Transmission	-	-	-	-	-	-	-
200 Transmission cables	-	-	-	-	-	-	-
201 Transmission steel towers	-	-	-	-	-	-	-
202 Transmission wood poles	-	-	-	-	-	-	-
203 Transmission Metering	-	-	-	-	-	-	-
204 Transmission transformers	-	-	-	-	-	-	-
205 Transmission reactors	-	-	-	-	-	-	-
206 Transmission capacitors	-	-	-	-	-	-	-
207 Transmission circuit breakers (and Site)	-	-	-	-	-	-	-
208 SCADA and Communications	-	-	-	-	-	-	-
209 IT&T	-	-	-	-	-	-	-
210 Other Non-Network Assets	-	-	-	-	-	-	-
211 Land & Easements	-	-	-	-	-	-	-
212 Total Transmission	-	-	-	-	-	-	-
213	-	-	-	-	-	-	-
<b>Operating Expenditure (as incurred)</b>							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period	0	1	1	1	2	2	2
<b>WPC's Opex [m\$ OD]</b>							
219 Transmission	-	-	-	-	-	-	-
220 OPERATIONS	-	-	-	-	-	-	-
221 SCADA & Communications	-	-	-	-	8.320	9.393	10.711
222 Non-Reference Services	-	-	-	-	6.142	5.957	6.415
223 Network Operations	-	-	-	-	13.243	14.715	15.875
224 MAINTENANCE	-	-	-	-	-	-	-
225 Maintenance Strategy	-	-	-	-	-	-	-
226 Preventive Condition	-	-	-	-	14.523	15.703	18.636
227 Preventive Routine	-	-	-	-	21.950	23.814	25.810
228 Corrective Deferred	-	-	-	-	5.869	6.863	7.786
229 Corrective Emergency	-	-	-	-	3.052	3.439	3.697
230 CUSTOMER SERVICE AND BILLING	-	-	-	-	-	-	-
231 N/A	-	-	-	-	-	-	-
232 CORPORATE	-	-	-	-	-	-	-
233 Business Support	-	-	-	-	28.067	29.479	30.990
234 OTHER OPERATING EXPENDITURE	-	-	-	-	-	-	-
235 Non-recurring opex	-	-	-	-	2.232	2.038	1.940
236 Total Transmission	-	-	-	-	103.398	111.401	121.761
<b>Modelled Opex [m\$ 30/06/09]</b>							
238 Transmission	-	-	-	-	-	-	-
239 OPERATIONS	-	-	-	-	-	-	-
240 SCADA & Communications	-	-	-	-	8.119	8.935	9.921
241 Non-Reference Services	-	-	-	-	5.994	5.666	5.942
242 Network Operations	-	-	-	-	12.923	13.997	14.704
243 MAINTENANCE	-	-	-	-	-	-	-
244 Maintenance Strategy	-	-	-	-	-	-	-
245 Preventive Condition	-	-	-	-	14.172	14.937	17.261
246 Preventive Routine	-	-	-	-	21.420	22.652	23.906
247 Corrective Deferred	-	-	-	-	5.727	6.528	7.211
248 Corrective Emergency	-	-	-	-	2.978	3.271	3.424
249 CUSTOMER SERVICE AND BILLING	-	-	-	-	-	-	-
250 N/A	-	-	-	-	-	-	-
251 CORPORATE	-	-	-	-	-	-	-
252 Business Support	-	-	-	-	27.390	28.041	28.703
253 OTHER OPERATING EXPENDITURE	-	-	-	-	-	-	-
254 Non-recurring opex	-	-	-	-	2.179	1.939	1.704
255 Total Transmission	-	-	-	-	100.902	105.966	112.777
256	-	-	-	-	-	-	-
<b>Other Inputs</b>							
Year ending 30 June	2006	2007	2008	2009	2010	2011	2012
Project Year	0	1	2	3	4	5	6
Regulatory Period	0	1	1	1	2	2	2
<b>Tariff Equalisation</b>							
252 Nominal Value [m\$ OD]	-	-	-	-	-	-	-
263 Modelled Real [m\$ 30/06/2005]	-	-	-	-	-	-	-
264	-	-	-	-	-	-	-
<b>Non Reference Service Revenue</b>							
266 Nominal Value [m\$ OD]	-	-	-	-	6.480	6.304	6.775
267 Modelled Real [m\$ 30/06/2005]	-	-	-	-	6.323	5.996	6.276
268	-	-	-	-	-	-	-
<b>Working Capital</b>							
270 Receivables	-	-	-	-	-	-	-
271 Inventory	-	-	-	-	-	-	-
272 Prepayments	-	-	-	-	-	-	-
273 Creditors	-	-	-	-	-	-	-
<b>2008/09 Revenue Cap</b>							
275 2008/09 Revenue Cap	-	-	-	-	-	-	-
276 2008/09 Revenue for pricing purposes [m\$ OD]	-	-	-	232.200	-	-	-





Western Power Revised Access Arrangement Real Pre-tax Model

Ref	2	3	4	5	8	9	10	11	12	13	14	15	16
<b>Transmission Real Calculations (m\$ 30/06/09)</b>													
<b>Year ending 30 June</b>													
2006	2007	2008	2009	2010	2011	2012							
0	1	2	3	4	5	6							
<b>Regulatory Period</b>													
1	1	1	1	2	2	2							
<b>Approved Depreciation (m\$ 30/06/06)</b>													
<b>ICB</b>													
0													
8													
9	Transmission cables												
10	Transmission steel towers												
11	Transmission wood poles												
12	Transmission Metering												
13	Transmission transformers												
14	Transmission reactors												
15	Transmission capacitors												
16	Transmission circuit breakers												
17	SCADA and Communications												
18	IT&T												
19	Other Non-Network Assets												
20	Land & Easements												
21	Total Transmission Depn												
22	-												
23	<b>Year ending 30 June 2007 - 1</b>												
24	1												
25	Transmission cables												
26	Transmission steel towers												
27	Transmission wood poles												
28	Transmission Metering												
29	Transmission transformers												
30	Transmission reactors												
31	Transmission capacitors												
32	Transmission circuit breakers												
33	SCADA and Communications												
34	IT&T												
35	Other Non-Network Assets												
36	Land & Easements												
37	Total Transmission Depn												
38	-												
39	<b>Year ending 30 June 2008 - 2</b>												
40	2												
41	Transmission cables												
42	Transmission steel towers												
43	Transmission wood poles												
44	Transmission Metering												
45	Transmission transformers												
46	Transmission reactors												
47	Transmission capacitors												
48	Transmission circuit breakers												
49	SCADA and Communications												
50	IT&T												
51	Other Non-Network Assets												
52	Land & Easements												
53	Total Transmission Depn												
54	-												
55	<b>Year ending 30 June 2009 - 3</b>												
56	3												
57	Transmission cables												
58	Transmission steel towers												
59	Transmission wood poles												
60	Transmission Metering												
61	Transmission transformers												
62	Transmission reactors												
63	Transmission capacitors												
64	Transmission circuit breakers												
65	SCADA and Communications												
66	IT&T												
67	Other Non-Network Assets												
68	Land & Easements												
69	Total Transmission Depn												
70	-												
<b>Depreciation (m\$ 30/06/09)</b>													
<b>ICB</b>													
0	<b>Life</b>												
70	Transmission cables												
71	Transmission steel towers												
72	Transmission wood poles												
73	Transmission Metering												
74	Transmission transformers												
75	Transmission reactors												
76	Transmission capacitors												
77	Transmission circuit breakers												
78	SCADA and Communications												
79	IT&T												
80	Other Non-Network Assets												
81	Land & Easements												
82	Total Transmission Depn												
83	-												
84	<b>Year ending 30 June 2007 - 1</b>												
85	1	<b>Life</b>											
86	Transmission cables												
87	Transmission steel towers												
88	Transmission wood poles												
89	Transmission Metering												
90	Transmission transformers												
91	Transmission reactors												
92	Transmission capacitors												
93	Transmission circuit breakers												
94	SCADA and Communications												
95	IT&T												
96	Other Non-Network Assets												
97	Land & Easements												
98	Total Transmission Depn												
99	-												
100	<b>Year ending 30 June 2008 - 2</b>												
101	2	<b>Life</b>											
102	Transmission cables												
103	Transmission steel towers												
104	Transmission wood poles												
105	Transmission Metering												
106	Transmission transformers												
107	Transmission reactors												
108	Transmission capacitors												
109	Transmission circuit breakers												
110	SCADA and Communications												
111	IT&T												
112	Other Non-Network Assets												
113	Land & Easements												
114	Total Transmission Depn												
115	-												

114	<b>Year ending 30 June 2009 - 3</b>	<b>3</b>	<b>Life</b>					
115	Transmission cables		55,000	-	-	-	-0.150	-0.150
116	Transmission steel towers		60,000	-	-	-	-2.252	-2.252
117	Transmission wood poles		45,000	-	-	-	-0.494	-0.494
118	Transmission Metering		40,000	-	-	-	-	-
119	Transmission transformers		50,000	-	-	-	-1.673	-1.673
120	Transmission reactors		50,000	-	-	-	-0.105	-0.105
121	Transmission capacitors		40,000	-	-	-	-0.859	-0.859
122	Transmission circuit breakers		50,000	-	-	-	-1.837	-1.837
123	SCADA and Communications		34,150	-	-	-	-0.199	-0.199
124	IT&T		16,850	-	-	-	-0.506	-0.506
125	Other Non-Network Assets		16,850	-	-	-	-0.416	-0.416
126	<b>Land &amp; Easements</b>		-	-	-	-	-	-
127	<b>Total Transmission Depn</b>			-	-	-	<b>-8.490</b>	<b>-8.490</b>
128								
129	<b>Year ending 30 June 2009 - 4</b>	<b>4</b>	<b>Life</b>					
130	Transmission cables		55,000	-	-	-	-0.378	-0.378
131	Transmission steel towers		60,000	-	-	-	-2.358	-2.358
132	Transmission wood poles		45,000	-	-	-	-1.257	-1.257
133	Transmission Metering		40,000	-	-	-	-	-
134	Transmission transformers		50,000	-	-	-	-2.648	-2.648
135	Transmission reactors		50,000	-	-	-	-0.075	-0.075
136	Transmission capacitors		40,000	-	-	-	-0.831	-0.831
137	Transmission circuit breakers		50,000	-	-	-	-3.154	-3.154
138	SCADA and Communications		34,150	-	-	-	-0.496	-0.496
139	IT&T		16,850	-	-	-	-0.540	-0.540
140	Other Non-Network Assets		16,850	-	-	-	-0.715	-0.715
141	<b>Land &amp; Easements</b>		-	-	-	-	-	-
142	<b>Total Transmission Depn</b>			-	-	-	<b>-12.452</b>	<b>-12.452</b>
143								
144	<b>Year ending 30 June 2009 - 5</b>	<b>5</b>	<b>Life</b>					
145	Transmission cables		55,000	-	-	-	-0.369	-0.369
146	Transmission steel towers		60,000	-	-	-	-3.365	-3.365
147	Transmission wood poles		45,000	-	-	-	-1.273	-1.273
148	Transmission Metering		40,000	-	-	-	-	-
149	Transmission transformers		50,000	-	-	-	-3.029	-3.029
150	Transmission reactors		50,000	-	-	-	-0.128	-0.128
151	Transmission capacitors		40,000	-	-	-	-1.212	-1.212
152	Transmission circuit breakers		50,000	-	-	-	-3.343	-3.343
153	SCADA and Communications		34,150	-	-	-	-0.520	-0.520
154	IT&T		16,850	-	-	-	-0.433	-0.433
155	Other Non-Network Assets		16,850	-	-	-	-0.684	-0.684
156	<b>Land &amp; Easements</b>		-	-	-	-	-	-
157	<b>Total Transmission Depn</b>			-	-	-	<b>-14.358</b>	<b>-14.358</b>
158								
159	<b>Year ending 30 June 2009 - 6</b>	<b>6</b>	<b>Life</b>					
160	Transmission cables		55,000	-	-	-	-	-
161	Transmission steel towers		60,000	-	-	-	-	-
162	Transmission wood poles		45,000	-	-	-	-	-
163	Transmission Metering		40,000	-	-	-	-	-
164	Transmission transformers		50,000	-	-	-	-	-
165	Transmission reactors		50,000	-	-	-	-	-
166	Transmission capacitors		40,000	-	-	-	-	-
167	Transmission circuit breakers		50,000	-	-	-	-	-
168	SCADA and Communications		34,150	-	-	-	-	-
169	IT&T		16,850	-	-	-	-	-
170	Other Non-Network Assets		16,850	-	-	-	-	-
171	<b>Land &amp; Easements</b>		-	-	-	-	-	-
172	<b>Total Transmission Depn</b>			-	-	-	-	-
173								

**Western Power Revised Access Arrangement Real Pre-tax Model**

Ref	2	3	4	5	6	7	8	9	10	11	12	13
<b>Year ending 30 June</b>									<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Project Year</b>									<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Regulatory Period</b>									<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
6	<b>Pre-tax WACC</b>											
7	Real								6.76%	6.76%	6.76%	6.76%
8												

**Asset Category Allocation**

<b>Asset Allocation</b>														
11	<b>Transmission</b>	Transmission	ission	steeission	womission	Mesion	transmission	reaisson	capson	circuind	Comm	IT&T	on-Networl & Easem	
12	<b>DEMAND RELATED</b>													
13	System Capacity		4%	26%	7%	0%	18%	0%	3%	21%	1%	0%	0%	20%
14	Customer Driven - Bulk Loads		0%	90%	0%	0%	7%	0%	0%	0%	0%	0%	0%	2%
15	Customer Driven - Generation		0%	31%	0%	0%	26%	4%	21%	16%	1%	0%	0%	1%
16														

**IAM Asset Base**

<b>Year ending 30 June</b>					<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Project Year</b>					<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Regulatory Period</b>					<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

**IAM Forecast Asset Account [m\$ 30/06/09]**

22	<b>Opening Value</b>							
23	Transmission cables					3,791	8,613	
24	Transmission steel towers					73,250	166,027	
25	Transmission wood poles					6,447	14,621	
26	Transmission Metering					-	-	
27	Transmission transformers					37,346	72,442	
28	Transmission reactors					2,573	4,020	
29	Transmission capacitors					17,499	28,980	
30	Transmission circuit breakers					29,967	59,679	
31	SCADA and Communications					1,014	1,932	
32	IT&T					-	-	
33	Other Non-Network Assets					-	-	
34	<b>Land &amp; Easements</b>					19,092	43,421	
35	<b>Total</b>					-	190,979	399,735
36	<b>Capex</b>							
37	Transmission cables					3,791	4,891	4,745
38	Transmission steel towers					73,250	93,998	46,909
39	Transmission wood poles					6,447	8,317	8,069
40	Transmission Metering					-	-	-
41	Transmission transformers					37,346	35,842	27,329
42	Transmission reactors					2,573	1,498	0,882
43	Transmission capacitors					17,499	11,919	8,166
44	Transmission circuit breakers					29,967	30,311	26,787
45	SCADA and Communications					1,014	0,948	0,807
46	IT&T					-	-	-
47	Other Non-Network Assets					-	-	-
48	<b>Land &amp; Easements</b>					19,092	24,329	22,309
49	<b>Total</b>					190,979	212,054	146,003
50	<b>Depreciation</b>				<b>Life</b>			
51	Transmission cables				55,000	-	-0,069	-0,158
52	Transmission steel towers				60,000	-	-1,221	-2,787
53	Transmission wood poles				45,000	-	-0,143	-0,328
54	Transmission Metering				40,000	-	-	-
55	Transmission transformers				50,000	-	-0,747	-1,464
56	Transmission reactors				50,000	-	-0,051	-0,081
57	Transmission capacitors				40,000	-	-0,437	-0,735
58	Transmission circuit breakers				50,000	-	-0,599	-1,206
59	SCADA and Communications				34,150	-	-0,030	-0,057
60	IT&T				16,850	-	-	-
61	Other Non-Network Assets				16,850	-	-	-
62	<b>Land &amp; Easements</b>				-	-	-	-
63	<b>Total</b>					-	-3,298	-6,817
64	<b>Closing Value</b>							
65	Transmission cables					3,791	8,613	13,200
66	Transmission steel towers					73,250	166,027	210,148
67	Transmission wood poles					6,447	14,621	22,361
68	Transmission Metering					-	-	-
69	Transmission transformers					37,346	72,442	98,307
70	Transmission reactors					2,573	4,020	4,821
71	Transmission capacitors					17,499	28,980	36,410
72	Transmission circuit breakers					29,967	59,679	85,261
73	SCADA and Communications					1,014	1,932	2,682
74	IT&T					-	-	-
75	Other Non-Network Assets					-	-	-
76	<b>Land &amp; Easements</b>					19,092	43,421	65,730
77	<b>Total</b>					190,979	399,735	538,921
78								

IAM Actual Asset Account [m\$ 30/06/09]					
80	<b>Opening Value</b>				
81	Transmission cables		5,566	10,264	
82	Transmission steel towers		148,151	280,399	
83	Transmission wood poles		9,465	17,428	
84	Transmission Metering		-	-	
85	Transmission transformers		37,197	82,907	
86	Transmission reactors		0,679	3,293	
87	Transmission capacitors		7,614	25,894	
88	Transmission circuit breakers		29,794	64,260	
89	SCADA and Communications		0,877	2,009	
90	IT&T		-	-	
91	Other Non-Network Assets		-	-	
92	Land & Easements		28,645	53,683	
93	<b>Total</b>		<b>267,988</b>	<b>540,139</b>	
94	<b>Capex</b>				
95	Transmission cables		5,566	4,767	8,223
96	Transmission steel towers		148,151	133,469	189,157
97	Transmission wood poles		9,465	8,106	13,984
98	Transmission Metering		-	-	-
99	Transmission transformers		37,197	46,457	57,152
100	Transmission reactors		0,679	2,665	1,685
101	Transmission capacitors		7,614	18,718	15,200
102	Transmission circuit breakers		29,794	35,065	47,142
103	SCADA and Communications		0,877	1,162	1,430
104	IT&T		-	-	-
105	Other Non-Network Assets		-	-	-
106	Land & Easements		28,645	25,039	41,619
107	<b>Total</b>		<b>267,988</b>	<b>275,449</b>	<b>375,593</b>
108	<b>Depreciation</b>				
109	Transmission cables		-	-0.069	-0.158
110	Transmission steel towers		-	-1.221	-2.787
111	Transmission wood poles		-	-0.143	-0.328
112	Transmission Metering		-	-	-
113	Transmission transformers		-	-0.747	-1.464
114	Transmission reactors		-	-0.051	-0.081
115	Transmission capacitors		-	-0.437	-0.735
116	Transmission circuit breakers		-	-0.599	-1.206
117	SCADA and Communications		-	-0.030	-0.057
118	IT&T		-	-	-
119	Other Non-Network Assets		-	-	-
120	Land & Easements		-	-	-
121	<b>Total</b>			<b>-3.298</b>	<b>-6.817</b>
122	<b>Closing Value</b>				
123	Transmission cables		5,566	10,264	18,330
124	Transmission steel towers		148,151	280,399	466,768
125	Transmission wood poles		9,465	17,428	31,084
126	Transmission Metering		-	-	-
127	Transmission transformers		37,197	82,907	138,595
128	Transmission reactors		0,679	3,293	4,897
129	Transmission capacitors		7,614	25,894	40,359
130	Transmission circuit breakers		29,794	64,260	110,197
131	SCADA and Communications		0,877	2,009	3,382
132	IT&T		-	-	-
133	Other Non-Network Assets		-	-	-
134	Land & Easements		28,645	53,683	95,302
135	<b>Total</b>		<b>267,988</b>	<b>540,139</b>	<b>908,915</b>
136					
<b>IAM Adjustment</b>					
Year ending 30 June		2006	2007	2008	2009
Project Year		0	1	2	3
Regulatory Period			1	1	1
<b>IAM Forecast Asset Account [m\$ 30/06/09]</b>					
142	<b>Forecast</b>	PV <sub>30/06/2006</sub>	PV <sub>30/06/2009</sub>		
143	Return on Assets	33.534	40.805	-	12.910
144	Depreciation	8.496	10.338	-	3.298
145	Cost of Service	42.030	51.143	-	16.208
146					33.839
147	<b>Actual</b>	PV <sub>30/06/2006</sub>	PV <sub>30/06/2009</sub>		
148	Return on Assets	45.902	55.854	-	18.116
149	Depreciation	8.496	10.338	-	3.298
150	Cost of Service	54.398	66.192	-	21.414
151					43.330
152	<b>Cashflow analysis to confirm amount of IAM adjustment</b>	PV <sub>30/06/2006</sub>	PV <sub>30/06/2009</sub>		
153	IAM A/Capex	-801.358	-975.107	-267.988	-275.449
154	Asset Opening Value	-	-	-	-
155	Asset Residual Value	746.960	908.915	-	908.915
156	CoS Received	42.030	51.143	-	16.208
157	<b>Total Cashflow</b>	<b>-12.367</b>	<b>-15.049</b>	<b>-267.988</b>	<b>-259.241</b>
158	<b>Check</b>	<b>OK</b>	<b>OK</b>		567.161

**Western Power Revised Access Arrangement Real Pre-tax Model**

Ref	2	3	8	9	10	11	12	13	14	15	16
<b>Transmission, Real Calculations (m\$ 30/06/09)</b>											
Year ending 30 June			2006	2007	2008	2009	2010	2011	2012		
Project Year			0	1	2	3	4	5	6		
Regulatory Period			1	1	1	1	2	2	2		
<b>Asset Value [m\$ 30/06/09]</b>											
19	Asset Value										
20	Opening Asset Value			1,523.247	1,776.472	2,035.173	2,415.472	3,021.221	3,720.543		
21	Adjusted Opening Asset Value										
22	Capex			306.863	317.003	443.640	680.002	785.467	530.326		
23	Redundant Assets (Accelerated Depreciation)			-	-	-	-	-	-		
24	Depreciation			-53.638	-58.302	-63.340	-74.254	-86.145	-100.363		
25	Closing Asset Value		1,523.247	1,776.472	2,035.173	2,415.472	3,021.221	3,720.543	4,150.506		
26											
<b>Working Capital [m\$ 30/06/09]</b>											
32	Gross Cost of Service (excluding Working Capital)	PV									
33	Opex	269.088					100.902	105.966	112.777		
34	Depreciation	218.332					74.254	86.145	100.363		
35	Redundant Assets (Accelerated Depreciation)	-					-	-	-		
36	Return on Assets	683.707					216.185	270.399	332.989		
37	Cost of Service	1,171.127					391.340	462.510	546.128		
38	Net Covered Service Revenue	PV									
39	Gross CoS	1,171.127					391.340	462.510	546.128		
40	Tariff Equalisation	-					-	-	-		
41	Net Covered Service Revenue	1,171.127					391.340	462.510	546.128		
42	Expenses	PV									
43	Opex	269.088					100.902	105.966	112.777		
44	Capex	1,861.981					729.983	869.859	593.794		
45	Total Expenses	2,131.069					830.884	975.825	706.570		
46	Working Capital	Days									
47	Receivables	45.0					48.247	57.022	67.147		
48	Inventory	-					-	-	-		
49	Prepayments	-					-	-	-		
50	Creditors	-20.0					-45.528	-53.470	-38.610		
51	Working Capital						2.720	3.552	28.536		
52	Asset & Working Capital Value										
53	Opening Asset Value						2,415.472	3,021.221	3,720.543		
54	Opening Working Capital						2.720	3.552	28.536		
55	Regulatory Opening Asset Value						2,418.192	3,024.772	3,749.079		
56											
<b>Adjustments in accordance with previous access arrangement (m\$ 30/06/09)</b>											
58	Unforeseen Events Revenue Adjustment	PV									
59	Unforeseen Events Revenue Adjustment	-									
60	Technical Rule Change Revenue Adjustment	PV									
61	Technical Rule Change Revenue Adjustment	-									
62	Investment Adjustment Mechanism	PV									
63	Difference in Return on Assets	15.049			5.206	9.491					
64	Difference in Depreciation	-			-	-					
65	Total Foregone Revenue	15.049			5.206	9.491					
66	Capital Contribution Adjustment Mechanism	PV									
67	Difference in Actual and Forecast Capital Contribution	-41.340			-19.378	-5.252	-13.647				
68											
<b>Cost of Service [m\$ 30/06/09]</b>											
70	Gross Cost of Service	PV									
71	Opex	269.088					100.902	105.966	112.777		
72	Depreciation	218.332					74.254	86.145	100.363		
73	Redundant Assets (Accelerated Depreciation)	-					-	-	-		
74	Return on Assets	683.707					216.185	270.399	332.989		
75	Return on Working Capital	2.466					0.243	0.318	2.554		
76	Cost of Service	1,173.593					391.584	462.828	548.682		
77	Gross Regulatory Revenue	PV									
78	Opex	269.088					100.902	105.966	112.777		
79	Capex	1,695.933					680.002	785.467	530.326		
80	Asset Opening Value	2,415.472					2,415.472	-	-		
81	Asset Residual Value	-3,209.367					-	-	-4,150.506		
82	Working Capital Variation	2.466					2.720	0.832	24.985		
83	Gross Regulatory Revenue	1,173.593					2,418.192	781.736	916.417		
84	Check	OK									
85	Net Reference Service Revenue	PV									
86	Gross CoS	1,173.593					391.584	462.828	548.682		
87	Non Reference Service Revenue	-15.708					-6.323	-5.996	-6.276		
88	Tariff Equalisation	-					-	-	-		
89	Unforeseen Events Revenue Adjustment	-					-	-	-		
90	Technical Rule Change Revenue Adjustment	-					-	-	-		
91	IAM Revenue Adjustment	15.049					16.396				
92	CCAM Revenue Adjustment	-41.340					-45.040				
93	Net Reference Service Revenue	1,131.595					356.617	456.832	542.406		
94											



Year ending 30 June		2006	2007	2008	2009	2010	2011	2012
Project Year		0	1	2	3	4	5	6
Regulatory Period			1	1	1	2	2	2
<b>Smoothed Cost of Service [m\$ 30/06/09]</b>								
99	<b>Net Reference Service Revenue Requirements</b>	PV						
100	Net Reference Service Revenue	1,131.595				356.617	456.832	542.406
101	Smoothed Reference Service Revenue	1,117.016	P <sub>0</sub> -42.20%	Y Factor 32.20%		330.188	436.509	577.065
102	Deferred Reference Service Revenue	14.579			232.200	4.309	5.697	7.531
103	Delta PV	0.000				26.429	20.323	-42.190
104	<b>Net Cash Flow</b>	PV						
105	Smoothed Reference Service Revenue	1,117.016				330.188	436.509	577.065
106	Deferred Reference Service Revenue	14.579				4.309	5.697	7.531
107	Opex	-269.088				-100.902	-105.966	-112.777
108	Capex	-1,695.933				-680.002	-785.467	-530.326
109	Non Reference Service Revenue	15.708				6.323	5.996	6.276
110	Tariff Equalisation	-				-	-	-
111	Unforeseen Events Revenue Adjustment	-				-	-	-
112	Technical Rule Change Revenue Adjustment	-				-	-	-
113	IAM Revenue Adjustment	-15.049				-16.396	-	-
114	CCAM Revenue Adjustment	41.340				45.040	-	-
115	Asset Opening Value	-2,415.472			-2,415.472	-	-	-
116	Asset Residual Value	3,209.367				-	-	4,150.506
117	Working Capital Variation	-2,466			-2,720	-0.832	-24.985	28.536
118	Net Cash Flow	-			-2,418.192	-412.272	-468.215	4,126.812
119	<b>Check</b>	<b>OK</b>						
120	<b>Internal Rate of Return</b>							
121	IRR	8.95%						
122	<b>Check</b>	<b>OK</b>						
123	<b>Nominal from Real</b>	PV						
124	Net Cash Flow	-			-2,418.192	-423.527	-494.129	4,474.109
125	<b>Check</b>	<b>OK</b>						
126	<b>Internal Rate of Return</b>							
127	IRR	11.92%						
128	<b>Check</b>	<b>OK</b>						
129								
<b>Revenue Cap [m\$ 30/06/09]</b>								
131	<b>Revenue Cap for reference services</b>	PV						
132	TR <sub>t</sub>	1,143.307				337.960	446.783	590.647
133	AA#1 <sub>t</sub>	-26.291				-7.772	-10.274	-13.582
134	Total	1,117.016				330.188	436.509	577.065
135	<b>Check</b>	<b>OK</b>						
136	Deferred Reference Service Revenue	14.579				4.309	5.697	7.531
137	Grand Total	1,131.595				334.498	442.206	584.596
138	<b>Check</b>	<b>OK</b>						
139								
140	<b>Reference Service Revenue Summary</b>	PV						
141	Reference Service Revenue to be collected in AA#2	1,143.307				337.960	446.783	590.647
142	Reference Service Revenue to be deferred to AA#3	14.579				4.309	5.697	7.531
143	Total Reference Service Revenue due to AA#2 CoS	1,157.885				342.269	452.480	598.179
144	<b>Check</b>	<b>OK</b>						
145	Adjustments in accordance with previous access arrangement	-26.291				-7.772	-10.274	-13.582
146	Grand Total Reference Service Revenue	1,131.595				334.498	442.206	584.596
147	<b>Check</b>	<b>OK</b>						
148	Grand Total Reference Service Revenue to be collected in AA	1,117.016				330.188	436.509	577.065
149	<b>Check</b>	<b>OK</b>						