

Western Power Revised Access Arrangement Real Pre-tax Model WACC Updated as at 12-May-06

All model inputs are entered into the inputs cells of this worksheet denoted as;	13.480
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Ref	2	3	5	7	9
			Total WPC	Distribution	Transmission
6			Real	Real	Real
7		30/06/2006 Asset Value [m\$ 30/06/06]			
8		Asset Value	2,933.144	1,528.614	1,404.529
9		Working Capital	30.171	21.592	8.579
10		Regulatory Asset Base	2,963.315	1,550.206	1,413.108
11		30/06/2009 Asset Value [m\$ 30/06/06]			
12		Asset Value	3,903.967	2,047.812	1,856.155
13		Working Capital	33.026	18.102	14.925
14		Regulatory Asset Base	3,936.994	2,065.914	1,871.080
15		PV of Gross Cost of Service [m\$ 30/06/06]			
16		Opex	668.602	504.994	163.609
17		Depreciation	402.970	262.143	140.827
18		Redundant Assets (Accelerated Depreciation)	9.797	9.797	-
19		Return on Assets	576.936	298.496	278.440
20		Return on Working Capital	5.385	3.553	1.832
21		Cost of Service	1,663.690	1,078.982	584.708
22		PV of Gross Regulatory Revenue [m\$ 30/06/06]			
23		Opex	668.602	504.994	163.609
24		Capex	1,264.900	724.746	540.154
25		Asset Opening Value	2,933.144	1,528.614	1,404.529
26		Asset Residual Value	-3,208.341	-1,682.924	-1,525.417
27		Working Capital Variation	5.385	3.553	1.832
28		Gross Regulatory Revenue	1,663.690	1,078.982	584.708
29		Check	OK	OK	OK
30		PV of Net Reference Service Revenue [m\$ 30/06/06]			
31		Gross CoS	1,663.690	1,078.982	584.708
32		Non Reference Service Revenue	-87.279	-38.814	-48.465
33		Tariff Equalisation	177.747	177.747	-
34		Capital Contribution	-330.068	-279.977	-50.090
35		Net Reference Service Revenue	1,424.091	937.938	486.153
36		PV of Revenue (AARR) [m\$ 30/06/06]			
37		PV of Allowable Annual Regulatory Revenue	1,424.091	937.938	486.153
38		Check	OK	OK	OK
39		Year 1 Allowable Annual Regulatory Revenue [m\$ 30/06/06]	525.823	348.552	177.271
40		Revenue Smoothing Factor		-2.17%	-4.17%
41		PV of Net Cash Flow [m\$ 30/06/06]			
42		Revenue	1,424.091	937.938	486.153
43		Opex	-668.602	-504.994	-163.609
44		Capex	-1,264.900	-724.746	-540.154
45		Non Reference Service Revenue	87.279	38.814	48.465
46		Tariff Equalisation	-177.747	-177.747	-
47		Capital Contribution	330.068	279.977	50.090
48		Asset Opening Value	-2,933.144	-1,528.614	-1,404.529
49		Asset Residual Value	3,208.341	1,682.924	1,525.417
50		Working Capital Variation	-5.385	-3.553	-1.832
51		Net Cash Flow	-	-	-
52		Check	OK	OK	OK
53		Internal Rate of Return	Pre-tax WACC		
54		Real	6.76%	6.76%	6.76%
55		Nominal	10.05%	10.05%	10.05%
56		Check		OK	OK
57		Check		OK	OK

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Ref	2	3	5	6	7	8	9
3		Determination of the Weighted Average Cost of Capital (WACC)	WPC	WPC	WPC	WPC	WPC
4			Lo	Hi	Lo + 10%	Hi - 10%	Proposed
5		Date of Risk Free Rates	12-May-06	12-May-06	12-May-06	12-May-06	12-May-06
6		Nominal Risk Free Rate (Rfn)	5.71%	5.71%	5.71%	5.71%	5.71%
7		Real Risk Free Rate (Rfr)	2.55%	2.55%	2.55%	2.55%	2.55%
8		Inflation Rate (I)	3.08%	3.08%	3.08%	3.08%	3.08%
9		Debt Proportion (D)	60%	60%			
10		Equity Proportion (E)	40%	40%			
11		Cost of Debt; Debt Risk Premium (Drp)	1.100%	1.300%			
12		Cost of Debt; Debt Issuing Cost (Disc)	0.125%	0.125%			
13		Cost of Debt; Risk Margin (DRm)	1.225%	1.425%			
14		Australian Market Risk Premium (Rp)	5.00%	6.00%			
15		Debt Beta (Bd)	0.25	0.24			
16		Equity Beta (Be)	0.80	1.00			
17		Asset Beta (Ba)	0.47	0.54			
18		Corporate Tax Rate (T)	30%	30%	30%	30%	30%
19		Franking Credit (g)	60%	30%			
20		Imputation Adj (G)	79.5%	88.6%			
21	Debt						
22		Nominal Cost of Debt (DPn)	6.94%	7.14%			
23		Real Cost of Debt (DPr)	3.74%	3.93%			
24	Equity						
25		Nominal Pre Tax Cost of Equity (EPn)	11.03%	14.82%			
26		Real Pre Tax Cost of Equity (EPr)	7.71%	11.39%			
27		Nominal After Tax Cost of Equity (EAn)	9.71%	11.71%			
28		Real After Tax Cost of Equity (EAR)	6.43%	8.37%			
29	WACC; Pre-tax Officer (Market Practise or Forward Transformation)						
30		Nominal Pre Tax WACC (WPn)	8.57%	10.21%	8.74%	10.05%	10.05%
31		Real Pre Tax WACC (WPr)	5.33%	6.92%	5.49%	6.76%	6.76%
32	WACC; After-tax Officer						
33		Nominal After Tax WACC (WAN)	6.00%	7.15%	6.12%	7.03%	7.03%
34		Real After Tax WACC (WAr)	2.83%	3.94%	2.94%	3.83%	3.84%

Western Power Revised Access Arrangement Real Pre-tax Model

Ref	2	3	4	5	6	7	8	9	10	11	12	13
	Year ending 30 June						2004	2005	2006	2007	2008	2009
	Project Year						-2	-1	0	1	2	3
5	WPC's Inflation											
6	June CPI						144.8	148.4	152.7	157.0	161.1	165.2
7	Annual Inflation							2.49%	2.90%	2.80%	2.60%	2.60%
8	Inflation Factor								1.000	1.028	1.055	1.082
9												

ICB												
Year ending 30 June												
Project Year												
ICB [m\$ 30/06/2006]												
Life as at 30 June 2006 [Years]												

14	Distribution											
15	Wooden Pole Lines						14.300		452.504			
16	Underground Cables						36.400		509.117			
17	Transformers						16.700		195.428			
18	Switchgear						13.200		102.329			
19	Street lighting						1.200		5.162			
20	Meters and Services						9.200		165.400			
21	IT&T						9.800		13.905			
22	SCADA & Communications						10.200		12.921			
23	Other Distribution Non-Network						11.300		50.651			
24	Distribution Land & Easements								21.197			
25	Total Distribution								1,528.614			
26												

Capex												
Year ending 30 June												
Project Year												
WPC's Capex [m\$ OD]												
Life as at 30 June 2006 [Years]												

31	Distribution											
32	Wooden Pole Lines						41.000		52.939	68.068	87.258	
33	Underground Cables						60.000		101.452	111.273	125.358	
34	Transformers						35.000		27.822	32.691	39.855	
35	Switchgear						35.000		21.741	30.728	40.983	
36	Street lighting						20.000		11.210	12.271	14.704	
37	Meters and Services						25.000		4.402	8.098	10.001	
38	IT&T						10.160		25.723	18.349	15.630	
39	SCADA & Communications						10.160		2.137	1.767	1.900	
40	Other Distribution Non-Network						10.160		3.213	3.534	3.800	
41	Distribution Land & Easements						-		-	-	-	
42	Total Distribution								250.639	286.779	339.488	

Modelled Capex [m\$ 30/06/06]												
Life as at 30 June 2006 [Years]												
44	Distribution											
45	Wooden Pole Lines						41.000		51.497	64.536	80.634	
46	Underground Cables						60.000		98.688	105.499	115.842	
47	Transformers						35.000		27.064	30.995	36.829	
48	Switchgear						35.000		21.149	29.134	37.872	
49	Street lighting						20.000		10.905	11.635	13.587	
50	Meters and Services						25.000		4.282	7.678	9.242	
51	IT&T						10.160		25.022	17.397	14.443	
52	SCADA & Communications						10.160		2.078	1.675	1.756	
53	Other Distribution Non-Network						10.160		3.126	3.350	3.511	
54	Distribution Land & Easements						-		-	-	-	
55	Total Distribution								243.812	271.899	313.716	
56												

Capex Contribution												
Year ending 30 June												
Project Year												
WPC's Capital Contribution [m\$ OD]												
Life as at 30 June 2006 [Years]												

61	Distribution											
62	DEMAND RELATED											
63	Distribution Capacity								65.440	80.440	95.560	
64	Customer Driven								15.930	19.950	23.930	
65	NON DEMAND RELATED											
66	Asset Replacement											
67	Reliability Driven											
68	Safety, Environmental & Statutory											
69	OTHER											
70	SCADA & Communications											
71	IT (inc. Market Reform)											
72	Metering											
73	State Undergrounding Power Program (SUPP)								12.819	12.218	12.824	
74	Rural Power Improvement Program (RPIP)											
75	Support											
76	Total Distribution								94.189	112.608	132.314	

Modelled Capital Contribution [m\$ 30/06/06]												
Distribution												
78	DEMAND RELATED											
79	Asset Replacement											
80	Distribution Capacity								63.658	76.266	88.306	
81	Customer Driven								15.496	18.915	22.113	
82	NON DEMAND RELATED											
83	Asset Replacement											
84	Reliability Driven											
85	Safety, Environmental & Statutory											
86	OTHER											
87	SCADA & Communications											
88	IT (inc. Market Reform)											
89	Metering											
90	State Undergrounding Power Program (SUPP)								12.470	11.584	11.850	
91	Rural Power Improvement Program (RPIP)								-	-	-	
92	Support								-	-	-	
93	Total Distribution								91.624	106.765	122.269	
94												

Redundant Assets						
Year ending 30 June						
Project Year						
	2004	2005	2006	2007	2008	2009
	-2	-1	0	1	2	3
Redundant Assets [m\$ OD]						
99 Distribution						
100 Wooden Pole Lines				2.936	2.936	2.936
101 Underground Cables				-	-	-
102 Transformers				0.783	0.783	0.783
103 Switchgear				0.196	0.196	0.196
104 Street lighting						
105 Meters and Services				-	-	-
106 IT&T				-	-	-
107 SCADA & Communications				-	-	-
108 Other Distribution Non-Network				-	-	-
109 Distribution Land & Easements				-	-	-
110 Total Distribution				3.915	3.915	3.915
Modelled Redundant Assets [m\$ 30/06/06]						
112 Distribution						
113 Wooden Pole Lines				2.856	2.784	2.713
114 Underground Cables				-	-	-
115 Transformers				0.762	0.742	0.724
116 Switchgear				0.191	0.186	0.181
117 Street lighting				-	-	-
118 Meters and Services				-	-	-
119 IT&T				-	-	-
120 SCADA & Communications				-	-	-
121 Other Distribution Non-Network				-	-	-
122 Distribution Land & Easements				-	-	-
123 Total Distribution				3.808	3.712	3.618
124						
Opex						
Year ending 30 June						
Project Year						
	2004	2005	2006	2007	2008	2009
	-2	-1	0	1	2	3
WPC's Opex [m\$ OD]						
129 Distribution						
130 Maintenance Strategy				6.270	6.270	6.270
131 Preventative Condition				22.972	23.309	22.766
132 Preventative Routine				30.281	30.882	31.802
133 Corrective Deferred				12.400	11.636	11.389
134 Corrective Emergency				27.371	25.890	25.430
135 Reliability				4.469	4.501	4.523
136 SCADA & Communications				0.867	0.902	0.935
137 Misc Network Services				1.994	2.046	2.099
138 Network Operations				8.846	9.281	9.705
139 IT&T				13.263	14.878	18.811
140 Metering				14.354	14.354	15.892
141 Call Centre				6.561	6.856	7.202
142 Network Support				45.834	50.135	53.499
143 Total Distribution				195.483	200.941	210.322
Modelled Opex [m\$ 30/06/06]						
145 Distribution						
146 Maintenance Strategy				6.099	5.945	5.794
147 Preventative Condition				22.346	22.100	21.038
148 Preventative Routine				29.456	29.280	29.388
149 Corrective Deferred				12.062	11.032	10.524
150 Corrective Emergency				26.625	24.547	23.499
151 Reliability				4.348	4.268	4.179
152 SCADA & Communications				0.844	0.855	0.864
153 Misc Network Services				1.940	1.940	1.940
154 Network Operations				8.605	8.799	8.968
155 IT&T				12.902	14.106	17.383
156 Metering				13.963	13.609	14.685
157 Call Centre				6.383	6.501	6.655
158 Network Support				44.586	47.534	49.438
159 Total Distribution				190.158	190.514	194.356
160						
Other Inputs						
Year ending 30 June						
Project Year						
	2004	2005	2006	2007	2008	2009
	-2	-1	0	1	2	3
Tariff Equalisation						
165 Nominal Value [m\$ OD]				69.700	71.600	72.000
166 Real Value [m\$ 30/06/06]				67.802	67.885	66.534
167						
Non Reference Service Revenue						
169 Nominal Value [m\$ OD]				15.138	15.531	15.935
170 Real Value [m\$ 30/06/06]				14.725	14.725	14.725
171						
Working Capital Days						
173 Receivables			45.0			
174 Inventory			-			
175 Prepayments			-			
176 Creditors			-20.0			

Western Power Revised Access Arrangement Real Pre-tax Model

Ref	2	3	4	5	8	9	10	11	12	13
Distribution, Real Calculations [m\$ 30/06/06]										
Year ending 30 June					2004	2005	2006	2007	2008	2009
Project Year					-2	-1	0	1	2	3
Asset Value [m\$ 30/06/06]										
7	Asset Value									
8	Opening Asset Value							1,528.614	1,674.085	1,843.489
9	Capex							243.812	271.899	313.716
10	Redundant Assets							-3.808	-3.712	-3.618
11	Depreciation							-94.533	-98.783	-105.775
12	Closing Asset Value							1,528.614	1,674.085	1,843.489
13	Check									2,047.812
14	Asset & Working Capital Value									
15	Opening Asset Value							1,528.614	1,674.085	1,843.489
16	Opening Working Capital							21.592	19.891	18.102
17	Regulatory Opening Asset Value							1,550.206	1,693.976	1,861.591
18										

Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
Asset Account [m\$ 30/06/06]							
22	Opening Value						
23	Wooden Pole Lines				452.504	469.501	498.568
24	Underground Cables				509.117	593.819	683.687
25	Transformers				195.428	210.028	227.854
26	Switchgear				102.329	115.535	136.142
27	Street lighting				5.162	11.765	21.994
28	Meters and Services				165.400	151.704	141.232
29	IT&T				13.905	37.509	51.024
30	SCADA & Communications				12.921	13.732	13.936
31	Other Distribution Non-Network				50.651	49.294	47.855
32	Distribution Land & Easements				21.197	21.197	21.197
33	Total Distribution Capex				1,528.614	1,674.085	1,843.489
34	Capex						
35	Wooden Pole Lines				51.497	64.536	80.634
36	Underground Cables				98.688	105.499	115.842
37	Transformers				27.064	30.995	36.829
38	Switchgear				21.149	29.134	37.872
39	Street lighting				10.905	11.635	13.587
40	Meters and Services				4.282	7.678	9.242
41	IT&T				25.022	17.397	14.443
42	SCADA & Communications				2.078	1.675	1.756
43	Other Distribution Non-Network				3.126	3.350	3.511
44	Distribution Land & Easements				-	-	-
45	Total Distribution Capex				243.812	271.899	313.716
46	Redundant Assets						
47	Wooden Pole Lines				-2.856	-2.784	-2.713
48	Underground Cables				-	-	-
49	Transformers				-0.762	-0.742	-0.724
50	Switchgear				-0.191	-0.186	-0.181
51	Street lighting				-	-	-
52	Meters and Services				-	-	-
53	IT&T				-	-	-
54	SCADA & Communications				-	-	-
55	Other Distribution Non-Network				-	-	-
56	Distribution Land & Easements				-	-	-
57	Total Distribution Capex				-3.808	-3.712	-3.618
58	Depreciation						
59	Wooden Pole Lines				-31.644	-32.685	-34.033
60	Underground Cables				-13.987	-15.632	-17.390
61	Transformers				-11.702	-12.427	-13.262
62	Switchgear				-7.752	-8.341	-9.157
63	Street lighting				-4.302	-1.406	-1.127
64	Meters and Services				-17.978	-18.150	-18.457
65	IT&T				-1.419	-3.882	-5.594
66	SCADA & Communications				-1.267	-1.471	-1.636
67	Other Distribution Non-Network				-4.482	-4.790	-5.120
68	Distribution Land & Easements				-	-	-
69	Total Distribution Capex				-94.533	-98.783	-105.775
70	Closing Value						
71	Wooden Pole Lines			452.504	469.501	498.568	542.456
72	Underground Cables			509.117	593.819	683.687	782.138
73	Transformers			195.428	210.028	227.854	250.697
74	Switchgear			102.329	115.535	136.142	164.677
75	Street lighting			5.162	11.765	21.994	34.455
76	Meters and Services			165.400	151.704	141.232	132.017
77	IT&T			13.905	37.509	51.024	59.873
78	SCADA & Communications			12.921	13.732	13.936	14.056
79	Other Distribution Non-Network			50.651	49.294	47.855	46.246
80	Distribution Land & Easements			21.197	21.197	21.197	21.197
81	Total Distribution Capex			1,528.614	1,674.085	1,843.489	2,047.812
82							

Year ending 30 June				2004	2005	2006	2007	2008	2009
Project Year				-2	-1	0	1	2	3
ICB [m\$ 30/06/06]				Life as at 30 June 2006 [Years]					
86	Opening Value								
87	Wooden Pole Lines						452.504	418.004	383.792
88	Underground Cables						509.117	495.131	481.144
89	Transformers						195.428	182.964	170.568
90	Switchgear						102.329	94.386	86.464
91	Street lighting						5.162	0.860	
92	Meters and Services						165.400	147.422	129.444
93	IT&T						13.905	12.486	11.067
94	SCADA & Communications						12.921	11.654	10.387
95	Other Distribution Non-Network						50.651	46.169	41.686
96	Distribution Land & Easements						21.197	21.197	21.197
97	Total Distribution Capex						1,528.614	1,430.273	1,335.749
98	Redundant Assets								
99	Wooden Pole Lines						-2.856	-2.784	-2.713
100	Underground Cables						-	-	-
101	Transformers						-0.762	-0.742	-0.724
102	Switchgear						-0.191	-0.186	-0.181
103	Street lighting						-	-	-
104	Meters and Services						-	-	-
105	IT&T						-	-	-
106	SCADA & Communications						-	-	-
107	Other Distribution Non-Network						-	-	-
108	Distribution Land & Easements						-	-	-
109	Total Distribution Capex						-3.808	-3.712	-3.618
110	Depreciation	Total	Check	Life					
111	Wooden Pole Lines	-94.275	OK	14.300			-31.644	-31.429	-31.203
112	Underground Cables	-41.960	OK	36.400			-13.987	-13.987	-13.987
113	Transformers	-34.959	OK	16.700			-11.702	-11.654	-11.603
114	Switchgear	-23.209	OK	13.200			-7.752	-7.737	-7.720
115	Street lighting	-5.162	OK	1.200			-4.302	-0.860	-
116	Meters and Services	-53.935	OK	9.200			-17.978	-17.978	-17.978
117	IT&T	-4.257	OK	9.800			-1.419	-1.419	-1.419
118	SCADA & Communications	-3.800	OK	10.200			-1.267	-1.267	-1.267
119	Other Distribution Non-Network	-13.447	OK	11.300			-4.482	-4.482	-4.482
120	Distribution Land & Easements	-	OK	-			-	-	-
121	Total Distribution Capex	-275.004	OK				-94.533	-90.813	-89.659
122	Closing Value								
123	Wooden Pole Lines					452.504	418.004	383.792	349.876
124	Underground Cables					509.117	495.131	481.144	467.157
125	Transformers					195.428	182.964	170.568	158.241
126	Switchgear					102.329	94.386	86.464	78.563
127	Street lighting					5.162	0.860	-	-
128	Meters and Services					165.400	147.422	129.444	111.465
129	IT&T					13.905	12.486	11.067	9.648
130	SCADA & Communications					12.921	11.654	10.387	9.121
131	Other Distribution Non-Network					50.651	46.169	41.686	37.204
132	Distribution Land & Easements					21.197	21.197	21.197	21.197
133	Total Distribution Capex					1,528.614	1,430.273	1,335.749	1,242.472
134									

Year ending 30 June				2004	2005	2006	2007	2008	2009
Project Year				-2	-1	0	1	2	3
CAPEX [m\$ 30/06/06]									
138	Opening Value								
139	Wooden Pole Lines						-	51.497	114.776
140	Underground Cables						-	98.688	202.543
141	Transformers						-	27.064	57.286
142	Switchgear						-	21.149	49.679
143	Street lighting						-	10.905	21.994
144	Meters and Services						-	4.282	11.789
145	IT&T						-	25.022	39.957
146	SCADA & Communications						-	2.078	3.549
147	Other Distribution Non-Network						-	3.126	6.168
148	Distribution Land & Easements						-	-	-
149	Total Distribution Capex						-	243.812	507.741
150	Capex								
151	Wooden Pole Lines						51.497	64.536	80.634
152	Underground Cables						98.688	105.499	115.842
153	Transformers						27.064	30.995	36.829
154	Switchgear						21.149	29.134	37.872
155	Street lighting						10.905	11.635	13.587
156	Meters and Services						4.282	7.678	9.242
157	IT&T						25.022	17.397	14.443
158	SCADA & Communications						2.078	1.675	1.756
159	Other Distribution Non-Network						3.126	3.350	3.511
160	Distribution Land & Easements						-	-	-
161	Total Distribution Capex						243.812	271.899	313.716
162	Depreciation								
163	Wooden Pole Lines	Total	Check	Life			-	-1.256	-2.830
164	Underground Cables	-4.086	OK	41.000			-	-1.645	-3.403
165	Transformers	-5.048	OK	60.000			-	-0.773	-1.659
166	Switchgear	-2.432	OK	35.000			-	-0.604	-1.437
167	Street lighting	-2.041	OK	35.000			-	-0.545	-1.127
168	Meters and Services	-1.672	OK	20.000			-	-0.171	-0.478
169	IT&T	-0.650	OK	25.000			-	-2.463	-4.175
170	SCADA & Communications	-6.638	OK	10.160			-	-0.205	-0.369
171	Other Distribution Non-Network	-0.574	OK	10.160			-	-0.308	-0.637
172	Distribution Land & Easements	-0.945	OK	-			-	-	-
173	Total Distribution Capex	-24.086	OK				-	-7.970	-16.116
174	Closing Value								
175	Wooden Pole Lines						-	51.497	192.580
176	Underground Cables						-	98.688	314.981
177	Transformers						-	27.064	92.456
178	Switchgear						-	21.149	86.114
179	Street lighting						-	10.905	34.455
180	Meters and Services						-	4.282	20.552
181	IT&T						-	25.022	50.225
182	SCADA & Communications						-	2.078	4.935
183	Other Distribution Non-Network						-	3.126	9.042
184	Distribution Land & Easements						-	-	-
185	Total Distribution Capex						-	243.812	805.340

Western Power Revised Access Arrangement Real Pre-tax Model

Ref	2	3	8	9	10	11	12	13
	Year ending 30 June		2004	2005	2006	2007	2008	2009
	Project Year		-2	-1	0	1	2	3
5	Modelled Inflation							
6	June CPI		144.8	148.4	153.0	157.7	162.5	167.6
7	Annual Inflation			2.49%	3.08%	3.08%	3.08%	3.08%
8	Inflation Factor				1.000	1.031	1.063	1.095
9	Pre-tax WACC							
10	Real				6.76%	6.76%	6.76%	6.76%
11	Nominal				10.05%	10.05%	10.05%	10.05%
12								

Distribution, Real Calculations [m\$ 30/06/06]								
	Year ending 30 June		2004	2005	2006	2007	2008	2009
	Project Year		-2	-1	0	1	2	3
	Asset Value [m\$ 30/06/06]							
17	Asset Value							
18	Opening Asset Value					1,528.614	1,674.085	1,843.489
19	Adjusted Opening Asset Value							
20	Capex					243.812	271.899	313.716
21	Redundant Assets (Accelerated Depreciation)					-3.808	-3.712	-3.618
22	Depreciation					-94.533	-98.783	-105.775
23	Closing Asset Value				1,528.614	1,674.085	1,843.489	2,047.812
24								

Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
Days					365	366	365
Working Capital [m\$ 30/06/06]							
29	Gross Cost of Service (excluding Working Capital)	PV					
30	Opex	504.994			190.158	190.514	194.356
31	Depreciation	262.143			94.533	98.783	105.775
32	Redundant Assets (Accelerated Depreciation)	9.797			3.808	3.712	3.618
33	Return on Assets	298.496			103.334	113.168	124.620
34	Cost of Service	1,075.430			391.834	406.177	428.368
35	Net Covered Service Revenue	PV					
36	Gross CoS	1,075.430			391.834	406.177	428.368
37	Tariff Equalisation	177.747			67.802	67.885	66.534
38	Capital Contribution	-279.977			-91.624	-106.765	-122.269
39	Net Covered Service Revenue	973.200			368.012	367.297	372.633
40	Expenses	PV					
41	Opex	504.994			190.158	190.514	194.356
42	Capex	724.746			243.812	271.899	313.716
43	Total Expenses	1,229.740			433.970	462.413	508.071
44	Working Capital	Days	Base for Calculation				
45	Receivables	45.0	Net Covered Service Revenue		45.371	45.159	45.941
46	Inventory	-	Total Expenses		-	-	-
47	Prepayments	-	Total Expenses		-	-	-
48	Creditors	-20.0	Total Expenses		-23.779	-25.268	-27.840
49	Working Capital				21.592	19.891	18.102
50	Asset & Working Capital Value						
51	Opening Asset Value				1,528.614	1,674.085	1,843.489
52	Opening Working Capital				21.592	19.891	18.102
53	Regulatory Opening Asset Value				1,550.206	1,693.976	1,861.591
54							

Cost of Service [m\$ 30/06/06]					
56	Gross Cost of Service	PV			
57	Opex	504.994		190.158	190.514
58	Depreciation	262.143		94.533	98.783
59	Redundant Assets (Accelerated Depreciation)	9.797		3.808	3.712
60	Return on Assets	298.496		103.334	113.168
61	Return on Working Capital	3.553		1.460	1.345
62	Cost of Service	1,078.982		393.293	407.521
63	Gross Regulatory Revenue	PV			
64	Opex	504.994		190.158	190.514
65	Capex	724.746		243.812	271.899
66	Asset Opening Value	1,528.614	1,528.614	-	-
67	Asset Residual Value	-1,682.924		-	-2,047.812
68	Working Capital Variation	3.553	21.592	-1.701	-1.789
69	Gross Regulatory Revenue	1,078.982	1,550.206	432.269	460.623
70	Check	OK			
71	Net Reference Service Revenue	PV			
72	Gross CoS	1,078.982		393.293	407.521
73	Non Reference Service Revenue	-38.814		-14.725	-14.725
74	Tariff Equalisation	177.747		67.802	67.885
75	Capital Contribution	-279.977		-91.624	-106.765
76	Net Reference Service Revenue	937.938		354.746	353.916
77					

Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
Smoothed Cost of Service [m\$ 30/06/06]							
81	Net Revenue Requirements	PV					
82	Net Cost of Service	937.938	X Factor		354.746	353.916	359.131
83	Smoothed Allowable Annual Reference Service Revenue	937.938	-2.17%		348.552	356.115	363.843
84	Delta PV	-		-	6.194	-2.199	-4.712
85	Net Cash Flow	PV					
86	Revenue	937.938			348.552	356.115	363.843
87	Opex	-504.994			-190.158	-190.514	-194.356
88	Capex	-724.746			-243.812	-271.899	-313.716
89	Non Reference Service Revenue	38.814			14.725	14.725	14.725
90	Tariff Equalisation	-177.747			-67.802	-67.885	-66.534
91	Capital Contribution	279.977			91.624	106.765	122.269
92	Asset Opening Value	-1,528.614		-1,528.614	-	-	-
93	Asset Residual Value	1,682.924			-	-	2,047.812
94	Working Capital Variation	-3.553		-21.592	1.701	1.789	18.102
95	Net Cash Flow	-		-1,550.206	-45.170	-50.903	1,992.146
96	Check	OK					
97	Internal Rate of Return						
98	IRR	6.76%					
99	Check	OK					
100	Nominal from Real	PV					
101	Net Cash Flow	-		-1,550.206	-46.562	-54.088	2,182.039
102	Check	OK					
103	Internal Rate of Return						
104	IRR	10.05%					
105	Check	OK					
106							
Revenue Cap [m\$ 30/06/06]							
108	Declared Revenue Cap	PV					
109	Smoothed Allowable Annual Reference Service Revenue	937.938			348.552	356.115	363.843
110	Non Reference Service Revenue	38.814			14.725	14.725	14.725
111	Tariff Equalisation	-177.747			-67.802	-67.885	-66.534
112	Capital Contribution	279.977			91.624	106.765	122.269
113	Revenue Cap	1,078.982			387.099	409.721	434.304
114	Check	OK					

Western Power Revised Access Arrangement Real Pre-tax Model

Ref	2	3	4	5	6	7	8	9	10	11	12	13
Year ending 30 June							2004	2005	2006	2007	2008	2009
Project Year							-2	-1	0	1	2	3
5	WPC's Inflation											
6	June CPI						144.8	148.4	152.7	157.0	161.1	165.2
7	Annual Inflation							2.49%	2.90%	2.80%	2.60%	2.60%
8	Inflation Factor								1.000	1.028	1.055	1.082
9												
ICB												
Year ending 30 June												
Project Year												
ICB [m\$ 30/06/2006]							Life as at 30 June 2006 [Years]					
14	Transmission											
15	Transmission cables				38.300				12.186			
16	Transmission steel towers				41.500				367.390			
17	Transmission wood poles				21.200				175.479			
18	Transmission Metering				26.200				2.139			
19	Transmission transformers				25.700				156.727			
20	Transmission reactors				27.200				3.969			
21	Transmission capacitors				23.300				76.854			
22	Transmission circuit breakers				28.500				459.636			
23	SCADA and Communications				11.500				34.306			
24	IT&T				4.300				2.795			
25	Other Non-Network Assets				12.700				29.788			
26	Land & Easements								83.261			
27	Total Transmission								1,404.529			
28												
Capex												
Year ending 30 June							2004	2005	2006	2007	2008	2009
Project Year							-2	-1	0	1	2	3
WPC's Capex [m\$ OD]							Life as at 30 June 2006 [Years]					
33	Transmission											
34	Transmission cables				55.000					4.856	6.922	0.450
35	Transmission steel towers				60.000					79.814	83.409	48.977
36	Transmission wood poles				45.000					4.804	6.290	23.787
37	Transmission Metering				40.000					-	-	-
38	Transmission transformers				50.000					36.334	36.130	29.909
39	Transmission reactors				50.000					0.984	1.040	1.675
40	Transmission capacitors				40.000					4.800	15.300	9.833
41	Transmission circuit breakers				50.000					38.685	42.010	44.085
42	SCADA and Communications				34.150					3.150	1.531	3.417
43	IT&T				16.850					5.850	4.231	4.766
44	Other Non-Network Assets				16.850					14.041	17.519	10.375
45	Land & Easements				-					20.111	31.429	8.665
46	Total Transmission									213.430	245.811	185.939
Modelled Capex [m\$ 30/06/06]							Life as at 30 June 2006 [Years]					
48	Transmission											
49	Transmission cables				55.000					4.724	6.563	0.416
50	Transmission steel towers				60.000					77.640	79.081	45.259
51	Transmission wood poles				45.000					4.673	5.964	21.981
52	Transmission Metering				40.000					-	-	-
53	Transmission transformers				50.000					35.345	34.255	27.638
54	Transmission reactors				50.000					0.958	0.986	1.548
55	Transmission capacitors				40.000					4.669	14.506	9.087
56	Transmission circuit breakers				50.000					37.631	39.830	40.739
57	SCADA and Communications				34.150					3.064	1.451	3.158
58	IT&T				16.850					5.691	4.012	4.404
59	Other Non-Network Assets				16.850					13.659	16.610	9.587
60	Land & Easements				-					19.564	29.798	8.007
61	Total Transmission									207.617	233.056	171.823
62												
Capex Contribution												
Year ending 30 June							2004	2005	2006	2007	2008	2009
Project Year							-2	-1	0	1	2	3
WPC's Capital Contribution [m\$ OD]												
67	Transmission											
68	DEMAND RELATED											
69	System Capacity											
70	Customer Driven - Bulk Loads											
71	Customer Driven - Generation								16.546	28.900	14.450	
72	NON DEMAND RELATED											
73	Asset Replacement											
74	Safety, Environmental & Statutory											
75	Reliability Driven											
76	OTHER											
77	SCADA & Communications											
78	IT (inc. Market Reform)											
79	Support											
80	Total Transmission								16.546	28.900	14.450	
Modelled Capital Contribution [m\$ 30/06/06]												
82	Transmission											
83	DEMAND RELATED											
84	System Capacity								-	-	-	
85	Customer Driven - Bulk Loads								-	-	-	
86	Customer Driven - Generation								16.095	27.400	13.353	
87	NON DEMAND RELATED											
88	Asset Replacement								-	-	-	
89	Safety, Environmental & Statutory								-	-	-	
90	Reliability Driven								-	-	-	
91	OTHER											
92	SCADA & Communications								-	-	-	
93	IT (inc. Market Reform)								-	-	-	
94	Support								-	-	-	
95	Total Transmission								16.095	27.400	13.353	
96												

Redundant Assets							
Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
Redundant Assets [m\$ OD]							
101	Transmission						
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 (and Site)				-	-	-
110	SCADA and Communications				-	-	-
111	IT&T				-	-	-
112	Other Non-Network Assets				-	-	-
113	Land & Easements				-	-	-
114	Total Transmission				-	-	-
Modelled Redundant Assets [m\$ 30/06/06]							
116	Transmission						
117	Transmission cables				-	-	-
118	Transmission steel towers				-	-	-
119	Transmission wood poles				-	-	-
120	Transmission Metering				-	-	-
121	Transmission transformers				-	-	-
122	Transmission reactors				-	-	-
123	Transmission capacitors				-	-	-
124	Transmission circuit breakers (and Site)				-	-	-
125	SCADA and Communications				-	-	-
126	IT&T				-	-	-
127	Other Non-Network Assets				-	-	-
128	Land & Easements				-	-	-
129	Total Transmission				-	-	-
130							
Opex							
Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
WPC's Opex [m\$ OD]							
135	Transmission						
136	Maintenance Strategy				4.005	4.110	4.233
137	Preventative Condition				6.105	6.235	6.399
138	Preventative Routine				8.388	8.589	8.837
139	Corrective Deferred				2.289	2.070	2.038
140	Corrective Emergency				1.015	0.939	0.918
141	SCADA & Communications				5.409	5.566	5.719
142	Misc Network Services				4.242	4.352	4.465
143	Network Operations				10.000	11.000	10.900
144	IT&T				7.517	8.227	8.767
145	Network Support				13.625	15.170	15.483
146	Total Transmission				62.595	66.258	67.758
Modelled Opex [m\$ 30/06/06]							
148	Transmission						
149	Maintenance Strategy				3.896	3.896	3.911
150	Preventative Condition				5.939	5.911	5.913
151	Preventative Routine				8.159	8.144	8.166
152	Corrective Deferred				2.227	1.962	1.883
153	Corrective Emergency				0.988	0.890	0.848
154	SCADA & Communications				5.262	5.278	5.285
155	Misc Network Services				4.126	4.126	4.126
156	Network Operations				9.728	10.429	10.073
157	IT&T				7.312	7.800	8.101
158	Network Support				13.254	14.383	14.308
159	Total Transmission				60.890	62.820	62.614
160							
Other Inputs							
Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
Tariff Equalisation							
165	Nominal Value [m\$ OD]				-	-	-
166	Modelled Real [m\$ 30/06/2005]				-	-	-
167							
Non Reference Service Revenue							
169	Nominal Value [m\$ OD]				18.902	19.393	19.897
170	Modelled Real [m\$ 30/06/2005]				18.387	18.387	18.387
171							
Working Capital				Days			
173	Receivables		45.0				
174	Inventory		-				
175	Prepayments		-				
176	Creditors		-20.0				

Western Power Revised Access Arrangement Real Pre-tax Model

Ref	2	3	4	5	8	9	10	11	12	13
Transmission, Real Calculations [m\$ 30/06/06]										
Year ending 30 June					2004	2005	2006	2007	2008	2009
Project Year					-2	-1	0	1	2	3
Asset Value [m\$ 30/06/06]										
7	Asset Value									
8	Opening Asset Value							1,404.529	1,562.967	1,742.528
9	Capex							207.617	233.056	171.823
10	Redundant Assets							-	-	-
11	Depreciation							-49.179	-53.496	-58.196
12	Closing Asset Value							1,404.529	1,562.967	1,742.528
13	Check									1,856.155
14	Asset & Working Capital Value									
15	Opening Asset Value							1,404.529	1,562.967	1,742.528
16	Opening Working Capital							8.579	7.755	14.925
17	Regulatory Opening Asset Value							1,413.108	1,570.722	1,757.453
18										

Year ending 30 June	2004	2005	2006	2007	2008	2009
Project Year	-2	-1	0	1	2	3
Asset Account [m\$ 30/06/06]						
22 Opening Value						
23 Transmission cables				12.186	16.592	22.751
24 Transmission steel towers				367.390	436.177	505.111
25 Transmission wood poles				175.479	171.874	169.457
26 Transmission Metering				2.139	2.057	1.975
27 Transmission transformers				156.727	185.973	213.423
28 Transmission reactors				3.969	4.780	5.601
29 Transmission capacitors				76.854	78.225	89.316
30 Transmission circuit breakers				459.636	481.140	504.090
31 SCADA and Communications				34.306	34.387	32.765
32 IT&T				2.795	7.836	10.860
33 Other Non-Network Assets				29.788	41.101	54.555
34 Land & Easements				83.261	102.824	132.622
35 Total Distribution Capex				1,404.529	1,562.967	1,742.528
36 Capex						
37 Transmission cables				4.724	6.563	0.416
38 Transmission steel towers				77.640	79.081	45.259
39 Transmission wood poles				4.673	5.964	21.981
40 Transmission Metering				-	-	-
41 Transmission transformers				35.345	34.255	27.638
42 Transmission reactors				0.958	0.986	1.548
43 Transmission capacitors				4.669	14.506	9.087
44 Transmission circuit breakers				37.631	39.830	40.739
45 SCADA and Communications				3.064	1.451	3.158
46 IT&T				5.691	4.012	4.404
47 Other Non-Network Assets				13.659	16.610	9.587
48 Land & Easements				19.564	29.798	8.007
49 Total Distribution Capex				207.617	233.056	171.823
50 Redundant Assets						
51 Transmission cables				-	-	-
52 Transmission steel towers				-	-	-
53 Transmission wood poles				-	-	-
54 Transmission Metering				-	-	-
55 Transmission transformers				-	-	-
56 Transmission reactors				-	-	-
57 Transmission capacitors				-	-	-
58 Transmission circuit breakers				-	-	-
59 SCADA and Communications				-	-	-
60 IT&T				-	-	-
61 Other Non-Network Assets				-	-	-
62 Land & Easements				-	-	-
63 Total Distribution Capex				-	-	-
64 Depreciation						
65 Transmission cables				-0.318	-0.404	-0.523
66 Transmission steel towers				-8.853	-10.147	-11.465
67 Transmission wood poles				-8.277	-8.381	-8.514
68 Transmission Metering				-0.082	-0.082	-0.082
69 Transmission transformers				-6.098	-6.805	-7.490
70 Transmission reactors				-0.146	-0.165	-0.185
71 Transmission capacitors				-3.298	-3.415	-3.778
72 Transmission circuit breakers				-16.128	-16.880	-17.677
73 SCADA and Communications				-2.983	-3.073	-3.115
74 IT&T				-0.650	-0.988	-1.226
75 Other Non-Network Assets				-2.346	-3.156	-4.142
76 Land & Easements				-	-	-
77 Total Distribution Capex				-49.179	-53.496	-58.196
78 Closing Value						
79 Transmission cables			12.186	16.592	22.751	22.643
80 Transmission steel towers			367.390	436.177	505.111	538.906
81 Transmission wood poles			175.479	171.874	169.457	182.925
82 Transmission Metering			2.139	2.057	1.975	1.894
83 Transmission transformers			156.727	185.973	213.423	233.571
84 Transmission reactors			3.969	4.780	5.601	6.965
85 Transmission capacitors			76.854	78.225	89.316	94.625
86 Transmission circuit breakers			459.636	481.140	504.090	527.151
87 SCADA and Communications			34.306	34.387	32.765	32.808
88 IT&T			2.795	7.836	10.860	14.038
89 Other Non-Network Assets			29.788	41.101	54.555	60.000
90 Land & Easements			83.261	102.824	132.622	140.629
91 Total Distribution Capex			1,404.529	1,562.967	1,742.528	1,856.155
92						

Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
ICB [m\$ 30/06/06]		Life as at 30 June 2006 [Years]					
96	Opening Value						
97	Transmission cables				12.186	11.868	11.550
98	Transmission steel towers				367.390	358.537	349.685
99	Transmission wood poles				175.479	167.202	158.924
100	Transmission Metering				2.139	2.057	1.975
101	Transmission transformers				156.727	150.629	144.530
102	Transmission reactors				3.969	3.823	3.677
103	Transmission capacitors				76.854	73.556	70.257
104	Transmission circuit breakers				459.636	443.508	427.381
105	SCADA and Communications				34.306	31.323	28.340
106	IT&T				2.795	2.145	1.495
107	Other Non-Network Assets				29.788	27.443	25.097
108	Land & Easements				83.261	83.261	83.261
109	Total Distribution Capex				1,404.529	1,355.351	1,306.172
110	Redundant Assets						
111	Transmission cables				-	-	-
112	Transmission steel towers				-	-	-
113	Transmission wood poles				-	-	-
114	Transmission Metering				-	-	-
115	Transmission transformers				-	-	-
116	Transmission reactors				-	-	-
117	Transmission capacitors				-	-	-
118	Transmission circuit breakers				-	-	-
119	SCADA and Communications				-	-	-
120	IT&T				-	-	-
121	Other Non-Network Assets				-	-	-
122	Land & Easements				-	-	-
123	Total Distribution Capex				-	-	-
124	Depreciation	Total	Check	Life			
125	Transmission cables	-0.955	OK	38.300	-0.318	-0.318	-0.318
126	Transmission steel towers	-26.558	OK	41.500	-8.853	-8.853	-8.853
127	Transmission wood poles	-24.832	OK	21.200	-8.277	-8.277	-8.277
128	Transmission Metering	-0.245	OK	26.200	-0.082	-0.082	-0.082
129	Transmission transformers	-18.295	OK	25.700	-6.098	-6.098	-6.098
130	Transmission reactors	-0.438	OK	27.200	-0.146	-0.146	-0.146
131	Transmission capacitors	-9.895	OK	23.300	-3.298	-3.298	-3.298
132	Transmission circuit breakers	-48.383	OK	28.500	-16.128	-16.128	-16.128
133	SCADA and Communications	-8.949	OK	11.500	-2.983	-2.983	-2.983
134	IT&T	-1.950	OK	4.300	-0.650	-0.650	-0.650
135	Other Non-Network Assets	-7.037	OK	12.700	-2.346	-2.346	-2.346
136	Land & Easements	-	OK	-	-	-	-
137	Total Distribution Capex	-147.536	OK		-49.179	-49.179	-49.179
138	Closing Value						
139	Transmission cables			12.186	11.868	11.550	11.232
140	Transmission steel towers			367.390	358.537	349.685	340.832
141	Transmission wood poles			175.479	167.202	158.924	150.647
142	Transmission Metering			2.139	2.057	1.975	1.894
143	Transmission transformers			156.727	150.629	144.530	138.432
144	Transmission reactors			3.969	3.823	3.677	3.531
145	Transmission capacitors			76.854	73.556	70.257	66.959
146	Transmission circuit breakers			459.636	443.508	427.381	411.253
147	SCADA and Communications			34.306	31.323	28.340	25.357
148	IT&T			2.795	2.145	1.495	0.845
149	Other Non-Network Assets			29.788	27.443	25.097	22.752
150	Land & Easements			83.261	83.261	83.261	83.261
151	Total Distribution Capex			1,404.529	1,355.351	1,306.172	1,256.993
152							

Year ending 30 June				2004	2005	2006	2007	2008	2009
Project Year				-2	-1	0	1	2	3
CAPEX [m\$ 30/06/06]									
156	Opening Value								
157	Transmission cables						-	4.724	11.201
158	Transmission steel towers						-	77.640	155.427
159	Transmission wood poles						-	4.673	10.533
160	Transmission Metering						-	-	-
161	Transmission transformers						-	35.345	68.893
162	Transmission reactors						-	0.958	1.925
163	Transmission capacitors						-	4.669	19.059
164	Transmission circuit breakers						-	37.631	76.709
165	SCADA and Communications						-	3.064	4.426
166	IT&T						-	5.691	9.365
167	Other Non-Network Assets						-	13.659	29.458
168	Land & Easements						-	19.564	49.362
169	Total Distribution Capex						-	207.617	436.356
170	Capex								
171	Transmission cables						4.724	6.563	0.416
172	Transmission steel towers						77.640	79.081	45.259
173	Transmission wood poles						4.673	5.964	21.981
174	Transmission Metering						-	-	-
175	Transmission transformers						35.345	34.255	27.638
176	Transmission reactors						0.958	0.986	1.548
177	Transmission capacitors						4.669	14.506	9.087
178	Transmission circuit breakers						37.631	39.830	40.739
179	SCADA and Communications						3.064	1.451	3.158
180	IT&T						5.691	4.012	4.404
181	Other Non-Network Assets						13.659	16.610	9.587
182	Land & Easements						19.564	29.798	8.007
183	Total Distribution Capex						207.617	233.056	171.823
184	Depreciation			Total	Check	Life			
185	Transmission cables			-0.291	OK	55.000	-	-0.086	-0.205
186	Transmission steel towers			-3.906	OK	60.000	-	-1.294	-2.612
187	Transmission wood poles			-0.340	OK	45.000	-	-0.104	-0.236
188	Transmission Metering			-	OK	40.000	-	-	-
189	Transmission transformers			-2.099	OK	50.000	-	-0.707	-1.392
190	Transmission reactors			-0.058	OK	50.000	-	-0.019	-0.039
191	Transmission capacitors			-0.596	OK	40.000	-	-0.117	-0.479
192	Transmission circuit breakers			-2.302	OK	50.000	-	-0.753	-1.549
193	SCADA and Communications			-0.222	OK	34.150	-	-0.090	-0.132
194	IT&T			-0.914	OK	16.850	-	-0.338	-0.576
195	Other Non-Network Assets			-2.607	OK	16.850	-	-0.811	-1.796
196	Land & Easements			-	OK	-	-	-	-
197	Total Distribution Capex			-13.335	OK		-	-4.317	-9.017
198	Closing Value								
199	Transmission cables						-	4.724	11.411
200	Transmission steel towers						-	77.640	155.427
201	Transmission wood poles						-	4.673	10.533
202	Transmission Metering						-	-	-
203	Transmission transformers						-	35.345	68.893
204	Transmission reactors						-	0.958	1.925
205	Transmission capacitors						-	4.669	19.059
206	Transmission circuit breakers						-	37.631	76.709
207	SCADA and Communications						-	3.064	4.426
208	IT&T						-	5.691	9.365
209	Other Non-Network Assets						-	13.659	29.458
210	Land & Easements						-	19.564	49.362
211	Total Distribution Capex						-	207.617	436.356

Western Power Revised Access Arrangement Real Pre-tax Model

Ref	2	3	8	9	10	11	12	13
	Year ending 30 June		2004	2005	2006	2007	2008	2009
	Project Year		-2	-1	0	1	2	3
5	Modelled Inflation							
6	June CPI		144.8	148.4	153.0	157.7	162.5	167.6
7	Annual Inflation			2.49%	3.08%	3.08%	3.08%	3.08%
8	Inflation Factor				1.000	1.031	1.063	1.095
9	Pre-tax WACC							
10	Real				6.76%	6.76%	6.76%	6.76%
11	Nominal				10.05%	10.05%	10.05%	10.05%
12								

Transmission, Real Calculations [m\$ 30/06/06]								
	Year ending 30 June		2004	2005	2006	2007	2008	2009
	Project Year		-2	-1	0	1	2	3
	Asset Value [m\$ 30/06/06]							
17	Asset Value							
18	Opening Asset Value					1,404.529	1,562.967	1,742.528
19	Adjusted Opening Asset Value							
20	Capex					207.617	233.056	171.823
21	Redundant Assets (Accelerated Depreciation)					-	-	-
22	Depreciation					-49.179	-53.496	-58.196
23	Closing Asset Value				1,404.529	1,562.967	1,742.528	1,856.155
24								

Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
Days					365	366	365
Working Capital [m\$ 30/06/06]							
29	Gross Cost of Service (excluding Working Capital)	PV					
30	Opex	163.609			60.890	62.820	62.614
31	Depreciation	140.827			49.179	53.496	58.196
32	Redundant Assets (Accelerated Depreciation)	-			-	-	-
33	Return on Assets	278.440			94.946	105.657	117.795
34	Cost of Service	582.876			205.015	221.973	238.605
35	Net Covered Service Revenue	PV					
36	Gross CoS	582.876			205.015	221.973	238.605
37	Tariff Equalisation	-			-	-	-
38	Capital Contribution	-50.090			-16.095	-27.400	-13.353
39	Net Covered Service Revenue	532.785			188.920	194.572	225.252
40	Expenses	PV					
41	Opex	163.609			60.890	62.820	62.614
42	Capex	540.154			207.617	233.056	171.823
43	Total Expenses	703.763			268.507	295.876	234.438
44	Working Capital	Days	Base for Calculation				
45	Receivables	45.0	Net Covered Service Revenue		23.292	23.923	27.771
46	Inventory	-	Total Expenses		-	-	-
47	Prepayments	-	Total Expenses		-	-	-
48	Creditors	-20.0	Total Expenses		-14.713	-16.168	-12.846
49	Working Capital				8.579	7.755	14.925
50	Asset & Working Capital Value						
51	Opening Asset Value				1,404.529	1,562.967	1,742.528
52	Opening Working Capital				8.579	7.755	14.925
53	Regulatory Opening Asset Value				1,413.108	1,570.722	1,757.453
54							

Cost of Service [m\$ 30/06/06]						
56	Gross Cost of Service	PV				
57	Opex	163.609		60.890	62.820	62.614
58	Depreciation	140.827		49.179	53.496	58.196
59	Redundant Assets (Accelerated Depreciation)	-		-	-	-
60	Return on Assets	278.440		94.946	105.657	117.795
61	Return on Working Capital	1.832		0.580	0.524	1.009
62	Cost of Service	584.708		205.595	222.497	239.614
63	Gross Regulatory Revenue	PV				
64	Opex	163.609		60.890	62.820	62.614
65	Capex	540.154		207.617	233.056	171.823
66	Asset Opening Value	1,404.529	1,404.529	-	-	-
67	Asset Residual Value	-1,525.417		-	-	-1,856.155
68	Working Capital Variation	1.832	8.579	-0.824	7.170	-14.925
69	Gross Regulatory Revenue	584.708	1,413.108	267.683	303.047	-1,636.642
70	Check	OK				
71	Net Reference Service Revenue	PV				
72	Gross CoS	584.708		205.595	222.497	239.614
73	Non Reference Service Revenue	-48.465		-18.387	-18.387	-18.387
74	Tariff Equalisation	-		-	-	-
75	Capital Contribution	-50.090		-16.095	-27.400	-13.353
76	Net Reference Service Revenue	486.153		171.113	176.710	207.875
77						

Year ending 30 June		2004	2005	2006	2007	2008	2009
Project Year		-2	-1	0	1	2	3
Smoothed Cost of Service [m\$ 30/06/06]							
81	Net Revenue Requirements	PV					
82	Cost of Service	486.153	X Factor		171.113	176.710	207.875
83	Smoothed Annual Reference Service Revenue	486.153	-4.17%		177.271	184.664	192.364
84	Delta PV	-		-	-6.158	-7.954	15.510
85	Net Cash Flow	PV					
86	Revenue	486.153			177.271	184.664	192.364
87	Opex	-163.609			-60.890	-62.820	-62.614
88	Capex	-540.154			-207.617	-233.056	-171.823
89	Non Reference Service Revenue	48.465			18.387	18.387	18.387
90	Tariff Equalisation	-			-	-	-
91	Capital Contribution	50.090			16.095	27.400	13.353
92	Asset Opening Value	-1,404.529		-1,404.529	-	-	-
93	Asset Residual Value	1,525.417			-	-	1,856.155
94	Working Capital Variation	-1.832		-8.579	0.824	-7.170	14.925
95	Net Cash Flow	-		-1,413.108	-55.930	-72.596	1,860.746
96	Check	OK					
97	Internal Rate of Return						
98	IRR	6.76%					
99	Check	OK					
100	Nominal from Real	PV					
101	Net Cash Flow	-		-1,413.108	-57.653	-77.139	2,038.113
102	Check	OK					
103	Internal Rate of Return						
104	IRR	10.05%					
105	Check	OK					
106							
Revenue Cap [m\$ 30/06/06]							
108	Declared Revenue Cap	PV					
109	Smoothed Allowable Annual Reference Service Revenue	486.153			177.271	184.664	192.364
110	Non Reference Service Revenue	48.465			18.387	18.387	18.387
111	Tariff Equalisation	-			-	-	-
112	Capital Contribution	50.090			16.095	27.400	13.353
113	Revenue Cap	584.708			211.753	230.451	224.104
114	Check	OK					