

Western Power Amended Access Arrangement Real Pre-tax Model

WACC Updated as at 02-Apr-07

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

Ref	2	3	5	7	9
6			Total WPC	Distribution	Transmission
7		30/06/2006 Asset Value [m\$ 30/06/06]	Real	Real	Real
8		Asset Value	2,981.078	1,594.515	1,386.564
9		Working Capital	30.646	21.954	8.692
10		Regulatory Asset Base	3,011.724	1,616.468	1,395.256
11		30/06/2009 Asset Value [m\$ 30/06/06]			
12		Asset Value	4,002.773	2,162.613	1,840.160
13		Working Capital	34.238	19.133	15.105
14		Regulatory Asset Base	4,037.012	2,181.746	1,855.266
15		PV of Gross Cost of Service [m\$ 30/06/06]			
16		Opex	688.304	507.010	181.295
17		Depreciation	410.930	271.252	139.678
18		Redundant Assets (Accelerated Depreciation)	9.797	9.797	-
19		Return on Assets	588.461	313.083	275.378
20		Return on Working Capital	5.443	3.566	1.877
21		Cost of Service	1,702.936	1,104.708	598.228
22		PV of Gross Regulatory Revenue [m\$ 30/06/06]			
23		Opex	688.304	507.010	181.295
24		Capex	1,317.651	776.886	540.765
25		Asset Opening Value	2,981.078	1,594.515	1,386.564
26		Asset Residual Value	-3,289.541	-1,777.269	-1,512.272
27		Working Capital Variation	5.443	3.566	1.877
28		Gross Regulatory Revenue	1,702.936	1,104.708	598.228
29		Check	OK	OK	OK
30		PV of Net Reference Service Revenue [m\$ 30/06/06]			
31		Gross CoS	1,702.936	1,104.708	598.228
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	1,463.336	963.664	499.672
36		PV of Reference Service Revenue [m\$ 30/06/06]			
37		PV of Reference Service Revenue	1,463.336	963.664	499.672
38		Check	OK	OK	OK
39		Year 1 Reference Service Revenue [m\$ 30/06/06]	502.815	313.813	189.002
40		Revenue Smoothing Factor		-5.20%	-5.20%
41		PV of Net Cash Flow [m\$ 30/06/06]			
42		Reference Service Revenue	1,463.336	963.664	499.672
43		Opex	-688.304	-507.010	-181.295
44		Capex	-1,317.651	-776.886	-540.765
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	-2,981.078	-1,594.515	-1,386.564
49		Asset Residual Value	3,289.541	1,777.269	1,512.272
50		Working Capital Variation	-5.443	-3.566	-1.877
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	10.07%	10.07%	10.07%
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	2-Apr-07	2-Apr-07	2-Apr-07	2-Apr-07	2-Apr-07
6		Nominal Risk Free Rate (Rfn)	5.81%	5.81%	5.81%	5.81%	5.81%
7		Real Risk Free Rate (Rfr)	2.63%	2.63%	2.63%	2.63%	2.63%
8		Inflation Rate (I)	3.10%	3.10%	3.10%	3.10%	3.10%
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)	7.04%	7.24%			
23		Real Cost of Debt (DPr)	3.82%	4.01%			
24	Equity						
25		Nominal Pre Tax Cost of Equity (EPn)	11.15%	14.95%			
26		Real Pre Tax Cost of Equity (EPr)	7.81%	11.49%			
27		Nominal After Tax Cost of Equity (EAn)	9.81%	11.81%			
28		Real After Tax Cost of Equity (EAR)	6.51%	8.45%			
29	WACC; Pre-tax Officer (Market Practise or Forward Transformation)						
30		Nominal Pre Tax WACC (WPn)	8.68%	10.32%	8.84%	10.16%	10.07%
31		Real Pre Tax WACC (WPr)	5.41%	7.01%	5.57%	6.85%	6.76%
32	WACC; After-tax Officer						
33		Nominal After Tax WACC (WAn)	6.08%	7.22%	6.19%	7.11%	7.05%
34		Real After Tax WACC (WAr)	2.89%	4.00%	3.00%	3.89%	3.83%

Western Power Amended 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						14.500		472.594			
16	Underground Cables						36.900		535.208			
17	Transformers						16.900		203.762			
18	Switchgear						13.500		108.608			
19	Street lighting						1.200		5.256			
20	Meters and Services						9.200		168.206			
21	IT&T						9.800		15.415			
22	SCADA & Communications						10.200		12.825			
23	Other Distribution Non-Network						11.300		51.221			
24	Distribution Land & Easements								21.419			
25	Total Distribution								1,594.515			
26												
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]					
31	Distribution											
32	Wooden Pole Lines						41.000			54.603	76.367	88.805
33	Underground Cables						60.000			104.641	124.841	127.582
34	Transformers						35.000			28.697	36.677	40.561
35	Switchgear						35.000			22.424	34.475	41.710
36	Street lighting						20.000			11.563	13.768	14.964
37	Meters and Services						25.000			4.540	9.085	10.178
38	IT&T						10.160			19.244	17.000	15.400
39	SCADA & Communications						10.160			2.180	1.800	1.900
40	Other Distribution Non-Network						10.160			12.636	14.909	9.016
41	Distribution Land & Easements						-			-	-	-
42	Total Distribution									260.528	328.923	350.117
Modelled Capex [m\$ 30/06/06]							Life as at 30 June 2006 [Years]					
44	Distribution											
45	Wooden Pole Lines						41.000			53.116	72.405	82.064
46	Underground Cables						60.000			101.791	118.363	117.896
47	Transformers						35.000			27.915	34.774	37.482
48	Switchgear						35.000			21.814	32.686	38.544
49	Street lighting						20.000			11.248	13.053	13.828
50	Meters and Services						25.000			4.417	8.614	9.405
51	IT&T						10.160			18.720	16.118	14.231
52	SCADA & Communications						10.160			2.121	1.707	1.756
53	Other Distribution Non-Network						10.160			12.292	14.135	8.332
54	Distribution Land & Easements						-			-	-	-
55	Total Distribution									253.432	311.855	323.538
56												
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]												
61	Distribution											
62	DEMAND RELATED											
63	Distribution Capacity											
64	Customer Driven									65.440	80.440	95.560
65	Customer Driven - Vested Assets									15.930	19.950	23.930
66	NON DEMAND RELATED											
67	Asset Replacement											
68	Reliability Driven											
69	Safety, Environmental & Statutory											
70	OTHER											
71	SCADA & Communications											
72	IT (inc. Market Reform)											
73	Metering											
74	State Undergrounding Power Program (SUPP)									12.819	12.218	12.824
75	Rural Power Improvement Program (RPIP)											
76	Support											
77	Total Distribution									94.189	112.608	132.314
Modelled Capital Contribution [m\$ 30/06/06]												
79	Distribution											
80	DEMAND RELATED											
81	Distribution Capacity									-	-	-
82	Customer Driven									63.658	76.266	88.306
83	Customer Driven - Vested Assets									15.496	18.915	22.113
84	NON DEMAND RELATED											
85	Asset Replacement									-	-	-
86	Reliability Driven									-	-	-
87	Safety, Environmental & Statutory									-	-	-
88	OTHER											
89	SCADA & Communications									-	-	-
90	IT (inc. Market Reform)									-	-	-
91	Metering									-	-	-
92	State Undergrounding Power Program (SUPP)									12.470	11.584	11.850
93	Rural Power Improvement Program (RPIP)									-	-	-
94	Support									-	-	-
95	Total Distribution									91.624	106.765	122.269
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 Distribution						
102 Wooden Pole Lines				2.936	2.936	2.936
103 Underground Cables				-	-	-
104 Transformers				0.783	0.783	0.783
105 Switchgear				0.196	0.196	0.196
106 Street lighting						
107 Meters and Services				-	-	-
108 IT&T				-	-	-
109 SCADA & Communications				-	-	-
110 Other Distribution Non-Network				-	-	-
111 Distribution Land & Easements				-	-	-
112 Total Distribution				3.915	3.915	3.915
Modelled Redundant Assets [m\$ 30/06/06]						
114 Distribution						
115 Wooden Pole Lines				2.856	2.784	2.713
116 Underground Cables				-	-	-
117 Transformers				0.762	0.742	0.724
118 Switchgear				0.191	0.186	0.181
119 Street lighting				-	-	-
120 Meters and Services				-	-	-
121 IT&T				-	-	-
122 SCADA & Communications				-	-	-
123 Other Distribution Non-Network				-	-	-
124 Distribution Land & Easements				-	-	-
125 Total Distribution				3.808	3.712	3.618
Opex						
Year ending 30 June	2004	2005	2006	2007	2008	2009
Project Year	-2	-1	0	1	2	3
WPC's Opex [m\$ OD]						
131 Distribution						
132 Maintenance Strategy				6.271	7.068	7.147
133 Preventative Condition				22.972	23.310	22.767
134 Preventative Routine				30.281	31.294	32.130
135 Corrective Deferred				12.401	11.636	11.389
136 Corrective Emergency				27.371	25.890	25.431
137 Reliability				3.100	3.100	3.100
138 SCADA & Communications				0.900	0.900	0.900
139 Misc Network Services				2.000	2.000	2.100
140 Network Operations				8.800	9.300	9.700
141 IT&T				13.300	14.900	18.800
142 Metering				14.400	14.400	15.900
143 Call Centre				6.600	6.900	7.200
144 Network Support				45.800	50.100	53.500
145 Reliability Penalty Payments				1.400	1.400	1.400
146 Total Distribution				195.596	202.198	211.464
Modelled Opex [m\$ 30/06/06]						
148 Distribution						
149 Maintenance Strategy				6.100	6.701	6.604
150 Preventative Condition				22.346	22.100	21.039
151 Preventative Routine				29.456	29.670	29.691
152 Corrective Deferred				12.063	11.032	10.524
153 Corrective Emergency				26.625	24.547	23.500
154 Reliability				3.016	2.939	2.865
155 SCADA & Communications				0.875	0.853	0.832
156 Misc Network Services				1.946	1.896	1.941
157 Network Operations				8.560	8.817	8.964
158 IT&T				12.938	14.127	17.373
159 Metering				14.008	13.653	14.693
160 Call Centre				6.420	6.542	6.653
161 Network Support				44.553	47.500	49.439
162 Reliability Penalty Payments				1.362	1.327	1.294
163 Total Distribution				190.268	191.706	195.411
Other Inputs						
Year ending 30 June	2004	2005	2006	2007	2008	2009
Project Year	-2	-1	0	1	2	3
Tariff Equalisation						
169 Nominal Value [m\$ OD]				69.700	71.600	72.000
170 Real Value [m\$ 30/06/06]				67.802	67.885	66.534
171						
Non Reference Service Revenue						
173 Nominal Value [m\$ OD]				15.138	15.531	15.935
174 Real Value [m\$ 30/06/06]				14.725	14.725	14.725
175						
Working Capital						
177 Receivables				45.0		
178 Inventory				-		
179 Prepayments				-		
180 Creditors				-20.0		
Recovered Covered Service Revenue						
182 Nominal Value [m\$ OD]				337.738		
183 Real Value [m\$ 30/06/06]				328.539	-	-

Western Power Amended 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							1,594.515	1,746.912	1,953.196	
9	Capex							253.432	311.855	323.538	
10	Redundant Assets							-3.808	-3.712	-3.618	
11	Depreciation							-97.226	-101.860	-110.504	
12	Closing Asset Value							1,594.515	1,746.912	1,953.196	2,162.613
13	Check OK										
Asset & Working Capital Value											
14	Opening Asset Value							1,594.515	1,746.912	1,953.196	
15	Opening Working Capital							21.954	18.773	19.133	
16	Regulatory Opening Asset Value							1,616.468	1,765.685	1,972.329	
17											
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							472.594	490.261	526.205	
24	Underground Cables							535.208	622.494	724.656	
25	Transformers							203.762	218.859	240.084	
26	Switchgear							108.608	122.185	146.033	
27	Street lighting							5.256	12.124	23.739	
28	Meters and Services							168.206	154.340	144.494	
29	IT&T							15.415	32.562	45.264	
30	SCADA & Communications							12.825	13.688	13.929	
31	Other Distribution Non-Network							51.221	58.980	67.373	
32	Distribution Land & Easements							21.419	21.419	21.419	
33	Total Distribution Capex							1,594.515	1,746.912	1,953.196	
34	Capex										
35	Wooden Pole Lines							53.116	72.405	82.064	
36	Underground Cables							101.791	118.363	117.896	
37	Transformers							27.915	34.774	37.482	
38	Switchgear							21.814	32.686	38.544	
39	Street lighting							11.248	13.053	13.828	
40	Meters and Services							4.417	8.614	9.405	
41	IT&T							18.720	16.118	14.231	
42	SCADA & Communications							2.121	1.707	1.756	
43	Other Distribution Non-Network							12.292	14.135	8.332	
44	Distribution Land & Easements							-	-	-	
45	Total Distribution Capex							253.432	311.855	323.538	
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							-32.593	-33.677	-35.220	
60	Underground Cables							-14.504	-16.201	-18.174	
61	Transformers							-12.057	-12.807	-13.750	
62	Switchgear							-8.045	-8.653	-9.571	
63	Street lighting							-4.380	-1.438	-1.215	
64	Meters and Services							-18.283	-18.460	-18.805	
65	IT&T							-1.573	-3.415	-5.002	
66	SCADA & Communications							-1.257	-1.466	-1.634	
67	Other Distribution Non-Network							-4.533	-5.743	-7.134	
68	Distribution Land & Easements							-	-	-	
69	Total Distribution Capex							-97.226	-101.860	-110.504	
70	Closing Value										
71	Wooden Pole Lines							472.594	490.261	526.205	570.336
72	Underground Cables							535.208	622.494	724.656	824.379
73	Transformers							203.762	218.859	240.084	263.093
74	Switchgear							108.608	122.185	146.033	174.825
75	Street lighting							5.256	12.124	23.739	36.352
76	Meters and Services							168.206	154.340	144.494	135.095
77	IT&T							15.415	32.562	45.264	54.493
78	SCADA & Communications							12.825	13.688	13.929	14.051
79	Other Distribution Non-Network							51.221	58.980	67.373	68.570
80	Distribution Land & Easements							21.419	21.419	21.419	21.419
81	Total Distribution Capex							1,594.515	1,746.912	1,953.196	2,162.613
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				472.594	437.145	401.980
88	Underground Cables				535.208	520.704	506.199
89	Transformers				203.762	190.944	178.192
90	Switchgear				108.608	100.372	92.156
91	Street lighting				5.256	0.876	-
92	Meters and Services				168.206	149.923	131.640
93	IT&T				15.415	13.842	12.269
94	SCADA & Communications				12.825	11.568	10.310
95	Other Distribution Non-Network				51.221	46.688	42.155
96	Distribution Land & Easements				21.419	21.419	21.419
97	Total Distribution Capex				1,594.515	1,493.481	1,396.322
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	-97.132	OK	14.500	-32.593	-32.381	-32.158
112	Underground Cables	-43.513	OK	36.900	-14.504	-14.504	-14.504
113	Transformers	-36.025	OK	16.900	-12.057	-12.009	-11.959
114	Switchgear	-24.088	OK	13.500	-8.045	-8.030	-8.014
115	Street lighting	-5.256	OK	1.200	-4.380	-0.876	-
116	Meters and Services	-54.850	OK	9.200	-18.283	-18.283	-18.283
117	IT&T	-4.719	OK	9.800	-1.573	-1.573	-1.573
118	SCADA & Communications	-3.772	OK	10.200	-1.257	-1.257	-1.257
119	Other Distribution Non-Network	-13.599	OK	11.300	-4.533	-4.533	-4.533
120	Distribution Land & Easements	-	OK	-	-	-	-
121	Total Distribution Capex	-282.955	OK		-97.226	-93.447	-92.282
122	Closing Value						
123	Wooden Pole Lines			472.594	437.145	401.980	367.109
124	Underground Cables			535.208	520.704	506.199	491.695
125	Transformers			203.762	190.944	178.192	165.510
126	Switchgear			108.608	100.372	92.156	83.962
127	Street lighting			5.256	0.876	-	-
128	Meters and Services			168.206	149.923	131.640	113.357
129	IT&T			15.415	13.842	12.269	10.696
130	SCADA & Communications			12.825	11.568	10.310	9.053
131	Other Distribution Non-Network			51.221	46.688	42.155	37.623
132	Distribution Land & Easements			21.419	21.419	21.419	21.419
133	Total Distribution Capex			1,594.515	1,493.481	1,396.322	1,300.422
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				-	53.116	124.225
140	Underground Cables				-	101.791	218.457
141	Transformers				-	27.915	61.892
142	Switchgear				-	21.814	53.877
143	Street lighting				-	11.248	23.739
144	Meters and Services				-	4.417	12.854
145	IT&T				-	18.720	32.995
146	SCADA & Communications				-	2.121	3.619
147	Other Distribution Non-Network				-	12.292	25.217
148	Distribution Land & Easements				-	-	-
149	Total Distribution Capex				-	253.432	556.874
150	Capex						
151	Wooden Pole Lines				53.116	72.405	82.064
152	Underground Cables				101.791	118.363	117.896
153	Transformers				27.915	34.774	37.482
154	Switchgear				21.814	32.686	38.544
155	Street lighting				11.248	13.053	13.828
156	Meters and Services				4.417	8.614	9.405
157	IT&T				18.720	16.118	14.231
158	SCADA & Communications				2.121	1.707	1.756
159	Other Distribution Non-Network				12.292	14.135	8.332
160	Distribution Land & Easements				-	-	-
161	Total Distribution Capex				253.432	311.855	323.538
162	Depreciation	Total	Check	Life			
163	Wooden Pole Lines	-4.357	OK	41.000	-	-1.296	-3.061
164	Underground Cables	-5.366	OK	60.000	-	-1.697	-3.669
165	Transformers	-2.589	OK	35.000	-	-0.798	-1.791
166	Switchgear	-2.180	OK	35.000	-	-0.623	-1.557
167	Street lighting	-1.777	OK	20.000	-	-0.562	-1.215
168	Meters and Services	-0.698	OK	25.000	-	-0.177	-0.521
169	IT&T	-5.271	OK	10.160	-	-1.843	-3.429
170	SCADA & Communications	-0.585	OK	10.160	-	-0.209	-0.377
171	Other Distribution Non-Network	-3.811	OK	10.160	-	-1.210	-2.601
172	Distribution Land & Easements	-	OK	-	-	-	-
173	Total Distribution Capex	-26.635	OK		-	-8.413	-18.222
174	Closing Value						
175	Wooden Pole Lines			-	53.116	124.225	203.227
176	Underground Cables			-	101.791	218.457	332.684
177	Transformers			-	27.915	61.892	97.583
178	Switchgear			-	21.814	53.877	90.864
179	Street lighting			-	11.248	23.739	36.352
180	Meters and Services			-	4.417	12.854	21.738
181	IT&T			-	18.720	32.995	43.797
182	SCADA & Communications			-	2.121	3.619	4.998
183	Other Distribution Non-Network			-	12.292	25.217	30.948
184	Distribution Land & Easements			-	-	-	-
185	Total Distribution Capex			-	253.432	556.874	862.191

Western Power Amended Access Arrangement Real Pre-tax Model

Ref	2	3	8	9	10	11	12	13
Western Power Amended Access Arrangement Real Pre-tax Model								
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	162.6	167.7
7	Annual Inflation			2.49%	3.10%	3.10%	3.10%	3.10%
8	Inflation Factor				1.000	1.031	1.063	1.096
9	Pre-tax WACC							
10	Real				6.76%	6.76%	6.76%	6.76%
11	Nominal				10.07%	10.07%	10.07%	10.07%
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
Days						365	366	365
Asset Value [m\$ 30/06/06]								
17	Asset Value							
18	Opening Asset Value					1,594.515	1,746.912	1,953.196
19	Adjusted Opening Asset Value							
20	Capex					253.432	311.855	323.538
21	Redundant Assets (Accelerated Depreciation)					-3.808	-3.712	-3.618
22	Depreciation					-97.226	-101.860	-110.504
23	Closing Asset Value					1,594.515	1,746.912	1,953.196
24								2,162.613
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		507.010			190.268	191.706	195.411
31	Depreciation		271.252			97.226	101.860	110.504
32	Redundant Assets (Accelerated Depreciation)		9.797			3.808	3.712	3.618
33	Return on Assets		313.083			107.789	118.091	132.036
34	Cost of Service		1,101.142			399.092	415.369	441.569
35	Net Covered Service Revenue		PV					
36	Gross CoS		1,101.142			399.092	415.369	441.569
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		998.912			375.270	376.489	385.833
40	Expenses		PV					
41	Opex		507.010			190.268	191.706	195.411
42	Capex		776.886			253.432	311.855	323.538
43	Total Expenses		1,283.896			443.700	503.562	518.949
44	Working Capital		Days	Base for Calculation				
45	Receivables		45.0	Net Covered Service Reven		46.266	46.290	47.568
46	Inventory		-	Total Expenses		-	-	-
47	Prepayments		-	Total Expenses		-	-	-
48	Creditors		-20.0	Total Expenses		-24.312	-27.517	-28.436
49	Working Capital					21.954	18.773	19.133
50	Asset & Working Capital Value							
51	Opening Asset Value					1,594.515	1,746.912	1,953.196
52	Opening Working Capital					21.954	18.773	19.133
53	Regulatory Opening Asset Value					1,616.468	1,765.685	1,972.329
54								
Cost of Service [m\$ 30/06/06]								
56	Gross Cost of Service		PV					
57	Opex		507.010			190.268	191.706	195.411
58	Depreciation		271.252			97.226	101.860	110.504
59	Redundant Assets (Accelerated Depreciation)		9.797			3.808	3.712	3.618
60	Return on Assets		313.083			107.789	118.091	132.036
61	Return on Working Capital		3.566			1.484	1.269	1.293
62	Cost of Service		1,104.708			400.576	416.638	442.862
63	Gross Regulatory Revenue		PV					
64	Opex		507.010			190.268	191.706	195.411
65	Capex		776.886			253.432	311.855	323.538
66	Asset Opening Value		1,594.515		1,594.515	-	-	-
67	Asset Residual Value		-1,777.269			-	-	-2,162.613
68	Working Capital Variation		3.566		21.954	-3.181	0.360	-19.133
69	Gross Regulatory Revenue		1,104.708		1,616.468	440.519	503.922	-1,662.796
70	Check		OK					
71	Net Reference Service Revenue		PV					
72	Gross CoS		1,104.708			400.576	416.638	442.862
73	Non Reference Service Revenue		-38.814			-14.725	-14.725	-14.725
74	Tariff Equalisation		177.747			67.802	67.885	66.534
75	Capital Contribution		-279.977			-91.624	-106.765	-122.269
76	Net Reference Service Revenue		963.664			362.028	363.032	372.401
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 Covered Service Revenue Requirements	PV					
82	Net Covered Service Revenue	1,002.478	X Factor		376.754	377.758	387.127
83	Smoothed Covered Service Revenue	1,002.478	-5.20%		328.539	398.837	419.577
84	Delta PV	-			48.215	-21.079	-32.450
85	Net Revenue Requirements	PV					
86	Smoothed Covered Service Revenue	1,002.478			328.539	398.837	419.577
87	Non Reference Service Revenue	-38.814			-14.725	-14.725	-14.725
88	Smoothed Reference Service Revenue	963.664			313.813	384.112	404.851
89	Net Cash Flow	PV					
90	Smoothed Reference Service Revenue	963.664			313.813	384.112	404.851
91	Opex	-507.010			-190.268	-191.706	-195.411
92	Capex	-776.886			-253.432	-311.855	-323.538
93	Non Reference Service Revenue	38.814			14.725	14.725	14.725
94	Tariff Equalisation	-177.747			-67.802	-67.885	-66.534
95	Capital Contribution	279.977			91.624	106.765	122.269
96	Asset Opening Value	-1,594.515		-1,594.515	-	-	-
97	Asset Residual Value	1,777.269			-	-	2,162.613
98	Working Capital Variation	-3.566		-21.954	3.181	-0.360	19.133
99	Net Cash Flow	-		-1,616.468	-88.159	-66.205	2,138.109
100	Check	OK					
101	Internal Rate of Return						
102	IRR	6.76%					
103	Check	OK					
104	Nominal from Real	PV					
105	Net Cash Flow	-		-1,616.468	-90.890	-70.371	2,343.079
106	Check	OK					
107	Internal Rate of Return						
108	IRR	10.07%					
109	Check	OK					
110							
Revenue Cap [m\$ 30/06/06]							
112	Declared Revenue Cap	PV					
113	Smoothed Reference Service Revenue	963.664			313.813	384.112	404.851
114	Non Reference Service Revenue	38.814			14.725	14.725	14.725
115	Tariff Equalisation	-177.747			-67.802	-67.885	-66.534
116	Capital Contribution	279.977			91.624	106.765	122.269
117	Revenue Cap	1,104.708			352.361	437.717	475.312
118	Check	OK					
119	Revenue Cap (Including TEC)				420.162	505.602	541.846

Western Power Amended 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				38.100				12.087			
16	Transmission steel towers				41.300				365.188			
17	Transmission wood poles				20.900				172.741			
18	Transmission Metering				26.100				2.127			
19	Transmission transformers				25.500				154.910			
20	Transmission reactors				27.000				3.933			
21	Transmission capacitors				23.100				76.258			
22	Transmission circuit breakers				28.200				455.265			
23	SCADA and Communications				11.400				33.891			
24	IT&T				4.200				2.680			
25	Other Non-Network Assets				12.000				24.499			
26	Land & Easements								82.986			
27	Total Transmission								1,386.564			
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				4.939	6.853	0.460	
35	Transmission steel towers				60.000				81.174	82.569	50.087	
36	Transmission wood poles				45.000				4.885	6.227	24.326	
37	Transmission Metering				40.000							
38	Transmission transformers				50.000				36.953	35.766	30.587	
39	Transmission reactors				50.000				1.001	1.030	1.713	
40	Transmission capacitors				40.000				4.882	15.146	10.056	
41	Transmission circuit breakers				50.000				39.344	41.587	45.085	
42	SCADA and Communications				34.150				5.722	1.500	3.401	
43	IT&T				16.850				2.200	3.000	2.700	
44	Other Non-Network Assets				16.850				14.280	17.343	10.610	
45	Land & Easements				-				20.454	31.113	8.861	
46	Total Transmission								215.835	242.133	187.886	
Modelled Capex [m\$ 30/06/06]							Life as at 30 June 2006 [Years]					
48	Transmission											
49	Transmission cables				55.000				4.804	6.497	0.425	
50	Transmission steel towers				60.000				78.963	78.285	46.285	
51	Transmission wood poles				45.000				4.752	5.904	22.479	
52	Transmission Metering				40.000				-	-	-	
53	Transmission transformers				50.000				35.947	33.910	28.265	
54	Transmission reactors				50.000				0.974	0.976	1.583	
55	Transmission capacitors				40.000				4.749	14.360	9.293	
56	Transmission circuit breakers				50.000				38.273	39.429	41.662	
57	SCADA and Communications				34.150				5.566	1.422	3.143	
58	IT&T				16.850				2.140	2.844	2.495	
59	Other Non-Network Assets				16.850				13.891	16.443	9.804	
60	Land & Easements				-				19.897	29.498	8.188	
61	Total Transmission								209.956	229.569	173.623	
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]							Life as at 30 June 2006 [Years]					
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]							Life as at 30 June 2006 [Years]					
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						
Project Year	2004	2005	2006	2007	2008	2009
Redundant Assets [m\$ OD]	-2	-1	0	1	2	3
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						
Project Year	2004	2005	2006	2007	2008	2009
WPC's Opex [m\$ OD]	-2	-1	0	1	2	3
135 Transmission						
136 Maintenance Strategy				4.205	4.110	4.233
137 Preventative Condition				7.139	7.273	7.439
138 Preventative Routine				8.443	9.472	10.135
139 Corrective Deferred				4.633	3.970	4.432
140 Corrective Emergency				1.018	0.940	0.918
141 SCADA & Communications				5.400	5.600	5.700
142 Misc Network Services				4.310	4.517	4.647
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 Energy Safety Levy				2.830	2.904	2.979
147 Total Transmission				69.120	73.183	75.634
Modelled Opex [m\$ 30/06/06]						
149 Transmission						
150 Maintenance Strategy				4.090	3.897	3.912
151 Preventative Condition				6.945	6.896	6.874
152 Preventative Routine				8.213	8.981	9.366
153 Corrective Deferred				4.507	3.764	4.096
154 Corrective Emergency				0.990	0.891	0.848
155 SCADA & Communications				5.253	5.309	5.267
156 Misc Network Services				4.192	4.283	4.295
157 Network Operations				9.728	10.429	10.073
158 IT&T				7.312	7.800	8.101
159 Network Support				13.254	14.383	14.308
160 Energy Safety Levy				2.753	2.753	2.753
161 Total Transmission				67.237	69.386	69.892
162						
Other Inputs						
Year ending 30 June						
Project Year	2004	2005	2006	2007	2008	2009
Tariff Equalisation	-2	-1	0	1	2	3
167 Nominal Value [m\$ OD]				-	-	-
168 Modelled Real [m\$ 30/06/2005]				-	-	-
169						
Non Reference Service Revenue						
171 Nominal Value [m\$ OD]				18.902	19.393	19.897
172 Modelled Real [m\$ 30/06/2005]				18.387	18.387	18.387
173						
Working Capital						
Days						
175 Receivables				45.0		
176 Inventory				-		
177 Prepayments				-		
178 Creditors				-20.0		
Recovered Covered Service Revenue						
Days						
180 Nominal Value [m\$ OD]				213.196		
181 Real Value [m\$ 30/06/06]				207.389	-	-

Western Power Amended 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											
Project Year											
Asset Value [m\$ 30/06/06]											
7	Asset Value										
8	Opening Asset Value							1,386.564	1,547.695	1,724.194	
9	Capex							209.956	229.569	173.623	
10	Redundant Assets							-	-	-	
11	Depreciation							-48.825	-53.071	-57.656	
12	Closing Asset Value							1,386.564	1,547.695	1,724.194	1,840.160
13	Check							OK			
14	Asset & Working Capital Value										
15	Opening Asset Value							1,386.564	1,547.695	1,724.194	
16	Opening Working Capital							8.692	8.214	15.105	
17	Regulatory Opening Asset Value							1,395.256	1,555.910	1,739.299	
18											
Year ending 30 June											
Project Year											
Asset Account [m\$ 30/06/06]											
22	Opening Value										
23	Transmission cables							12.087	16.574	22.666	
24	Transmission steel towers							365.188	435.308	503.435	
25	Transmission wood poles							172.741	169.228	166.761	
26	Transmission Metering							2.127	2.045	1.964	
27	Transmission transformers							154.910	184.782	211.898	
28	Transmission reactors							3.933	4.761	5.572	
29	Transmission capacitors							76.258	77.706	88.646	
30	Transmission circuit breakers							455.265	477.394	499.913	
31	SCADA and Communications							33.891	36.484	34.770	
32	IT&T							2.680	4.182	6.261	
33	Other Non-Network Assets							24.499	36.349	49.926	
34	Land & Easements							82.986	102.883	132.381	
35	Total Distribution Capex							1,386.564	1,547.695	1,724.194	
36	Capex										
37	Transmission cables							4.804	6.497	0.425	
38	Transmission steel towers							78.963	78.285	46.285	
39	Transmission wood poles							4.752	5.904	22.479	
40	Transmission Metering							-	-	-	
41	Transmission transformers							35.947	33.910	28.265	
42	Transmission reactors							0.974	0.976	1.583	
43	Transmission capacitors							4.749	14.360	9.293	
44	Transmission circuit breakers							38.273	39.429	41.662	
45	SCADA and Communications							5.566	1.422	3.143	
46	IT&T							2.140	2.844	2.495	
47	Other Non-Network Assets							13.891	16.443	9.804	
48	Land & Easements							19.897	29.498	8.188	
49	Total Distribution Capex							209.956	229.569	173.623	
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							-0.317	-0.405	-0.523	
66	Transmission steel towers							-8.842	-10.158	-11.463	
67	Transmission wood poles							-8.265	-8.371	-8.502	
68	Transmission Metering							-0.081	-0.081	-0.081	
69	Transmission transformers							-6.075	-6.794	-7.472	
70	Transmission reactors							-0.146	-0.165	-0.185	
71	Transmission capacitors							-3.301	-3.420	-3.779	
72	Transmission circuit breakers							-16.144	-16.910	-17.698	
73	SCADA and Communications							-2.973	-3.136	-3.177	
74	IT&T							-0.638	-0.765	-0.934	
75	Other Non-Network Assets							-2.042	-2.866	-3.842	
76	Land & Easements							-	-	-	
77	Total Distribution Capex							-48.825	-53.071	-57.656	
78	Closing Value										
79	Transmission cables							12.087	16.574	22.666	22.568
80	Transmission steel towers							365.188	435.308	503.435	538.257
81	Transmission wood poles							172.741	169.228	166.761	180.739
82	Transmission Metering							2.127	2.045	1.964	1.882
83	Transmission transformers							154.910	184.782	211.898	232.691
84	Transmission reactors							3.933	4.761	5.572	6.971
85	Transmission capacitors							76.258	77.706	88.646	94.160
86	Transmission circuit breakers							455.265	477.394	499.913	523.877
87	SCADA and Communications							33.891	36.484	34.770	34.736
88	IT&T							2.680	4.182	6.261	7.822
89	Other Non-Network Assets							24.499	36.349	49.926	55.889
90	Land & Easements							82.986	102.883	132.381	140.569
91	Total Distribution Capex							1,386.564	1,547.695	1,724.194	1,840.160
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				12.087	11.769	11.452
98	Transmission steel towers				365.188	356.346	347.503
99	Transmission wood poles				172.741	164.476	156.211
100	Transmission Metering				2.127	2.045	1.964
101	Transmission transformers				154.910	148.835	142.760
102	Transmission reactors				3.933	3.787	3.642
103	Transmission capacitors				76.258	72.957	69.656
104	Transmission circuit breakers				455.265	439.121	422.977
105	SCADA and Communications				33.891	30.918	27.945
106	IT&T				2.680	2.042	1.404
107	Other Non-Network Assets				24.499	22.458	20.416
108	Land & Easements				82.986	82.986	82.986
109	Total Distribution Capex				1,386.564	1,337.739	1,288.915
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	-0.952	OK	38.100	-0.317	-0.317	-0.317
126	Transmission steel towers	-26.527	OK	41.300	-8.842	-8.842	-8.842
127	Transmission wood poles	-24.795	OK	20.900	-8.265	-8.265	-8.265
128	Transmission Metering	-0.244	OK	26.100	-0.081	-0.081	-0.081
129	Transmission transformers	-18.225	OK	25.500	-6.075	-6.075	-6.075
130	Transmission reactors	-0.437	OK	27.000	-0.146	-0.146	-0.146
131	Transmission capacitors	-9.904	OK	23.100	-3.301	-3.301	-3.301
132	Transmission circuit breakers	-48.432	OK	28.200	-16.144	-16.144	-16.144
133	SCADA and Communications	-8.919	OK	11.400	-2.973	-2.973	-2.973
134	IT&T	-1.914	OK	4.200	-0.638	-0.638	-0.638
135	Other Non-Network Assets	-6.125	OK	12.000	-2.042	-2.042	-2.042
136	Land & Easements	-	OK	-	-	-	-
137	Total Distribution Capex	-146.474	OK		-48.825	-48.825	-48.825
138	Closing Value						
139	Transmission cables			12.087	11.769	11.452	11.135
140	Transmission steel towers			365.188	356.346	347.503	338.661
141	Transmission wood poles			172.741	164.476	156.211	147.945
142	Transmission Metering			2.127	2.045	1.964	1.882
143	Transmission transformers			154.910	148.835	142.760	136.685
144	Transmission reactors			3.933	3.787	3.642	3.496
145	Transmission capacitors			76.258	72.957	69.656	66.355
146	Transmission circuit breakers			455.265	439.121	422.977	406.833
147	SCADA and Communications			33.891	30.918	27.945	24.972
148	IT&T			2.680	2.042	1.404	0.766
149	Other Non-Network Assets			24.499	22.458	20.416	18.375
150	Land & Easements			82.986	82.986	82.986	82.986
151	Total Distribution Capex			1,386.564	1,337.739	1,288.915	1,240.090
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				-	4.804	11.214
158	Transmission steel towers				-	78.963	155.932
159	Transmission wood poles				-	4.752	10.551
160	Transmission Metering				-	-	-
161	Transmission transformers				-	35.947	69.138
162	Transmission reactors				-	0.974	1.931
163	Transmission capacitors				-	4.749	18.990
164	Transmission circuit breakers				-	38.273	76.936
165	SCADA and Communications				-	5.566	6.825
166	IT&T				-	2.140	4.857
167	Other Non-Network Assets				-	13.891	29.510
168	Land & Easements				-	19.897	49.395
169	Total Distribution Capex				-	209.956	435.279
170	Capex						
171	Transmission cables				4.804	6.497	0.425
172	Transmission steel towers				78.963	78.285	46.285
173	Transmission wood poles				4.752	5.904	22.479
174	Transmission Metering				-	-	-
175	Transmission transformers				35.947	33.910	28.265
176	Transmission reactors				0.974	0.976	1.583
177	Transmission capacitors				4.749	14.360	9.293
178	Transmission circuit breakers				38.273	39.429	41.662
179	SCADA and Communications				5.566	1.422	3.143
180	IT&T				2.140	2.844	2.495
181	Other Non-Network Assets				13.891	16.443	9.804
182	Land & Easements				19.897	29.498	8.188
183	Total Distribution Capex				209.956	229.569	173.623

184	Depreciation	Total	Check	Life			
185	Transmission cables	-0.293	OK	55.000	-	-0.087	-0.205
186	Transmission steel towers	-3.937	OK	60.000	-	-1.316	-2.621
187	Transmission wood poles	-0.342	OK	45.000	-	-0.106	-0.237
188	Transmission Metering	-	OK	40.000	-	-	-
189	Transmission transformers	-2.116	OK	50.000	-	-0.719	-1.397
190	Transmission reactors	-0.058	OK	50.000	-	-0.019	-0.039
191	Transmission capacitors	-0.596	OK	40.000	-	-0.119	-0.478
192	Transmission circuit breakers	-2.319	OK	50.000	-	-0.765	-1.554
193	SCADA and Communications	-0.368	OK	34.150	-	-0.163	-0.205
194	IT&T	-0.423	OK	16.850	-	-0.127	-0.296
195	Other Non-Network Assets	-2.625	OK	16.850	-	-0.824	-1.800
196	Land & Easements	-	OK	-	-	-	-
197	Total Distribution Capex	-13.078	OK	-	-	-4.246	-8.832
198	Closing Value						
199	Transmission cables	-		4.804	11.214	11.433	
200	Transmission steel towers	-		78.963	155.932	199.596	
201	Transmission wood poles	-		4.752	10.551	32.793	
202	Transmission Metering	-		-	-	-	
203	Transmission transformers	-		35.947	69.138	96.005	
204	Transmission reactors	-		0.974	1.931	3.475	
205	Transmission capacitors	-		4.749	18.990	27.805	
206	Transmission circuit breakers	-		38.273	76.936	117.045	
207	SCADA and Communications	-		5.566	6.825	9.764	
208	IT&T	-		2.140	4.857	7.057	
209	Other Non-Network Assets	-		13.891	29.510	37.514	
210	Land & Easements	-		19.897	49.395	57.583	
211	Total Distribution Capex	-		209.956	435.279	600.070	

Western Power Amended 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	162.6	167.7
7	Annual Inflation			2.49%	3.10%	3.10%	3.10%	3.10%
8	Inflation Factor				1.000	1.031	1.063	1.096
9	Pre-tax WACC							
10	Real				6.76%	6.76%	6.76%	6.76%
11	Nominal				10.07%	10.07%	10.07%	10.07%
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					1,386.564	1,547.695	1,724.194
19	Adjusted Opening Asset Value							
20	Capex					209.956	229.569	173.623
21	Redundant Assets (Accelerated Depreciation)					-	-	-
22	Depreciation					-48.825	-53.071	-57.656
23	Closing Asset Value				1,386.564	1,547.695	1,724.194	1,840.160
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		181.295			67.237	69.386	69.892
31	Depreciation		139.678			48.825	53.071	57.656
32	Redundant Assets (Accelerated Depreciation)		-			-	-	-
33	Return on Assets		275.378			93.732	104.624	116.556
34	Cost of Service		596.351			209.793	227.080	244.104
35	Net Covered Service Revenue		PV					
36	Gross CoS		596.351			209.793	227.080	244.104
37	Tariff Equalisation		-			-	-	-
38	Capital Contribution		-50.090			-16.095	-27.400	-13.353
39	Net Covered Service Revenue		546.261			193.698	199.680	230.751
40	Expenses		PV					
41	Opex		181.295			67.237	69.386	69.892
42	Capex		540.765			209.956	229.569	173.623
43	Total Expenses		722.059			277.193	298.955	243.515
44	Working Capital		Days	Base for Calculation				
45	Receivables	45.0		Net Covered Service Revenue		23.881	24.551	28.449
46	Inventory	-		Total Expenses		-	-	-
47	Prepayments	-		Total Expenses		-	-	-
48	Creditors	-20.0		Total Expenses		-15.189	-16.336	-13.343
49	Working Capital					8.692	8.214	15.105
50	Asset & Working Capital Value							
51	Opening Asset Value					1,386.564	1,547.695	1,724.194
52	Opening Working Capital					8.692	8.214	15.105
53	Regulatory Opening Asset Value					1,395.256	1,555.910	1,739.299
54								
Cost of Service [m\$ 30/06/06]								
56	Gross Cost of Service		PV					
57	Opex		181.295			67.237	69.386	69.892
58	Depreciation		139.678			48.825	53.071	57.656
59	Redundant Assets (Accelerated Depreciation)		-			-	-	-
60	Return on Assets		275.378			93.732	104.624	116.556
61	Return on Working Capital		1.877			0.588	0.555	1.021
62	Cost of Service		598.228			210.381	227.636	245.125
63	Gross Regulatory Revenue		PV					
64	Opex		181.295			67.237	69.386	69.892
65	Capex		540.765			209.956	229.569	173.623
66	Asset Opening Value		1,386.564		1,386.564	-	-	-
67	Asset Residual Value		-1,512.272			-	-	-1,840.160
68	Working Capital Variation		1.877		8.692	-0.477	6.891	-15.105
69	Gross Regulatory Revenue		598.228		1,395.256	276.716	305.846	-1,611.751
70	Check		OK					
71	Net Reference Service Revenue		PV					
72	Gross CoS		598.228			210.381	227.636	245.125
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		499.672			175.899	181.848	213.385
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 Covered Service Revenue	548.137	X Factor		194.285	200.235	231.772
83	Smoothed Covered Service Revenue	548.137	-5.20%		207.389	203.155	213.719
84	Delta PV	-			-13.103	-2.920	18.052
85	Net Revenue Requirements	PV					
86	Smoothed Covered Service Revenue	548.137			207.389	203.155	213.719
87	Non Reference Service Revenue	-48.465			-18.387	-18.387	-18.387
88	Smoothed Reference Service Revenue	499.672			189.002	184.769	195.333
89	Net Cash Flow	PV					
90	Smoothed Reference Service Revenue	499.672			189.002	184.769	195.333
91	Opex	-181.295			-67.237	-69.386	-69.892
92	Capex	-540.765			-209.956	-229.569	-173.623
93	Non Reference Service Revenue	48.465			18.387	18.387	18.387
94	Tariff Equalisation	-			-	-	-
95	Capital Contribution	50.090			16.095	27.400	13.353
96	Asset Opening Value	-1,386.564		-1,386.564	-	-	-
97	Asset Residual Value	1,512.272			-	-	1,840.160
98	Working Capital Variation	-1.877		-8.692	0.477	-6.891	15.105
99	Net Cash Flow	-		-1,395.256	-53.232	-75.290	1,838.824
100	Check	OK					
101	Internal Rate of Return						
102	IRR	6.76%					
103	Check	OK					
104	Nominal from Real	PV					
105	Net Cash Flow	-		-1,395.256	-54.881	-80.028	2,015.103
106	Check	OK					
107	Internal Rate of Return						
108	IRR	10.07%					
109	Check	OK					
110							
Revenue Cap [m\$ 30/06/06]							
112	Declared Revenue Cap	PV					
113	Smoothed Reference Service Revenue	499.672			189.002	184.769	195.333
114	Non Reference Service Revenue	48.465			18.387	18.387	18.387
115	Tariff Equalisation	-			-	-	-
116	Capital Contribution	50.090			16.095	27.400	13.353
117	Revenue Cap	598.228			223.484	230.556	227.072
118	Check	OK					