



Manawatū-Whanganui Three Waters Sub Package 3.1 Summary Report

27 July 2024

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Executive Summary

Following the announcement of the Government’s legislation and proposed ‘Local Water Done Well’ programme, the Manawatu-Whanganui region councils agreed to reshape the existing programme of works into a wider project brief.

Introduction

The agreed purpose of the Manawatu-Whanganui Three Waters – Regional CCO Project (“Regional CCO Project”) is: “to equip Chief Executives and Elected Members with sufficient information to make an informed decision as to whether they would recommend to their individual councils to proceed with some form of regional asset-owning Council Controlled Organisation for the future delivery of Three Waters services, or not”.

The most important assumption to state up front is that this high-level model is designed to aid in decision making and as such it is not designed to prescribe the rates bill that each ratepayer should receive. Instead, it expresses the total increases or decreases in net costs resulting from different scenarios as a cost per connection to present easily comparable sets of data representing the order of magnitude of change that each council will face as a result of joining a CCO.

Initial Modelling for the LTP Period

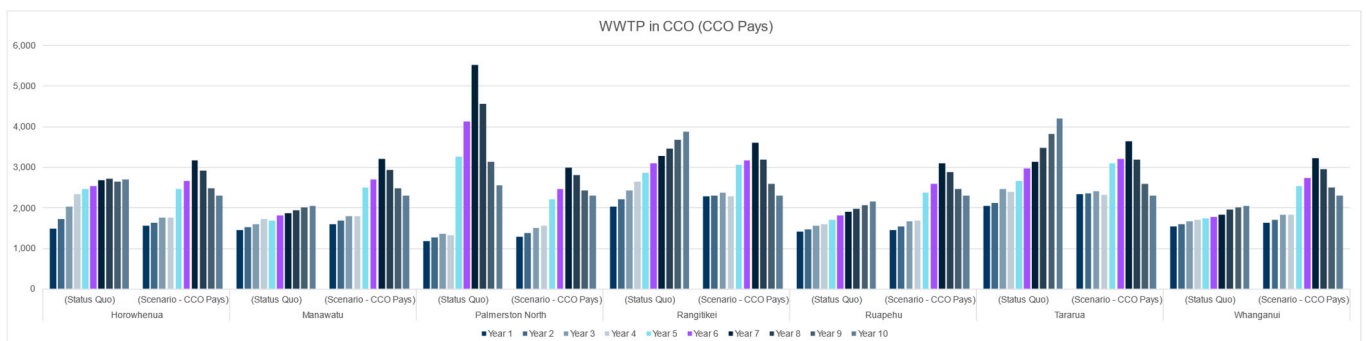
The financial model took information from each council’s ten-year funding impact statements for stormwater, wastewater and drinking water. These financials were combined with assumptions for costs and efficiency savings were then used to determine the impact on each Council’s rates per connection cost or debt position. These were then able to be contrasted with the status quo in which each council delivers services alone.

The ten-year modelling suggests that the impact of the Wastewater treatment plant was a matter of roughly two hundred dollars per ratepayer at the highest end, resulting in the choice to consider the Wastewater treatment plant as included for the rest of the modelling.

In the Scenarios, the LGFA Cap is always exceeded at some point, but debt always remains below the 500% cap. This suggests that there is room to allocate a significant portion of the costs to debt should the debt cap be raised once the CCO is established. This would help flatten the rates per connection costs.

Council inclusion and exclusion scenarios show that when comparing the seven-council CCO with the three-council CCO, there is a relatively volatile debt cost across the three-council version as a function of having a smaller ratepayer base over which the fluctuations in costs can be spread.

The absorption of the WWTP costs in the CCO is evident in the shape of the expenditure graphs and built on in the rates per connection cost by council graph in section 3.3. As the rates have been normalised, the year ten rates in the CCO Pays Scenario are the same for every council.



Minimum Tariff Option

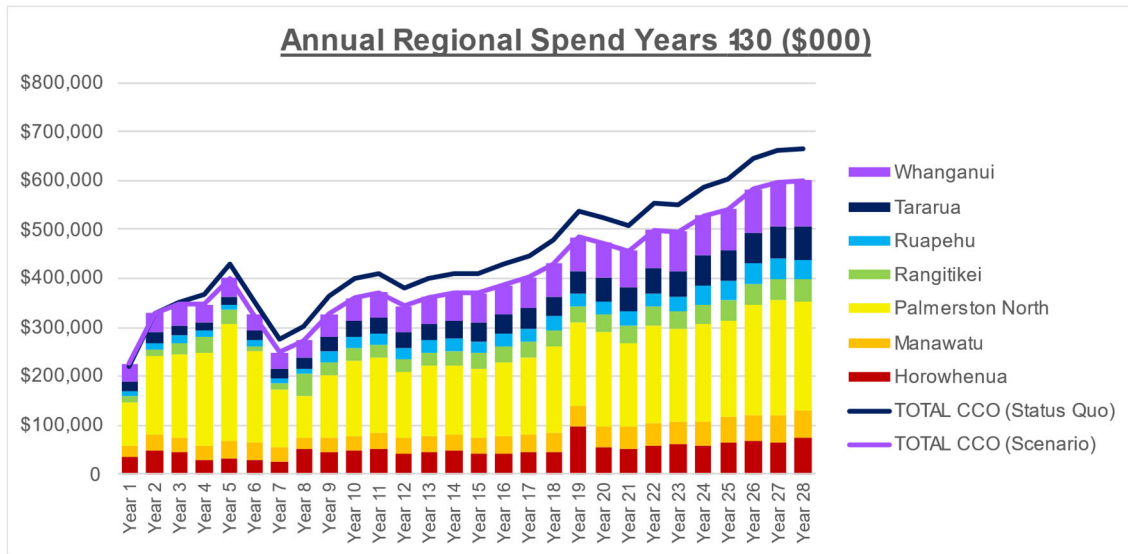
Following the Watercare establishment model, a further scenario was developed to assess the shortfall of a minimum tariff scenario in which all members of the CCO charge tariffs equal to the lowest tariff in the region. The results show an immediate shortfall of \$25 million in year one, peaking at \$165 million in year seven suggesting that this model is not suitable for the context of a Manawātū-Whanganui regional CCO.

Extending the Model: Years 11-30

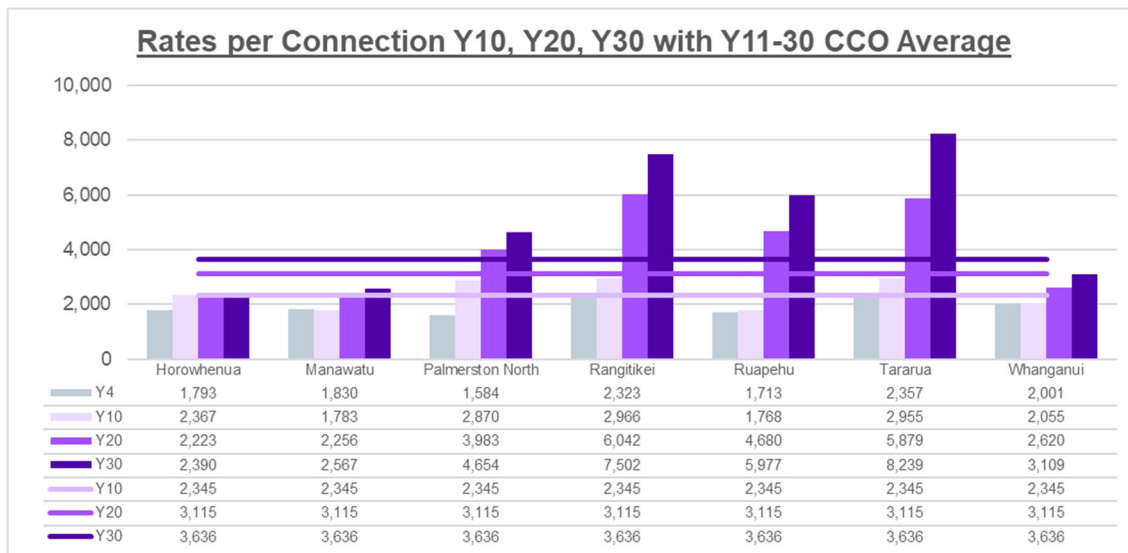
To address the fact that many large capital projects currently sit outside the 10-year LTP period, the analysis needed to be extended to assess the impact across all councils for years 11-30. This stage of modelling captures the outer years by assuming consistent growth in all expense and revenue except capex, instead using the capex items from the infrastructure strategy and council-provided data to assess the impact of large projects after year ten.

Based on this model, the debt position flatlines due to the way the model is set up, but caps continue to increase leaving substantial headroom in the later years to flatten the rates per connection cost by attributing some of the cost increases to debt once the initial exceedance of the LGFA debt cap of 280% in the initial years has been dealt with.

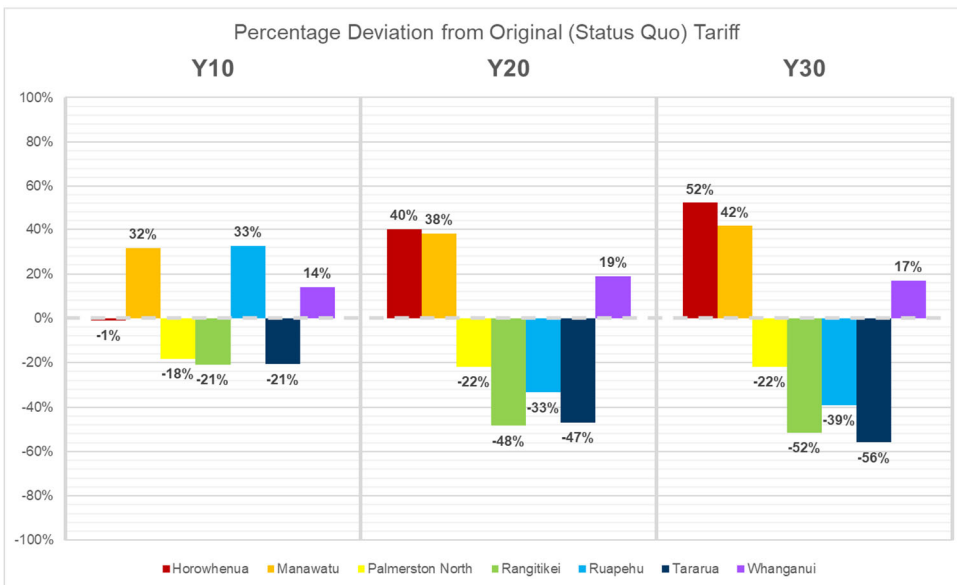
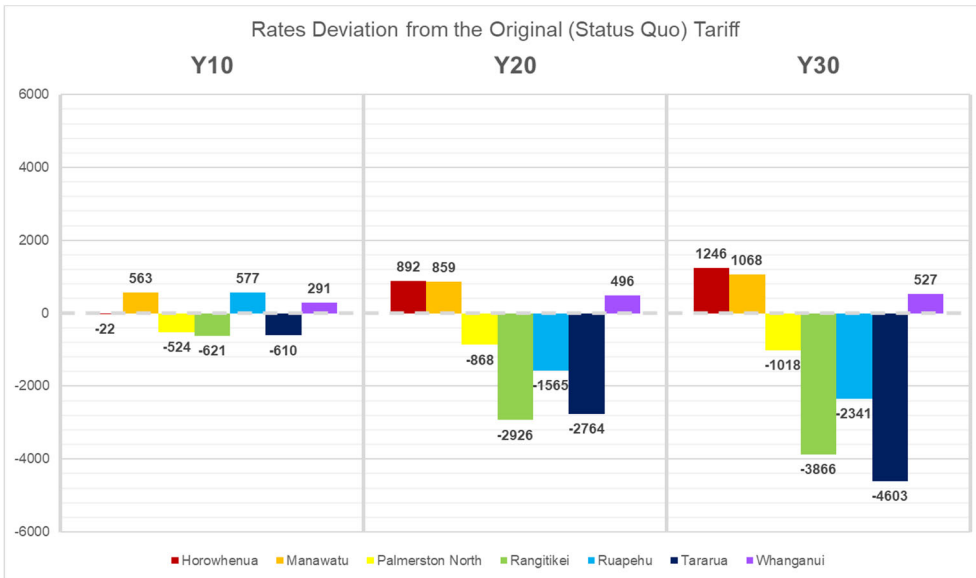
It is interesting to note the increase in the percentage of total spend shown by Tararua and Horowhenua and this highlights the benefit of looking at infrastructure investment over a longer time scale.



Ruapehu moving from being a net contributor in year 10 to a net beneficiary in years 20 and 30. Another key finding is that the marginal difference between year 20 and year 30 rates is quite small.



As a rule, beneficiaries show benefits increasing at a faster rate than contributors show increased contributions over time which is a positive projection. The exception to the rule is Horowhenua.



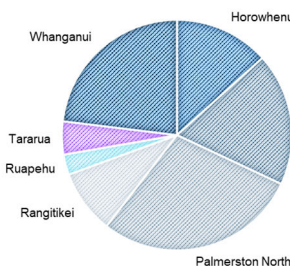
With regard to the distribution of tariffs across the councils, a potential solution to mitigate the variation in the tariff differences would be to normalise them over the thirty-year period (both benefits and contributions scale down, over time to reach a more equitable outcome)

Given some data challenges, the longer-term projections should be interpreted carefully due to the uncertainty with both the data and the longer timeframe, however the first ten-year period will likely be closer to reality.

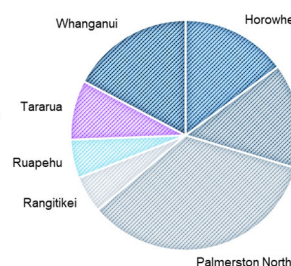
Shareholding

Three shareholding options were developed: equity, a population-capital mix and number of connections. Each of these divide the CCO up slightly differently and should be considered alongside equal shares.

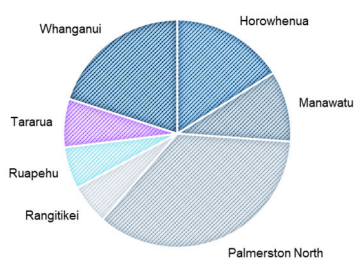
NET ASSET (EQUITY) SHAREHOLDING



POPULATION/CV COMBINED SHAREHOLDING



CONNECTIONS SHAREHOLDING



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1. Introduction

GHD completed work initially for Manawatu-Whanganui region councils in 2019/20 that developed initial thinking on three waters delivery options at a regional scale. This work was overtaken by government intentions on what at the time was an opt-in three waters reform programme. As a consequence, it did not reach a conclusion with regard to three waters operating models at regional scale.

The work programme established by the previous Government for three waters reform envisaged an Entity E comprising the Manawatu - Whanganui region councils, with operational commencement 1 October 2025. With the change of government in October 2023, a Water Services Repeal Bill was passed through Parliament in February 2024 which repealed the proposed entity restored council ownership and control.

In preparation for the likely return of water services responsibilities including asset ownership to local government, the Manawatu-Whanganui region councils commissioned GHD in late 2023 to explore potential models for collaboration and joint operating water services. Initial work was completed as 'Phase One' and key outputs included initial data collection and consolidation, workshop and development of a consolidated risks and issues matrix. These were developed as key inputs into joint working model options and their assessment.

Following the announcement of the Government's legislation and proposed 'Local Water Done Well' programme, the Manawatu-Whanganui region councils agreed to reshape the existing programme of works into a wider project brief.

1.1 Purpose and scope of this report

The agreed purpose of the Manawatu-Whanganui Three Waters – Regional CCO Project ("Regional CCO Project") is: "to equip Chief Executives and Elected Members with sufficient information to make an informed decision as to whether they would recommend to their individual councils to proceed with some form of regional asset-owning Council Controlled Organisation for the future delivery of Three Waters services, or not".

In doing so, the overall Regional CCO Project brief developed by the region comprised a wider programme incorporating:

1. Decision-making criteria
2. Base line assessment of current service delivery
3. High level modelling of a CCO model
4. Recommendation and decision-making

The Manawatu-Whanganui region councils were tasked with package components 1, 2 and 4 whilst GHD role was to progress the high-level financial modelling component of package 3, termed 3.1. The scope of the sub package 3.1 high level financial modelling package comprised:

Development of a high-level financial model incorporating:

- Draft Long-Term Plan (LTP) data
- Estimated efficiencies
- New costs relating to establishment and economic regulation costs
- Estimated tariffs and cost normalisation
- Sensitivity testing for assumptions and for inclusion/exclusion of the PNCC wastewater treatment plant
- Reporting through the high-level financial model and a summary word document

GHD was also engaged to capture potential ways that shareholding in any proposed CCO could be allocated among the councils by developing ownership options.

Accordingly this report captures the work completed for stage three, sub package 3.1 and the ownership options; consolidating the financial modelling and its outputs, covering the summary scenarios for high-level assumptions testing, and the testing of different combinations of councils to be included in the CCO.

It is expected that the outputs from this work will be utilised by the Regional CCO Project Team in their broader council project reporting.

2. High-Level Financial Model Overview

To achieve the goals of the Regional CCO Project, the financial model took information from each council's ten-year funding impact statements for stormwater, wastewater and drinking water. These financials were combined with assumptions for costs and efficiency savings were then used to determine the impact on each Council's rates per connection cost or debt position. These were then able to be contrasted with the status quo in which each council delivers services alone.

Key components in determining these scenarios included:

1. Approach to rates normalisation
2. Financial modelling inputs
3. Model assumptions

2.1 Approach to rates Normalisation

One of the key features of the model is that it implements rates normalisation, taking the current trajectory for rates per connection costs and equalising it across the CCO councils, coming to an equalised rates per connection cost by year ten. Year ten is reported in the scenarios to show the final year-ten impact of normalisation, and the average of the ten years of rates per connection costs; however, there are fluctuations in the between years that are worth understanding.

To this end, an example of the ups and downs of years one to nine are shown in **Figure 1** and **Figure 2**. These graphs show the variation in rates per connection costs between councils in the status quo, compared with the normalised rates per connection cost for a PNCC Pays Scenario (**Figure 1**) and a CCO Pays Scenario (**Figure 2**).

1. Rates normalisation for Palmerston North wastewater treatment plant excluded from CCO (PNCC Pays)



Figure 1 Rates normalisation for Palmerston North wastewater treatment plant excluded from CCO

2. Rates normalisation for Palmerston North wastewater treatment plant included in CCO



Figure 2 Rates normalisation for Palmerston North wastewater treatment plant included in CCO

It is worth noting that PNCC is always assumed as paying for its WWTP in the Status Quo, as this cost will accrue to ratepayers whether it is funded by Council, or by IFF/CIP funding recouped via a levy collected on behalf of central government.

2.2 Financial Modelling Inputs

There are several levers available in the model that allow for scenario analysis:

- Include or exclude Councils from the CCO
- Designate efficiency rates for capex and opex
- Determine transition costs and interest rates
- Test sensitivities between conservative, mid-point and optimistic scenarios.
- Allocate net cost increases (or savings) to rates or debt
- Determine a DCs collection policy, with options to change this to cover capex spend on additional demand or a percentage of total capex.
- Include or exclude the PNCC WWTP from the CCO.

Consideration should be given to the fact that the regulator will be focused on cost as part of price path consideration.

2.3 Model Inputs and Assumptions

Several assumptions have been made for the purposes of the financial model to work toward outputs that enable a high-level comparison between councils and account for significant savings and costs associated with the establishment and continued operation of a CCO for the Manawatū-Whanganui region. These assumptions were developed in conjunction with the Regional CCO Project Team to provide a tailored and relevant foundation for the model.

Like-for-like Comparison

The most important assumption to state up front is that this high-level model is designed to aid in decision making and as such it is not designed to prescribe the rates bill that each ratepayer should receive. Instead, it expresses the total increases or decreases in net costs resulting from different scenarios as a cost per connection to present easily comparable sets of data representing the order of magnitude of change that each council will face as a result of joining a CCO.

Efficiency and Cost Assumptions

- The net efficiency savings will not all occur in the first year, with zero savings in the first year, followed by a linear growth toward full efficiency savings in year ten.
- For current high-level modelling purposes, the model assumes general net savings ratios rather than specific efficiency items.
- General net savings and costs expected can be applied based on experience here and overseas. For example, savings and costs ratios applied in this model are based on NZ experience – Waikato, Hawkes Bay, Watercare, scaled down based on feedback from the Regional CCO Project Team, and are laid out in **Figure 3**.

	Conservative	Mid Point	Optimistic	Phasing
Opex Efficiency Savings	11%	13%	16%	Year 1 Zero, Year 2-10 straight line allocation
Capex Efficiency Savings	6%	8%	10%	Year 1 Zero, Year 2-10 straight line allocation
Transition Costs	17%	13%	10%	Years 1 – 5, based on a % of Opex
CCO Interest Assumption	+25 bp	Wtd Avg	-25 bp	

Figure 3 Efficiency, Cost and Interest Assumptions for the model

- The above **Figure 3** shows that the cost of implementing the transition is 13 percent of opex in the mid point assumptions, and that the interest rate will be the weighted average of the Status Quo derived interest rates in the model.

Inflation and Discounting

- All numbers for the Years 1-10 modelling, unless otherwise stated, are taken directly from the three 2024-2034 FISs for stormwater, wastewater and drinking water which are understood to be undiscounted but include inflation.

- All numbers for the Years 11-30 modelling, unless otherwise stated, are taken from the infrastructure strategies as they relate to stormwater, wastewater and drinking water or from detailed documents provided by each council. These are inflated at 3% per annum.

Model mechanics

- Finance costs are stripped out of the FISs to be treated separately by the model, allowing for variation in interest rates
- Increase (decrease) in debt is used in years 1-10 modelling, but not modelled after year ten as the model allocates the increased cost to either debt or rates per connection cost.
- Increase (decrease) in reserves is accounted for in years 1-10 modelling, but not modelled after year ten as it introduces an additional layer of complexity not required for this high-level financial model.
- Net costs and savings are assumed to be resolved (paid for or discount applied) within the year in which they are accrued.

Default Settings

- Default interest rates in the Scenarios are assumed to be the weighted average of the implied interest rates in the Status Quo.
- Regulation / Compliance Cost Treatment in the Scenarios is assumed to be 1.0% of Opex in the Status Quo plus a fixed fee for audit that is shared among the CCO members.
- Regulation / Compliance Cost Treatment in the Status Quo is assumed to be 1.5% of Opex in the Status Quo plus a fixed fee for audit that is paid by each council individually.
- Total connections are assumed to be the average of the individual connection numbers provided by the councils for stormwater, wastewater, and drinking water.
- The PNCC WWTP is currently assumed to be total capex value of \$450m over ten years.
- Consequential operational costs in years nine and ten relating to the PNCC WWTP have been excluded, as the infrastructure strategies do not provide consequential opex numbers and therefore it would not be a like-for-like comparison to include it for the ten-year modelling.
- PNCC is always assumed as paying for its WWTP in the Status Quo, as this cost will accrue to ratepayers whether it is funded by Council, or by IFF/CIP funding recouped via a levy collected on behalf of central government.

Data and Inputs

- Year 1-10 modelling captures the ten-year LTP period only through the FISs.
- Year 11-30 modelling captures the outer years by assuming consistent growth in all expense and revenue except capex, instead using the capex items from the infrastructure strategy and council-provided data to assess the impact of large projects after year ten.

3. Scenarios

The model has facilitated the production of a range of different scenarios and enables the illustration of this range. There are many significant factors that can be modelled, including:

- Differing combinations of council participation
- Palmerston North wastewater treatment plant inclusion or exclusion
- Debt vs rates impacts
- Conservative, mid point, and optimistic scenario testing.
- A combination of any of the above.
- The comparison of chosen scenarios with Status Quo benchmarks

The scenarios are structured in the report in two sets of combinations, summary scenarios for efficiency/cost testing, and council inclusion/exclusion combination testing.

3.1 Summary Scenarios

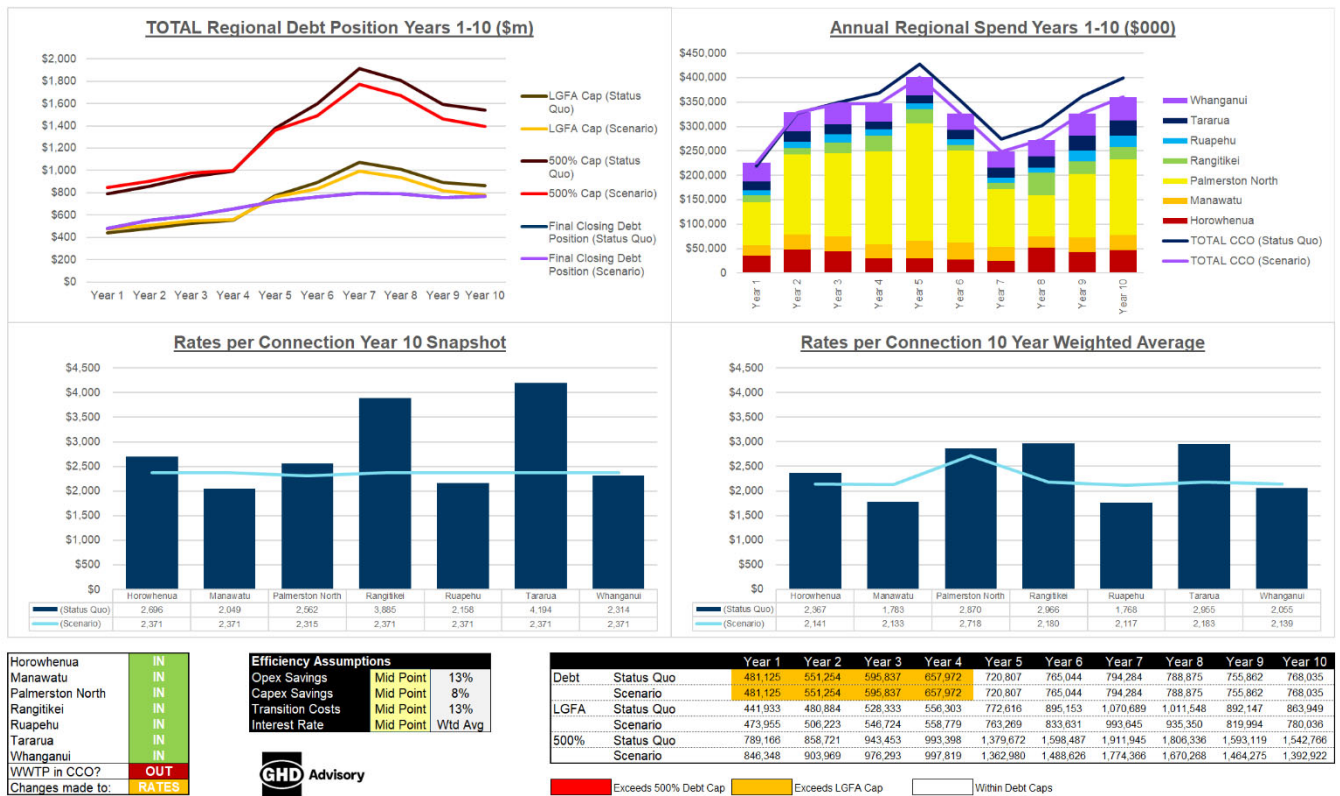
There are twelve scenarios to highlight the outputs of the model for decision making, at an all-inclusive CCO level.

The efficiency savings are then highlighted across conservative, mid-range and optimistic for each of these combinations of options. The scenarios presented in this section show the conservative costs and efficiency savings. See **Appendix A** for the full range of twelve scenarios.

The difference between the WWTP being in or out of the CCO is marginal, and so is considered to be included for the council inclusion/exclusion modelling.

Accordingly, the four scenarios shown here are:

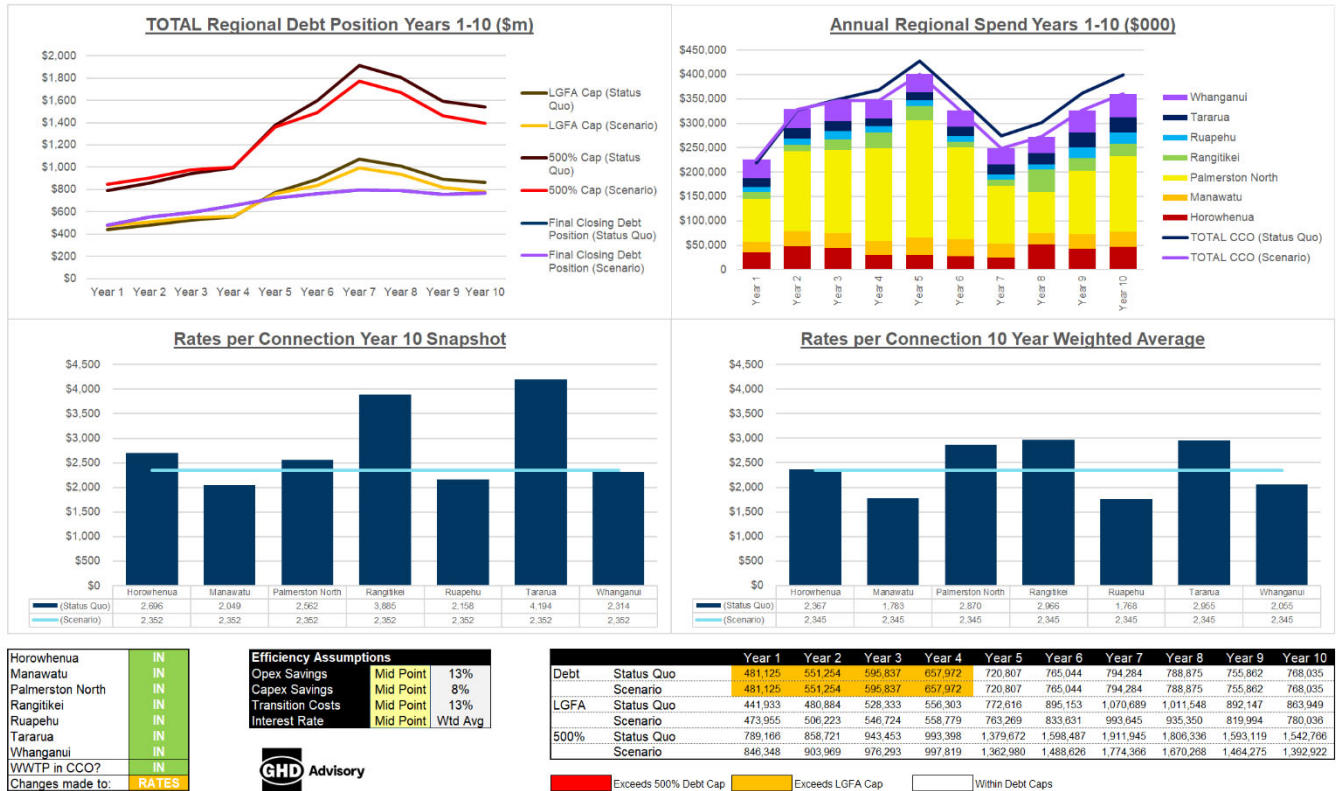
3.1.1 Keep Debt Equal (Change Rates), WWTP not in CCO (PNCC Pays), Mid Point Efficiency/Cost



This scenario shows that with the WWTP not in the CCO, and the total net costs or savings being allocated to rates, the debt position (top left) for both the Status Quo and the Scenario is above the LGFA Cap of 280% from year one but comes under this cap again in year five.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,371, while Palmerston North has a rates per connection cost of 2,315 as its capex for the WWTP has mostly been spent. On average over the ten years however (bottom right) the other CCO members have a rates per connection cost of between 2,117 and 2,183 in the scenario, while Palmerston North has a rates per connection cost of 2,718 which better reflects the cost of the WWTP in years three to nine.

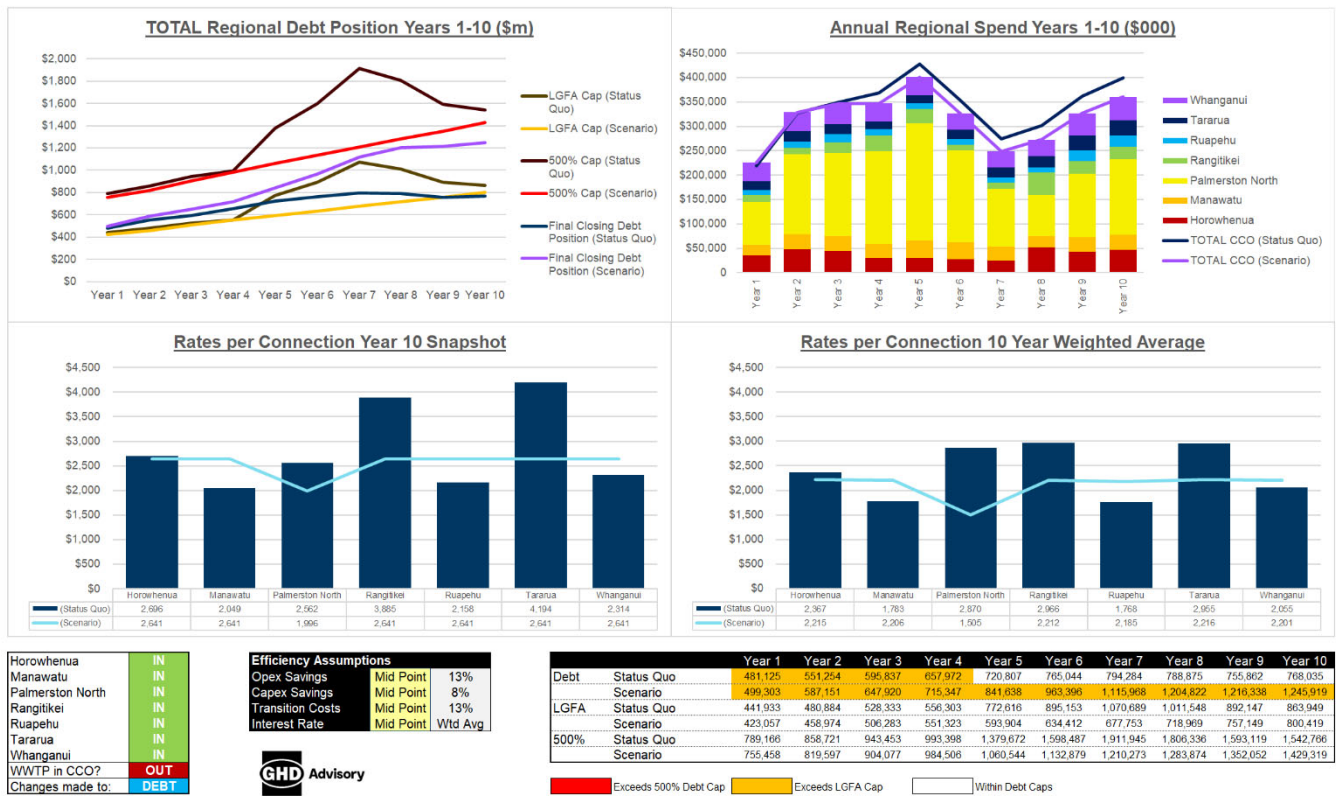
3.1.2 Keep Debt Equal (Change Rates), WWTP in CCO (All CCO Pays), Mid Point Efficiency/Cost



This scenario shows that with the WWTP in the CCO, and the total net costs or savings being allocated to rates, the debt position (top left) for both the Status Quo and the Scenario is above the LGFA Cap of 280% from year one but comes under this cap again in year five.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,352, including Palmerston North and its capex for the WWTP. On average over the ten years however (bottom right) the CCO members, including Palmerston North have a rates per connection cost of 2,345 which is slightly higher than in the WWTP out scenario, of between 2,117 and 2,183 due to the cost of the WWTP being included.

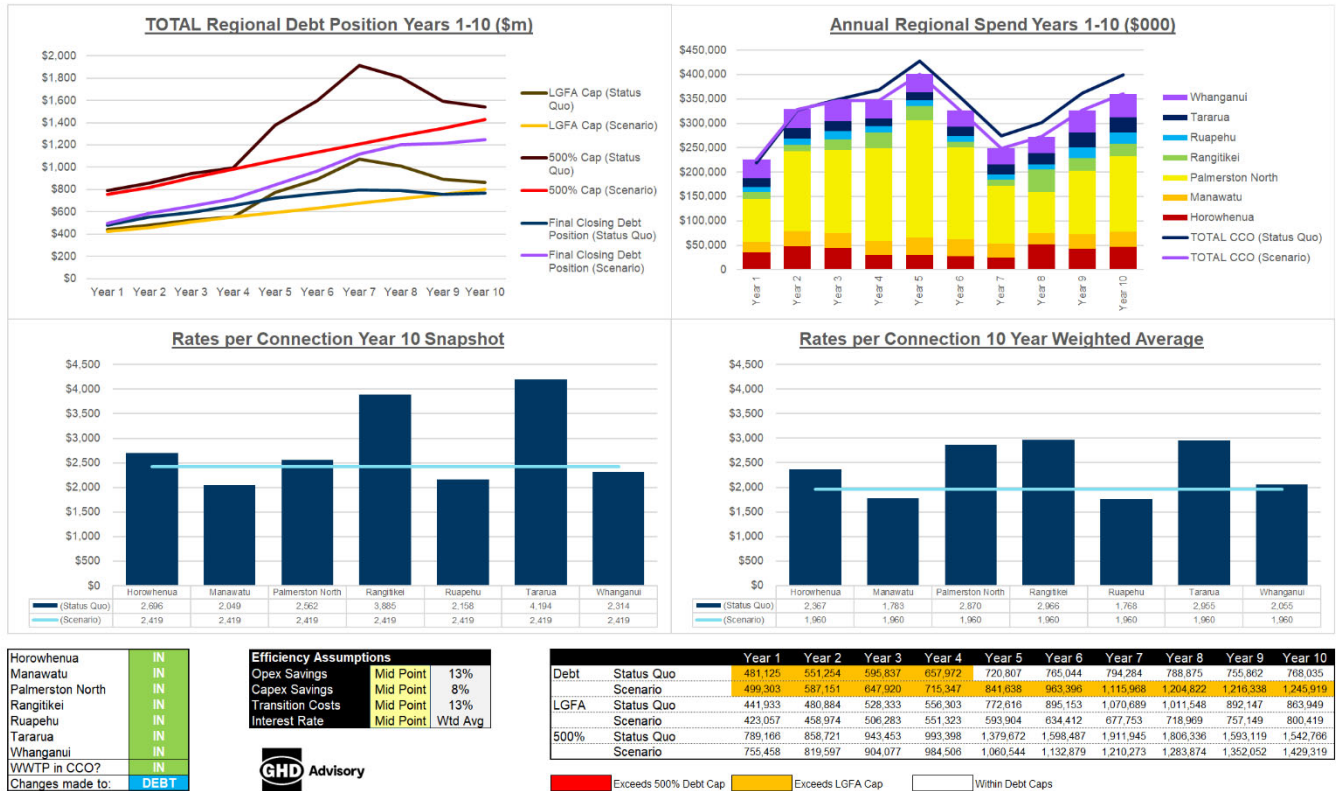
3.1.3 Keep Rates Equal (Change Debt), WWTP not in CCO (PNCC Pays), Mid Point Efficiency/Cost



This scenario shows that with the WWTP not in the CCO, and the total net costs or savings being allocated to debt, the debt position (top left) for the Status Quo is above the LGFA Cap of 280% from year one but comes under this cap again in year five. In the Scenario, the LGFA Cap is exceeded in each of the ten years, but debt remains below the 500% cap. This suggests that there is room to allocate a significant portion of the costs to debt should the debt cap be raised on establishment of a CCO. This would help flatten the rates per connection cost.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,641, while Palmerston North has a rates per connection cost of 1,996 as its capex for the WWTP has mostly been spent and the new costs are allocated to debt. On average over the ten years (bottom right) the other CCO members have a rates per connection cost of between 2,201 and 2,216 in the scenario, while Palmerston North has a rates per connection cost of 1,505. This is higher for the other CCO members than when allocated to rates in Scenario 1 because the efficiency savings (top right) are not attributed to rates, but to the debt position. It is lower for Palmerston North because the loss of efficiency savings is offset by the allocation of the WWTP capex to the debt position.

3.1.4 Keep Rates Equal (Change Debt), WWTP in CCO (All CCO Pays), Mid Point Efficiency/Cost



This scenario shows that with the WWTP in the CCO, and the total net costs or savings being allocated to debt, the debt position (top left) for the Status Quo is above the LGFA Cap of 280% from year one but comes under this cap again in year five. In the Scenario, the LGFA Cap is exceeded in each of the ten years, but debt remains below the 500% cap. This suggests that there is room to allocate a significant portion of the costs to debt should the debt cap be raised on establishment of a CCO. This would help flatten the rates per connection cost.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,419, including Palmerston North and its capex for the WWTP. On average over the ten years (bottom right) the other CCO members have a rates per connection cost of 1960 in the scenario, including Palmerston North. This is much lower than when allocated to rates in Scenario 2 because while the efficiency savings (top right) are not attributed to rates, the loss of these efficiency savings is offset by the allocation of the WWTP capex to the debt position.

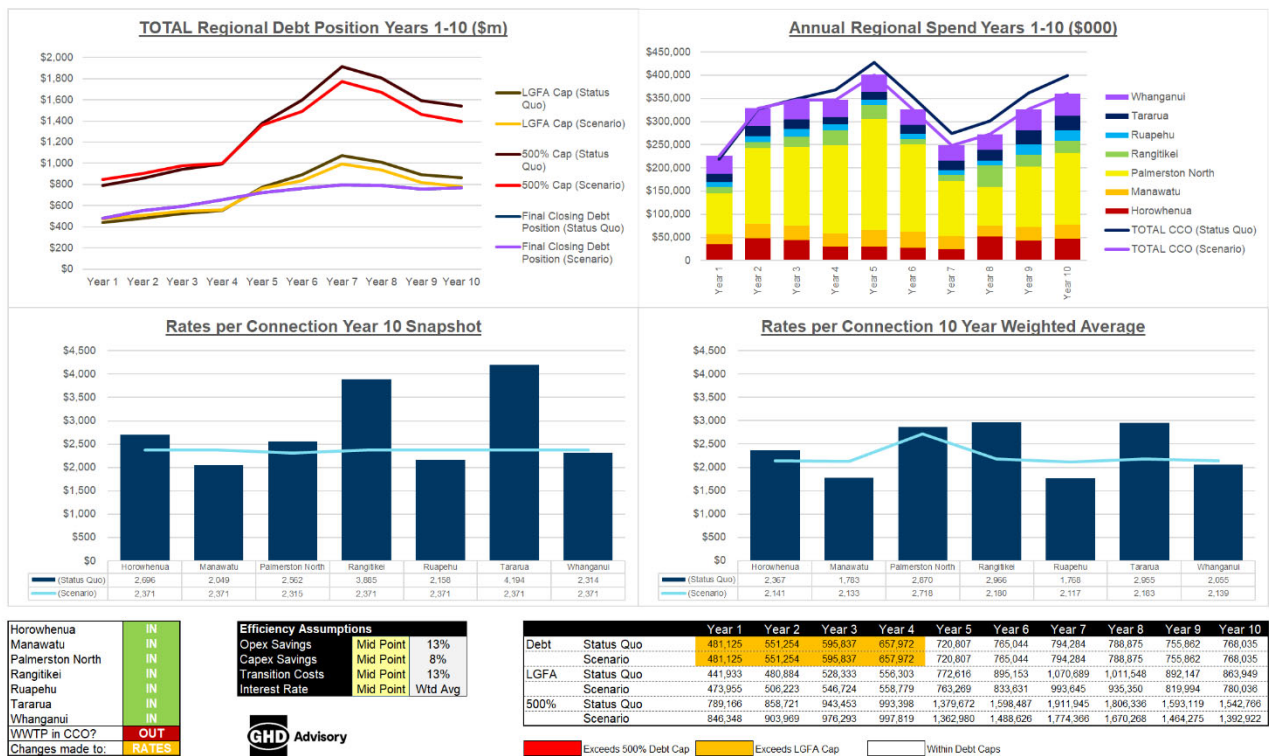
3.2 Council Inclusion/Exclusion Scenarios

There are sixteen scenarios to highlight the combinations of council participation in the CCO.

The impact to rates is shown across each of these combinations, to emphasise the impact of changes to the structure of the CCO. The scenarios presented in this section show the extremes of these changes. All scenarios are shown in **Appendix B**.

The four example scenarios shown here represent both ends of the continuum being all seven councils contrasted by one containing only three as follows:

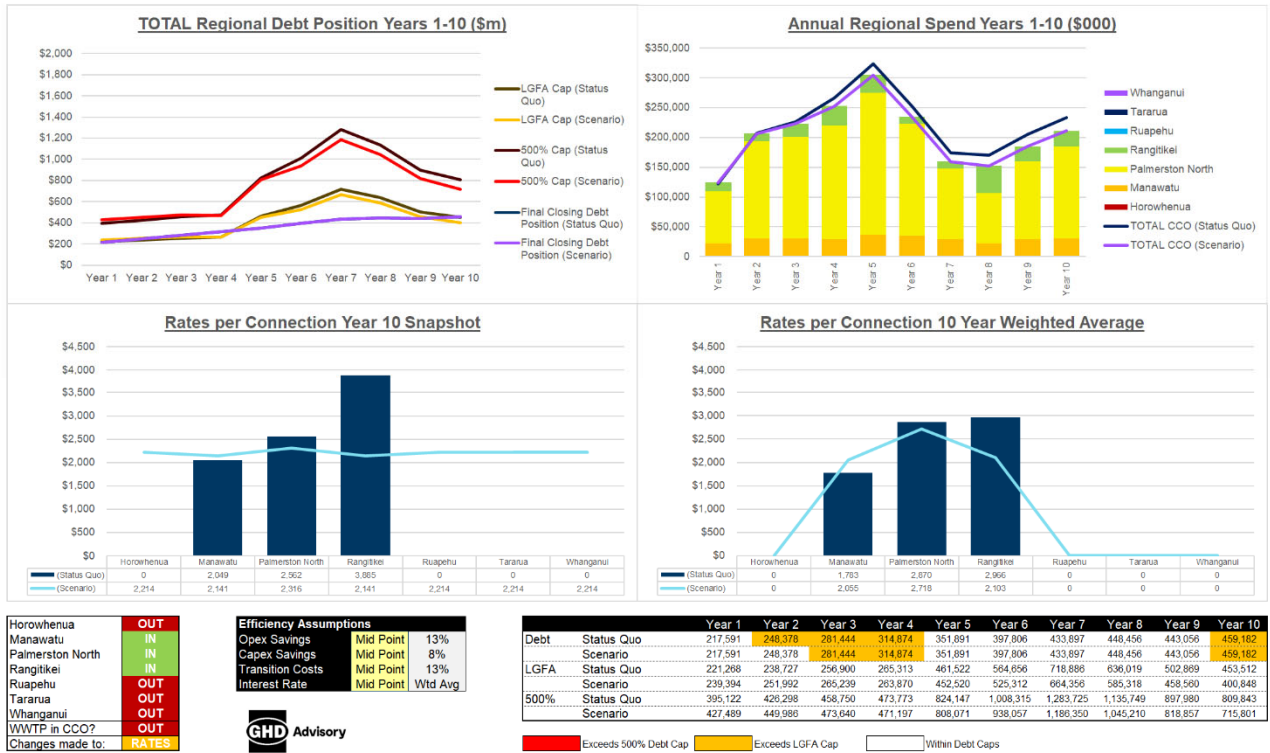
3.2.1 All seven councils participate in the CCO – WWTP not in CCO



This scenario includes all seven councils. It shows that with the WWTP not in the CCO, and the total net costs or savings being allocated to rates, the debt position (top left) for both the Status Quo and the Scenario is above the LGFA Cap of 280% from year one but comes under this cap again in year five.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,371, while Palmerston North has a rates per connection cost of 2,315 as its capex for the WWTP has mostly been spent. On average over the ten years however (bottom right) the other CCO members have a rates per connection cost of between 2,117 and 2,183 in the scenario, while Palmerston North has a rates per connection cost of 2,718 which better reflects the cost of the WWTP in years three to nine.

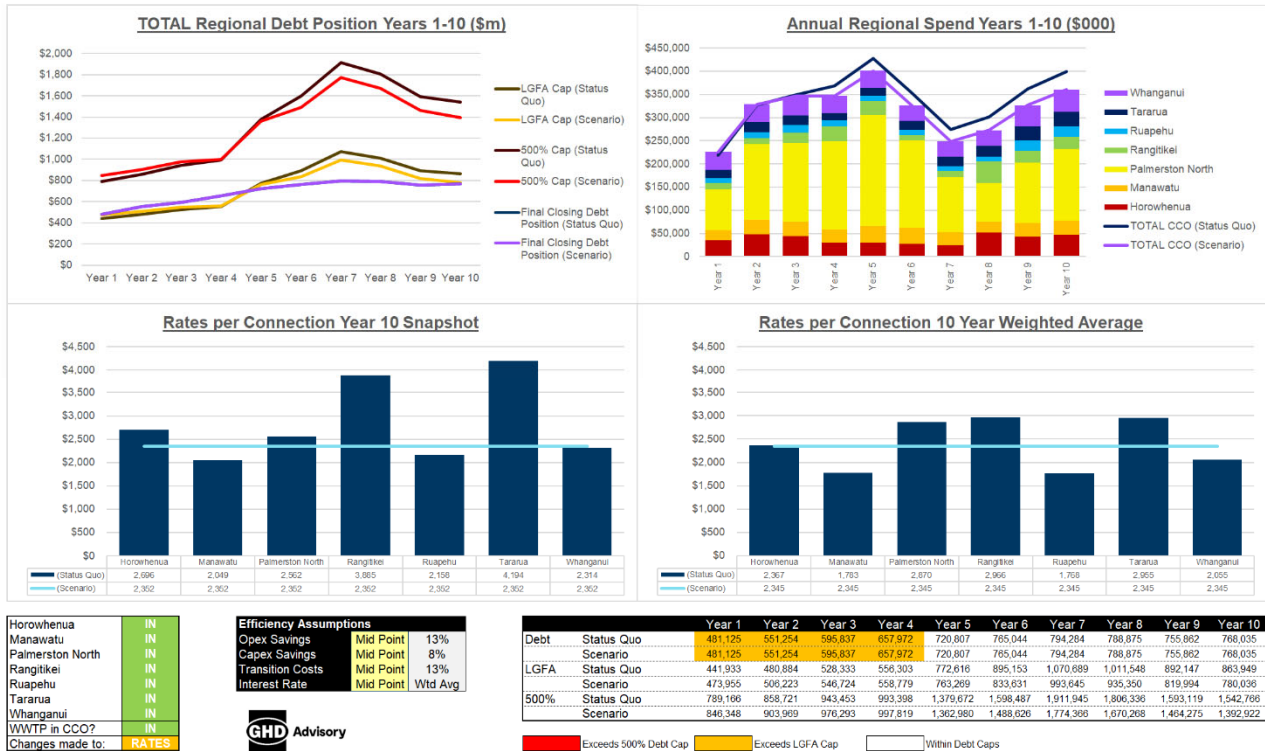
3.2.2 Only three councils participate in the CCO – WWTP not in CCO



This scenario excludes Horowhenua, Ruapehu, Tararua and Whanganui. It shows that with the WWTP not in the CCO, and the total net costs or savings being allocated to rates, the debt position (top left) for the Status Quo is within all debt caps in year one, above the LGFA Cap of 280% from year two, comes back under this cap in year five before exceeding it in year ten. This shows a relatively volatile debt cost across the three councils as a function of having a smaller ratepayer base over which the fluctuations can be spread. In the scenario, the debt levels are within all debt caps in years one and two before exceeding the LGFA debt cap in years three to four, coming back under the cap in year five and exceeding the cap in year ten. It is worth noting that the debt level remains below the 500% level over all ten years.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,141, while Palmerston North has a rates per connection cost of 2,316 as its capex for the WWTP has mostly been spent. On average over the ten years however (bottom right) the other CCO members have a rates per connection cost of between 2,055 and 2,103 in the scenario, while Palmerston North has a rates per connection cost of 2,718 which better reflects the cost of the WWTP in years three to nine.

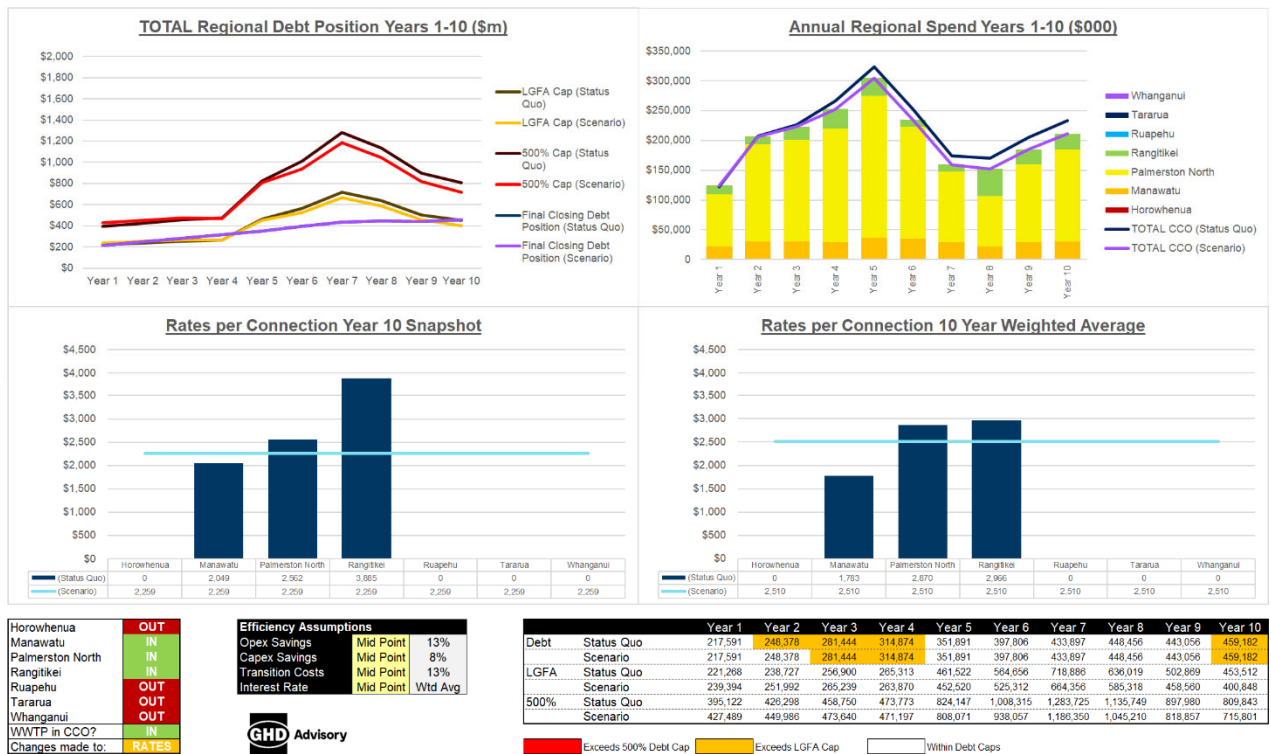
3.2.3 All seven councils participate in the CCO – WWTP in CCO



This scenario includes all seven councils. It shows that with the WWTP in the CCO, and the total net costs or savings being allocated to rates, the debt position (top left) for both the Status Quo and the Scenario is above the LGFA Cap of 280% from year one but comes under this cap again in year five.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,352, including Palmerston North and its capex for the WWTP. On average over the ten years however (bottom right) the CCO members, including Palmerston North have a rates per connection cost of 2,345 which is slightly higher than in the WWTP out scenario, of between 2,117 and 2,183 due to the cost of the WWTP being included.

3.2.4 Only three councils participate in the CCO – WWTP in CCO



This scenario excludes Horowhenua, Ruapehu, Tararua and Whanganui. It shows that with the WWTP in the CCO, and the total net costs or savings being allocated to rates, the debt position (top left) for the Status Quo is within all debt caps in year one, above the LGFA Cap of 280% from year two, comes back under this cap in year five before exceeding it in year ten. This shows a relatively volatile debt cost across the three councils as a function of having a smaller ratepayer base over which the fluctuations can be spread. In the scenario, the debt levels are within all debt caps in years one and two before exceeding the LGFA debt cap in years three to four, coming back under the cap in year five and exceeding the cap in year ten. It is worth noting that the debt level remains below the 500% level over all ten years.

In the tenth year (bottom left), the CCO has a rates per connection cost of 2,259, including Palmerston North and its capex for the WWTP. On average over the ten years however (bottom right) the CCO members, including Palmerston North have a rates per connection cost of 2,510 which is slightly higher than in the WWTP out scenario, of between 2,055 and 2,103 due to the cost of the WWTP being included.

3.3 Rates per Connection cost by Council

These two graphs expand on the point made in **Section 2.1**, detailing the extent to which the rates normalisation affects the year 1-10 rates per connection cost. Each bar represents the rates per connection cost of a single year. These bars are grouped into ten bar groupings, showing the year 1-10 rates per connection costs. Each Council then has two groups of ten bars, labelled as 'status quo' and 'scenario' to show the difference between the status quo and the PNCC Pays scenario (**Figure 4**) and between the status quo and the CCO Pays scenario (**Figure 5**). The absorption of the WWTP costs in the latter is evident in the shape. As the rates have been normalised, the year ten rates in the CCO Pays Scenario are the same for every council.

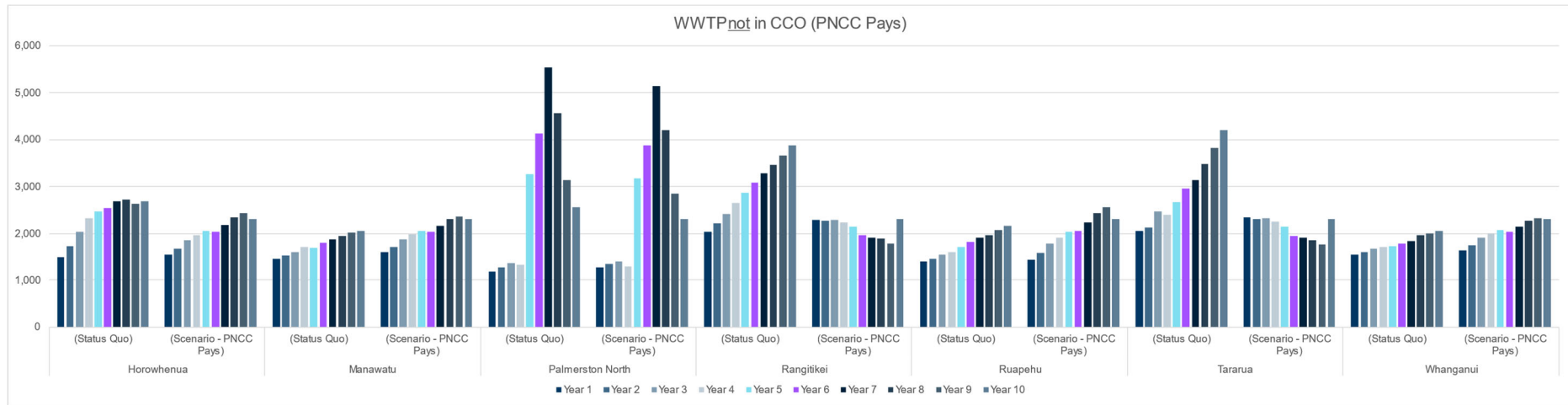


Figure 4 Years 1-10 rates impacts for all councils in PNCC Pays scenario

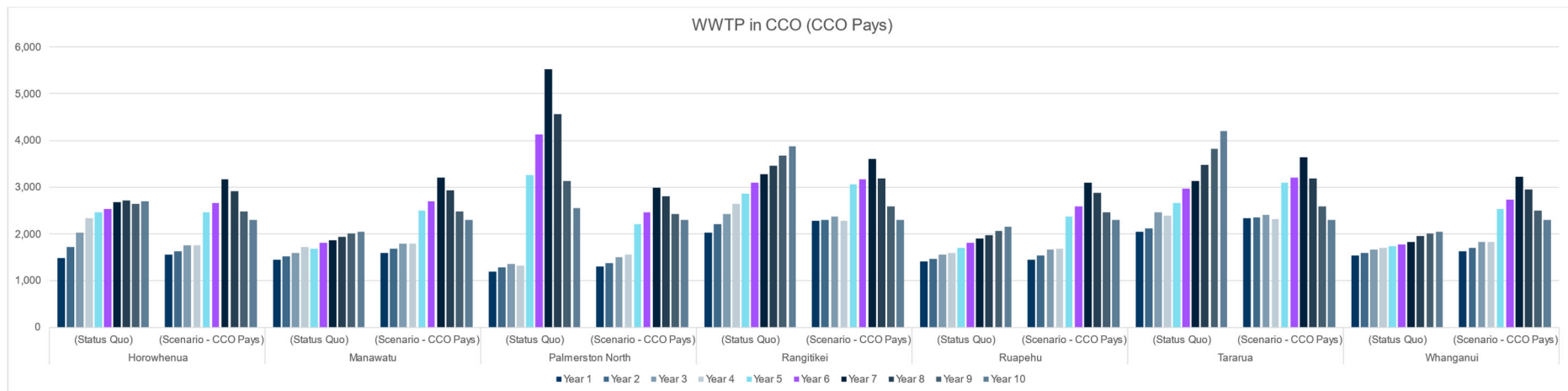


Figure 5 Years 1-10 rates impacts for all councils in CCO Pays scenario

3.4 Minimum Tariff Scenario

Following the Watercare establishment model, a further scenario was developed to assess the shortfall of a minimum tariff scenario in which all members of the CCO charge tariffs equal to the lowest tariff in the region. The results show an immediate shortfall of \$25 million in year one, peaking at \$165 million in year seven¹ suggesting that this model is not suitable for the context of a Manawatū-Whanganui regional CCO.

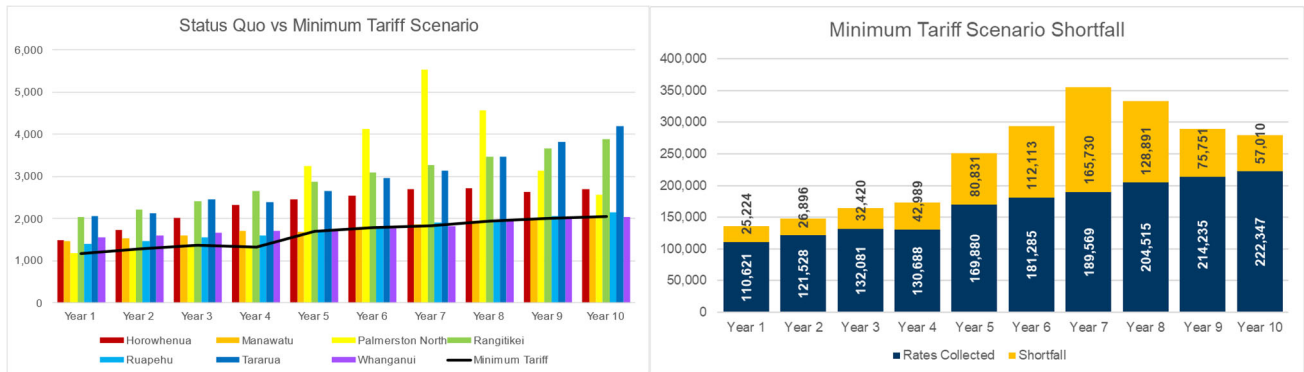


Figure 6 Minimum tariff graphs - status quo vs minimum tariff and minimum tariff shortfall

The first four years show that Palmerston North has the lowest tariffs prior to the implementation of the WWTP, with Whanganui having the lowest tariffs afterwards. This suggests that the large population bases of each are a large player in the ability to keep rates down. Conversely, the geographic spread of other councils combined with the lower ratepayer base results in increased costs per connection.

¹ Note that the shortfall figures are **not** cumulative and therefore only apply to the year in which they are realised.

4. Extending the model: years 11-30

Many large capital projects currently sit outside the 10-year LTP period, meaning the analysis needed to be extended to assess the impact across all councils.

4.1 Data challenges Years 11-30

Notwithstanding the limitations in section 10 below, there were some challenges with regard to the data provided which are worth mentioning.

Differences in data provided from infrastructure strategies meant that some data had to be interpreted, while other data was provided in an itemised spreadsheet. Palmerston North is therefore overstated in their capital spending having provided comprehensive data, and other councils are likely to be understated.

Unless the infrastructure strategy stated explicitly that numbers were inflated, we applied the PNCC inflation rates for years 11-30.

Further items worth considering regarding data reliability include:

- Zero growth (capex to meet additional demand) in Rangitikei LTP years 1-10 result in zero baseline capex to meet additional demand for years 11-30.
- Zero growth (capex to meet additional demand) in Ruapehu LTP years 5-10 result in zero baseline capex to meet additional demand for years 11-30.
- Zero growth (capex to meet additional demand) in Whanganui LTP years 7-10 result in zero baseline capex to meet additional demand for years 11-30.
- Zero growth (capex to improve level of service) in Ruapehu LTP years 9-10 results in potentially low capex to improve level of service in years 11-30.
- As per **Figure 7** below, councils largely expect to accrue revenue in line with, or above expenditure. This also highlights some of the data challenges mentioned below, particularly the zero figures in capex 'to meet additional demand' in the latter years of the LTP period for Rangitikei, Ruapehu and Whanganui, which may understate the expense line.

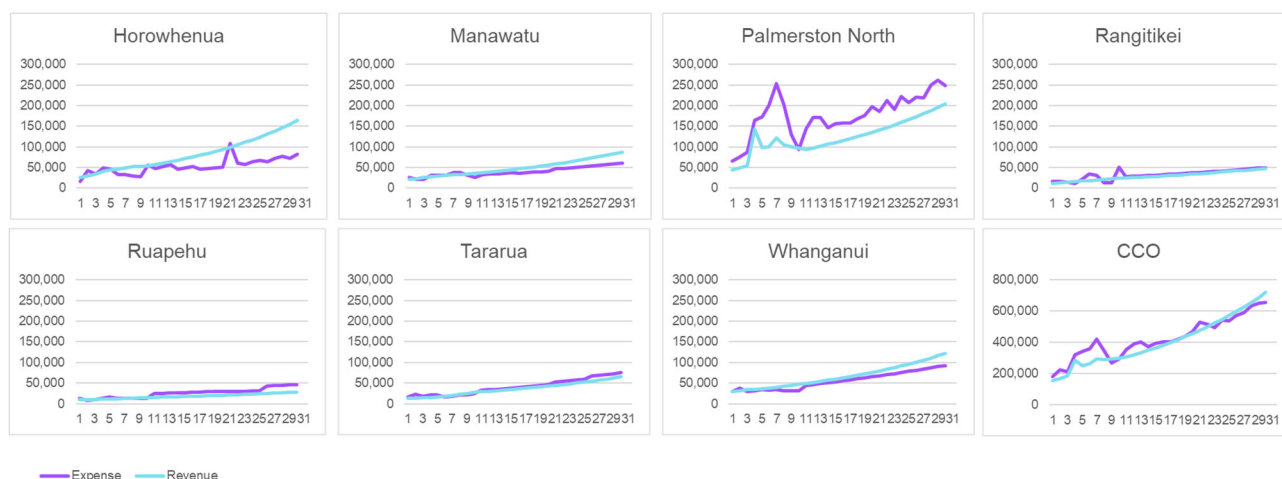


Figure 7 Revenue vs Expense by Council and Total CCO

4.2 Modelling Years 11-30

Year 4 was included as a comparator to the years 10, 20 and 30 status quo and scenarios, and sits as the first bar in each cluster as an indicator of the start of the CCO in a functional way.

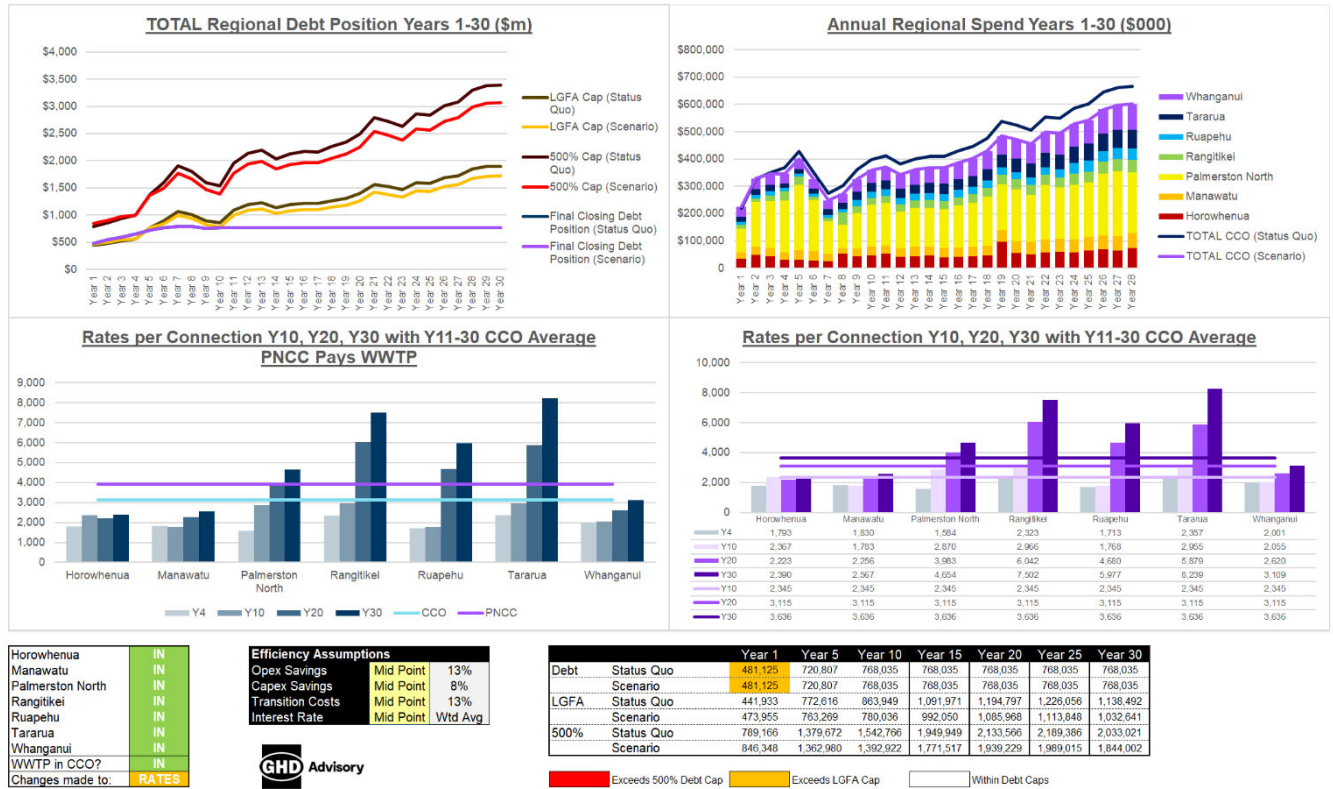


Figure 8 Years 11-30 Dashboard

The Total regional debt position graph (top left) shows flatline debt levels from year 11 to year 30. This is a function of the model option to keep debt equal and distribute net changes to ratepayers, but also shows, given the debt caps continuing to increase, that there is substantial headroom in the later years to flatten the rates curve by attributing some of the cost increases to debt once the initial exceedance of the LGFA debt cap of 280% in this initial years.

Annual Regional Spend (top right) shows the Total CCO position and subsequent savings in the Scenario as two lines, with the composition of the Scenario spend being split out for each council. It is interesting to note the increase in the percentage of total spend shown by Taranua and Horowhenua and this highlights the benefit of looking at infrastructure investment over a longer time scale.

Looking at the CCO Pays (bottom right) scenario, net beneficiaries and contributors largely remain the same between the three periods, with the exception of Ruapehu moving from being a net contributor in year 10 to a net beneficiary in years 20 and 30. Another key finding is that the marginal difference between year 20 and year 30 rates is quite small.

The PNCC Pays (bottom left) scenario shows the status quo rates for years 4, 10, 20 and 30 and how they compare against the average for years 11-30 (the entire long-term period). The purple line shows the rates per connection cost for PNCC in the WWTP out scenario, and the blue line shows the rates per connection cost for the other councils in the CCO in the WWTP out scenario. This is substantial in the thirty-year modelling, especially when compared to the ten-year modelling which showed less of a gap.

This again highlights the importance of long-term modelling and suggests that there is a case for sharing the load, as Figure 8 below shows in more detail. These graphs take the difference between what each council's rates per connection cost would have been in the status quo and the CCO rates per connection cost. This difference is then listed as a dollar figure (left), and compared as a percentage of the Status Quo tariff (right) to show the magnitude of beneficiaries and contributors, as well as the magnitude change to status quo rates.

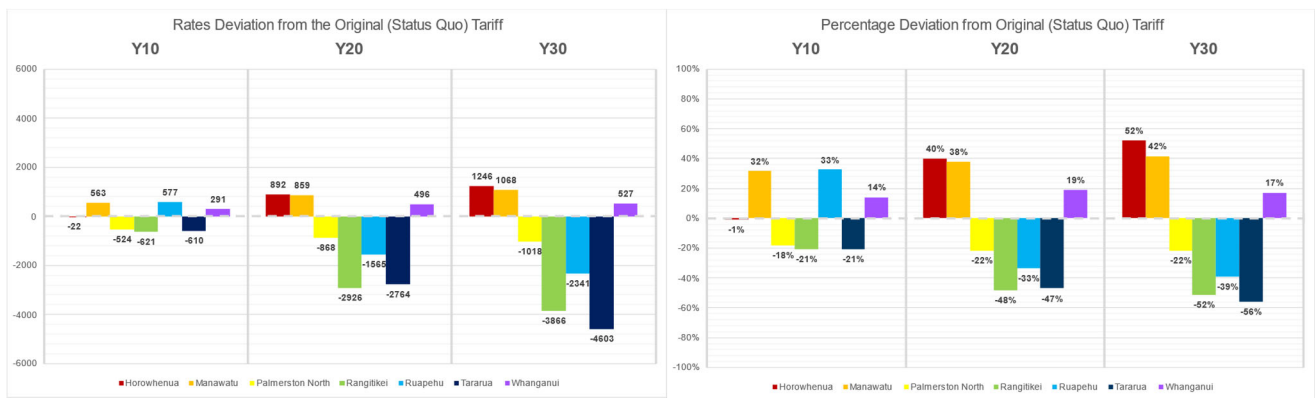


Figure 9 Change in rates as a dollar figure (left) and as a percentage change relative to status quo tariff (right)

By way of example, Ruapehu District Council in year ten sees a rates increase of 577 on what it would have charged in year ten had it gone by itself. This is 33% higher than its status quo rates in year ten. This changes in year 20, as Ruapehu sees a 1,565 reduction in the rates per connection cost that it would have otherwise charged in year 20. This is 33% lower than its status quo rates in year twenty. Finally, in year 30, Ruapehu has a 2,341 reduction in the rates per connection cost that it would have charged in year 30 had it gone alone. This represents a 39% reduction compared to the amount that it would have charged in year 30.

As a rule, beneficiaries show benefits increasing at a faster rate than contributors show increased contributions over time which is a positive projection. The exception to the rule is Horowhenua

With regard to the distribution of tariffs across the councils, a potential solution to mitigate the variation in the tariff differences would be to normalise them over the thirty-year period (both benefits and contributions scale down, over time to reach a more equitable outcome).

However, the variations in year 10 are lower than in years 11-30. This means that the amount councils are benefiting or contributing becomes larger between the 10-, 20- and 30-year graphs. However, as per the note on data challenges above, the 10-year picture is likely to be more accurate. This is because the data challenges mentioned earlier mean the data for years 11-30 are less reliable than the data for years 1-10, and therefore the conclusions are also less certain.

The conclusion of this is that the earlier figures in years 1-10 are more likely to reflect reality, while longer term projections should be interpreted carefully due to the uncertainty with both the data and the longer timeframe.

5. Shareholding Options

GHD were asked to capture potential ways that shareholding in any proposed CCO could be allocated among the councils. This work highlighted several ways to establish shareholding allocations. These included:

- Capital value
- Land value
- Population
- Number of connections
- Volume of water processed
- Asset values
- Equity (asset value less debt)
- A combination of the above
- Equal shares

The most common applications for shareholding that have been implemented around the local government sector appear to be:

1. Regional facilities which are often based on a combination of capital value and population
- Commercial CCO proposals being based on the equity combination (Asset value less debt)

For illustration purposes, GHD has produced three combinations of shareholding options in **Table 1** and **Figure 10** below:

Table 1 Breakdown of shareholding options

	Horowhenua	Manawatū	Palmerston North	Rangitikei	Ruapehu	Tararua	Whanganui
Assets	396,143	511,348	770,764	262,548	104,377	158,356	661,503
Debt	72,892	58,656	78,752	45,676	35,304	45,710	101,411
Net Assets	323,251	452,692	692,012	216,872	69,073	112,646	560,092
Equity Shareholding	13.32%	18.66%	28.52%	8.94%	2.85%	4.64%	23.08%
Capital Value	14,990,421	15,992,733	33,018,000	4,126,204	5,743,053	9,307,905	15,488,757
Shareholding	15.19%	16.21%	33.46%	4.18%	5.82%	9.43%	15.70%
Population	38,159	34,898	91,800	16,268	13,166	19,200	49,331
Shareholding	14.52%	13.28%	34.93%	6.19%	5.01%	7.31%	18.77%
CV-Population mix Shareholding	14.86%	14.74%	34.20%	5.19%	5.42%	8.37%	17.23%
Connections	13,700	8,611	30,140	4,863	5,118	5,886	17,116
Connections Shareholding	16.04%	10.08%	35.28%	5.69%	5.99%	6.89%	20.03%

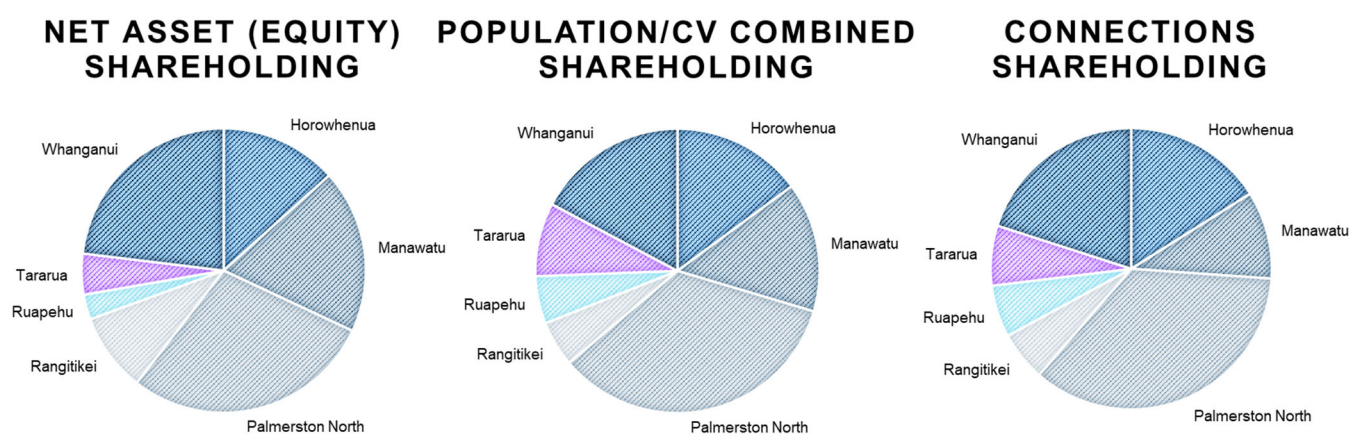


Figure 10 Comparative shareholding options

6. Limitations

This report has been prepared by GHD for Palmerston North City Council acting as client on behalf of the Manawatu-Whanganui Councils (M-W Councils) and may only be used and relied on by M-W Councils for the purpose agreed between GHD and Palmerston North City Council as set out in section 1.1 of this report.

GHD otherwise disclaims responsibility to any person other than Palmerston North City Council acting as client on behalf of the M-W Councils arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report (refer section(s) 2.3 of this report). GHD disclaims liability arising from any of the assumptions being incorrect.

High-Level Financial Model

GHD has prepared the High-Level Financial Model ("Model") for, and for the benefit and sole use of, M-W Councils to support Chief Executives and Elected Members to make an informed decision as to whether they would recommend to their individual councils to proceed with some form of regional asset-owning Council Controlled Organisation for the future delivery of Three Waters services, or not and must not be used for any other purpose or by any other person.

The Model is a representation only and does not reflect reality in every aspect. The Model contains simplified assumptions to derive a modelled outcome. The actual variables will inevitably be different to those used to prepare the Model. Accordingly, the outputs of the Model cannot be relied upon to represent actual conditions without due consideration of the inherent and expected inaccuracies. Such considerations are beyond GHD's scope.

The information, data and assumptions ("Inputs") used as inputs into the Model are from publicly available sources or provided by or on behalf of the M-W Councils, (including possibly through stakeholder engagements). GHD has not independently verified or checked Inputs beyond its agreed scope of work. GHD's scope of work does not include review or update of the Model as further Inputs becomes available

The Model is limited by the mathematical rules and assumptions that are set out in the Report or included in the Model and by the software environment in which the Model is developed.

The Model is a customised model and not intended to be amended in any form or extracted to other software for amending. Any change made to the Model, other than by GHD, is undertaken on the express understanding that GHD is not responsible, and has no liability, for the changed Model including any outputs.

Accessibility of documents

If this report is required to be accessible in any other format, this can be provided by GHD upon request and at an additional cost if necessary.

Appendix A

Summary Scenarios

Summary Scenarios

This section shows all twelve scenarios mentioned in **section 3.1**.

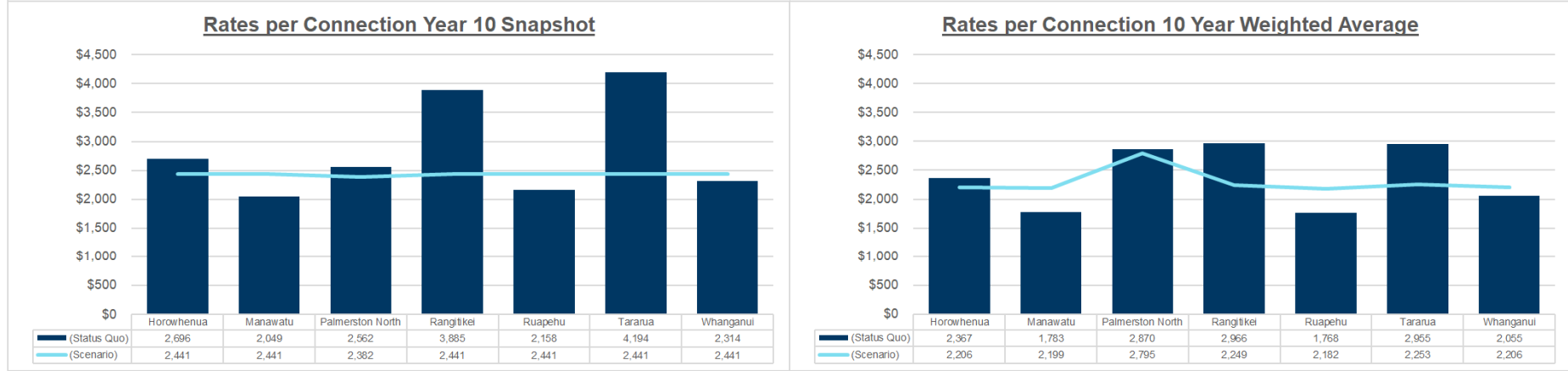
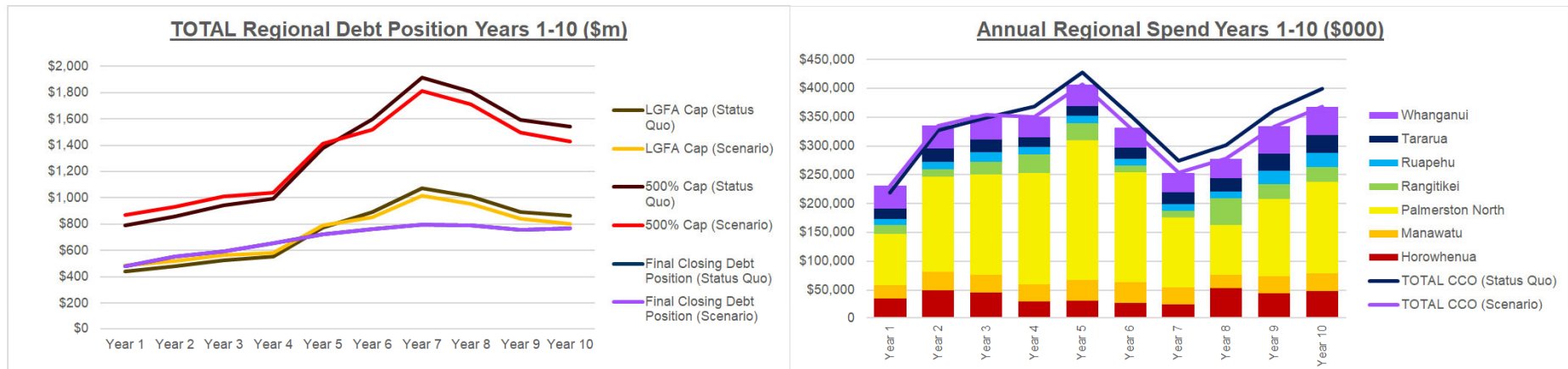
Scenarios 1-6 assume that all changes in cost/efficiencies are applied to the total tariff, leaving debt equal.

Scenarios 7-12 assume that all changes in cost/efficiencies are applied to the debt line, leaving rates equal.

These two sets of scenarios also show the effect of the CCO taking on the cost of the Wastewater Treatment Plant (Scenarios 1-3, 7-9), or Palmerston North Ratepayers taking on the cost of the Wastewater Treatment Plant (Scenarios 4-6, 10-12).

Efficiency Savings Effect	WWTP Treatment	Conservative	Mid range	Optimistic
Keep Debt Equal (Change Rates)	Paid by PNCC (not included in the CCO)	1	2	3
Keep Debt Equal (Change Rates)	Paid by CCO (included in the CCO)	4	5	6
Keep Rates Equal (Change Debt)	Paid by PNCC (not included in the CCO)	7	8	9
Keep Rates Equal (Change Debt)	Paid by CCO (included in the CCO)	10	11	12

Scenario 1 – WWTP not in CCO (PNCC Pays) – Keep Debt Equal (Change Rates) – Conservative



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

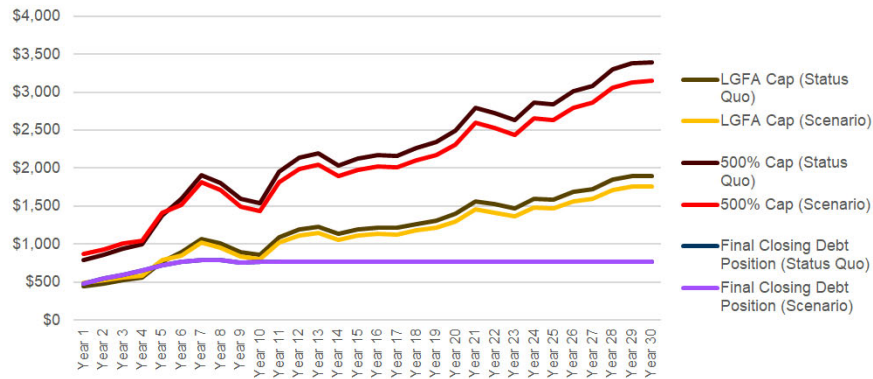
Efficiency Assumptions		
Opex Savings	conservative	11%
Capex Savings	conservative	6%
Transition Costs	conservative	17%
Interest Rate	conservative	+25 bp



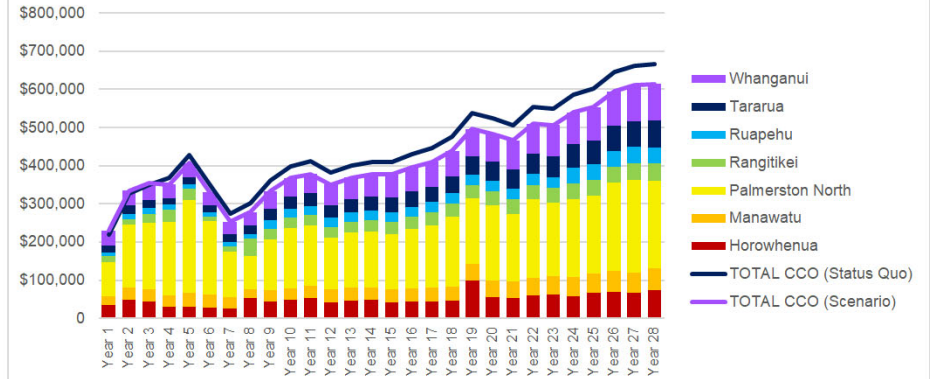
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	487,680	522,277	565,123	581,743	789,958	851,697	1,015,514	956,397	838,992	801,038
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	870,858	932,638	1,009,148	1,038,826	1,410,639	1,520,887	1,813,417	1,707,852	1,498,200	1,430,424

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

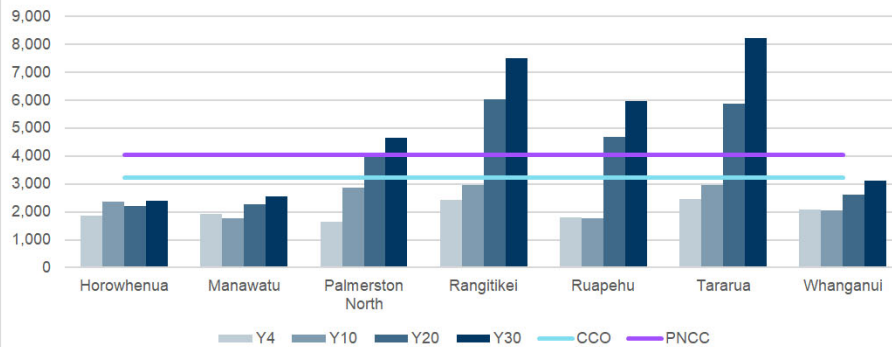
TOTAL Regional Debt Position Years 1-30 (\$m)



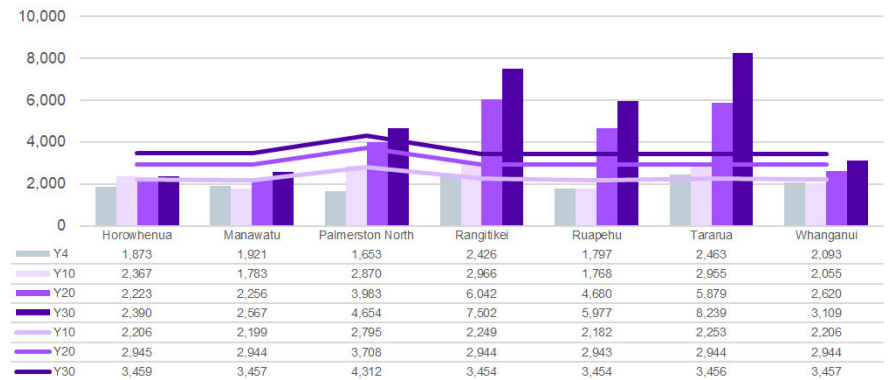
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

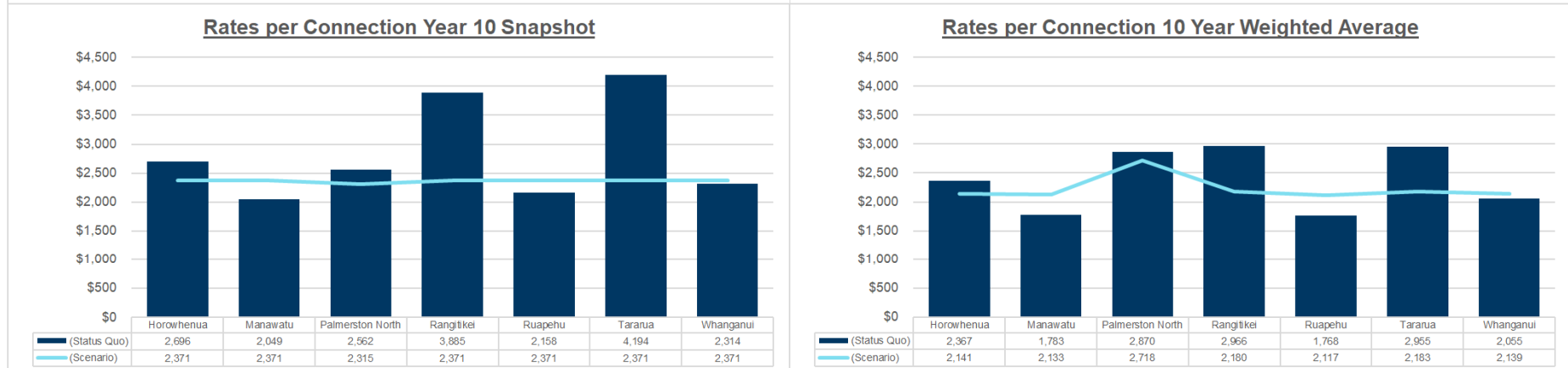
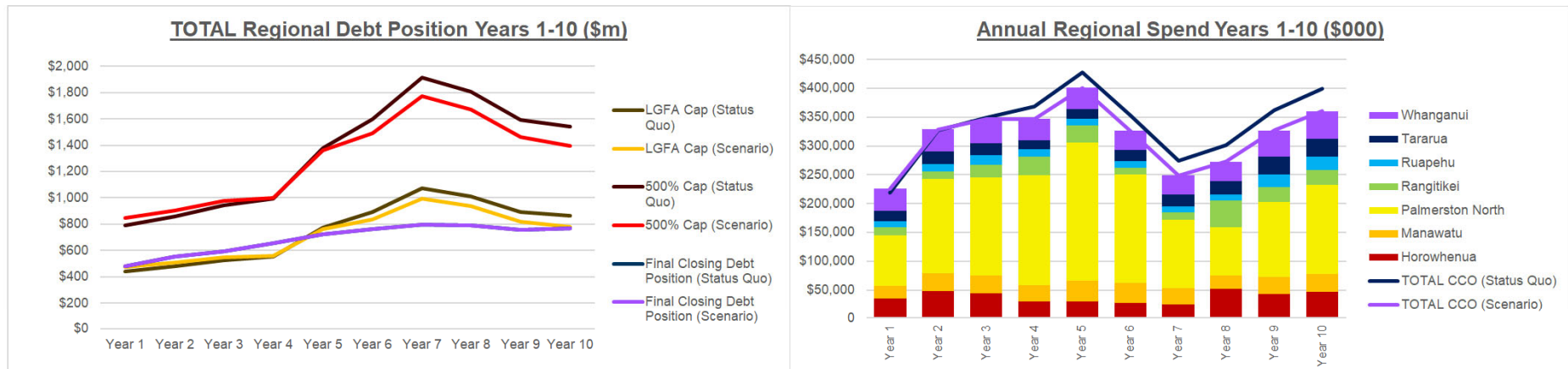
Efficiency Assumptions		
Opex Savings	Conservativ	11%
Capex Savings	Conservativ	6%
Transition Costs	Conservativ	17%
Interest Rate	Conservativ	+25 bp



Debt	Status Quo	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
		481,125	720,807	768,035	768,035	768,035	768,035	768,035
	Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA	Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,136,492
	Scenario	487,680	789,958	801,038	1,018,224	1,114,315	1,142,849	1,059,789
500%	Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
	Scenario	870,858	1,410,639	1,430,424	1,818,257	1,989,848	2,040,801	1,892,480

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 2 – WWTP not in CCO (PNCC Pays) – Keep Debt Equal (Change Rates) – Mid Range



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

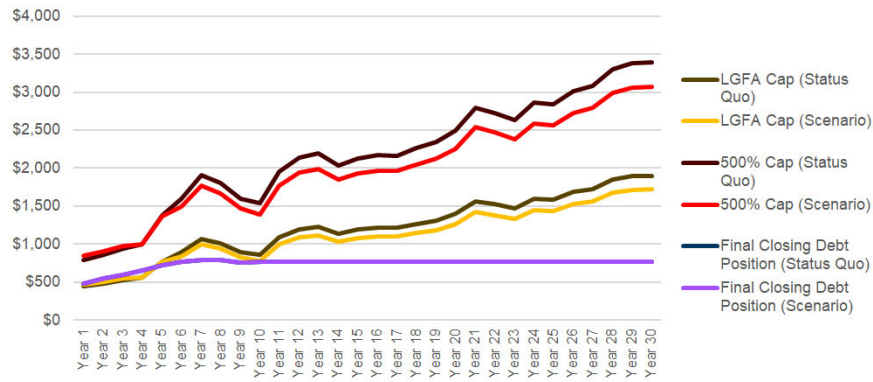
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



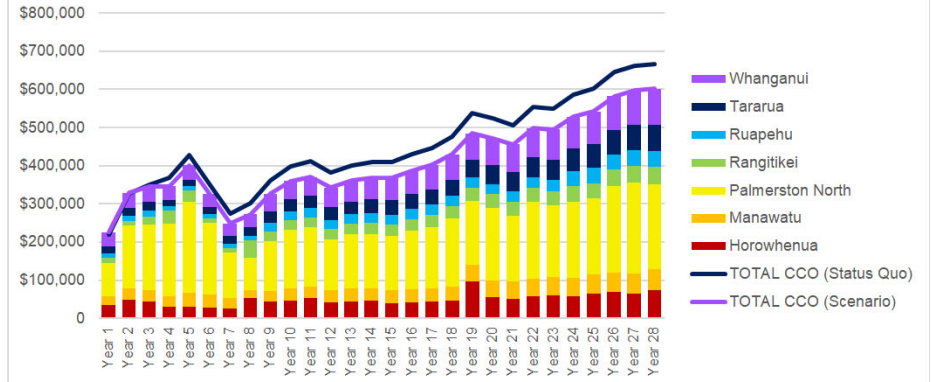
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	473,955	506,223	546,724	558,779	763,269	833,631	993,645	935,350	819,994	780,036
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	846,348	903,969	976,293	997,819	1,362,980	1,488,626	1,774,366	1,670,268	1,464,275	1,392,922

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

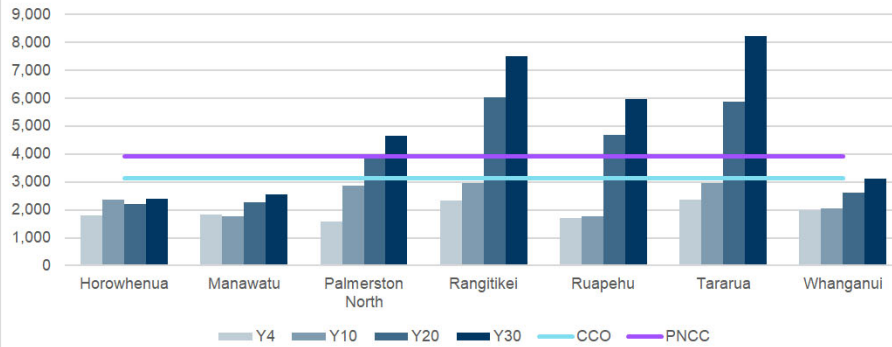
TOTAL Regional Debt Position Years 1-30 (\$m)



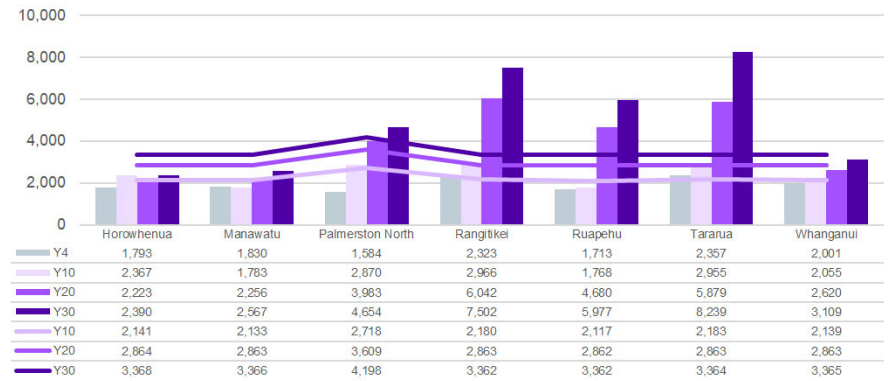
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

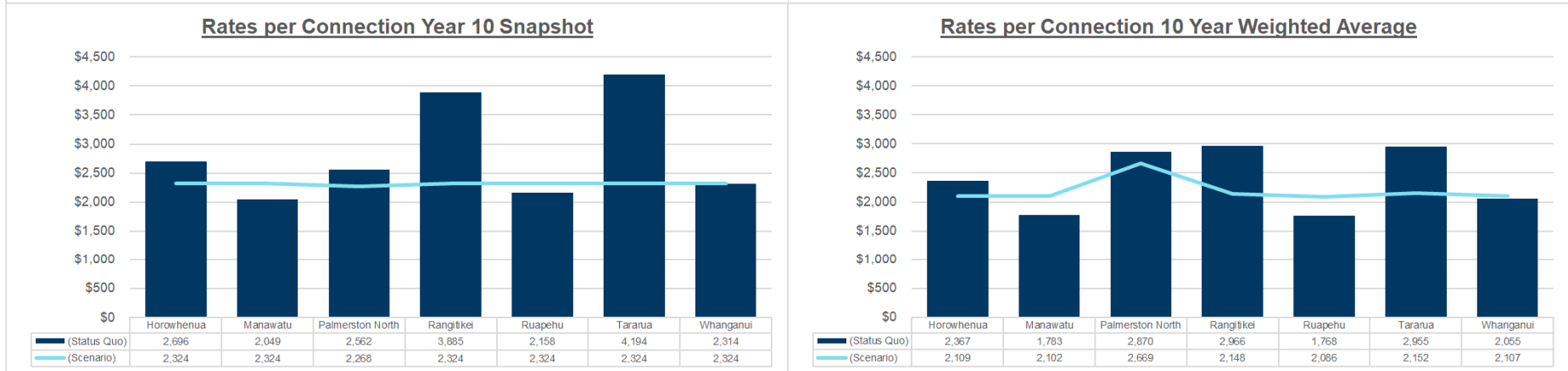
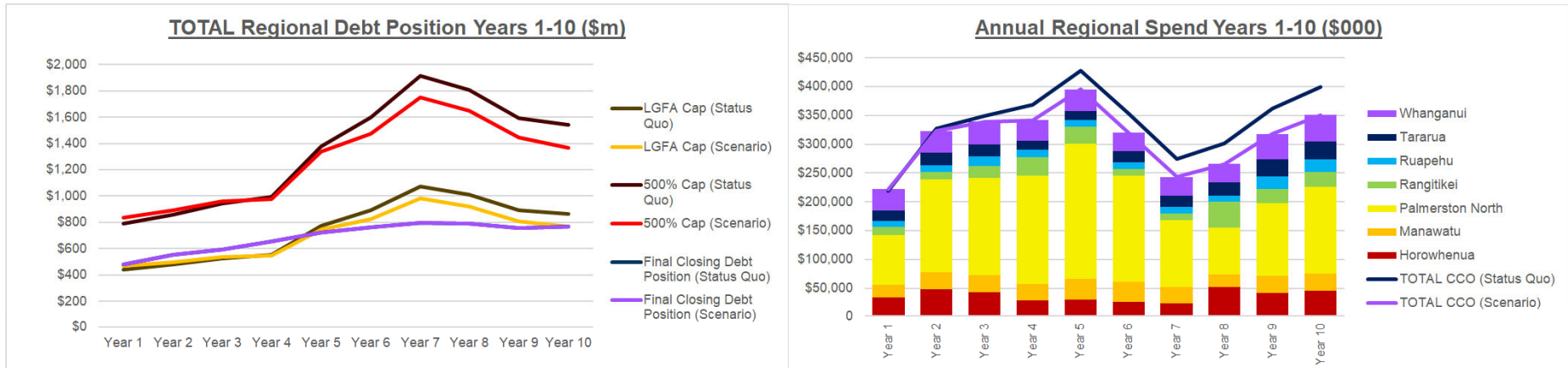
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,136,492
LGFA Scenario	473,955	763,269	780,036	992,050	1,085,968	1,113,848	1,032,641
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	846,348	1,362,980	1,392,922	1,771,517	1,939,229	1,989,015	1,844,002

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 3 – WWTP not in CCO (PNCC Pays) – Keep Debt Equal (Change Rates) – Optimistic



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

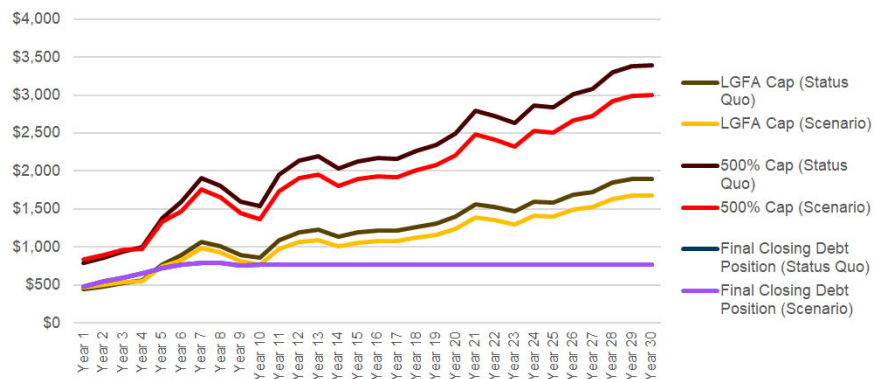
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



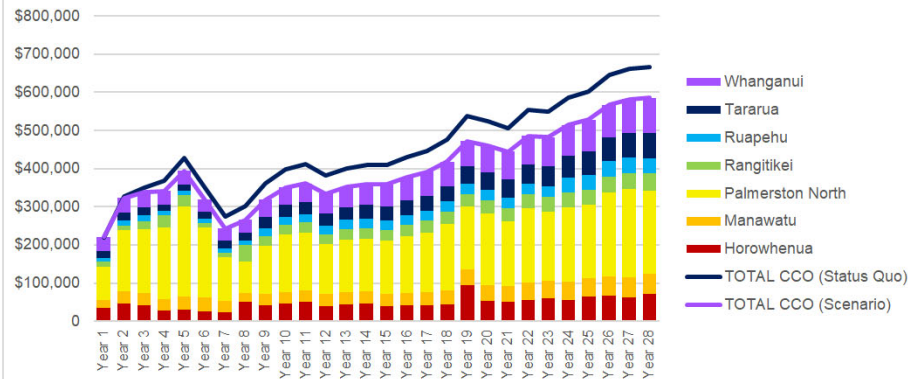
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	469,269	499,771	538,459	546,348	748,080	824,483	981,067	923,096	808,636	765,752
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	837,980	892,448	961,533	975,621	1,335,857	1,472,291	1,751,905	1,648,386	1,443,992	1,367,414

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

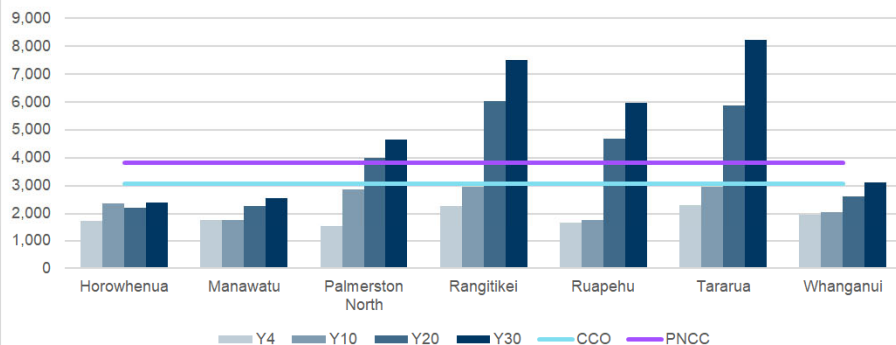
TOTAL Regional Debt Position Years 1-30 (\$m)



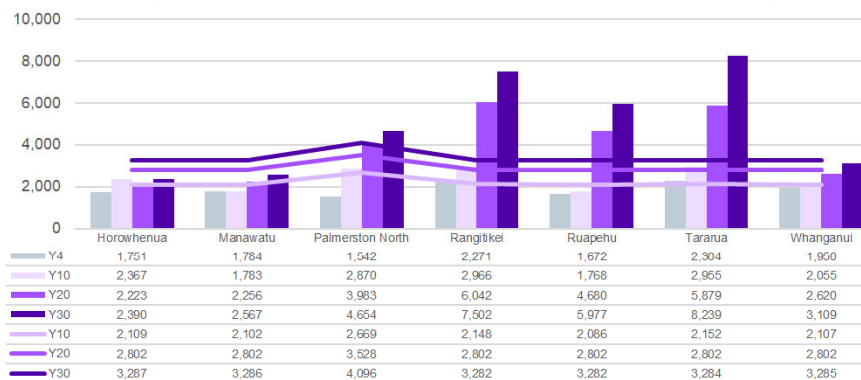
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

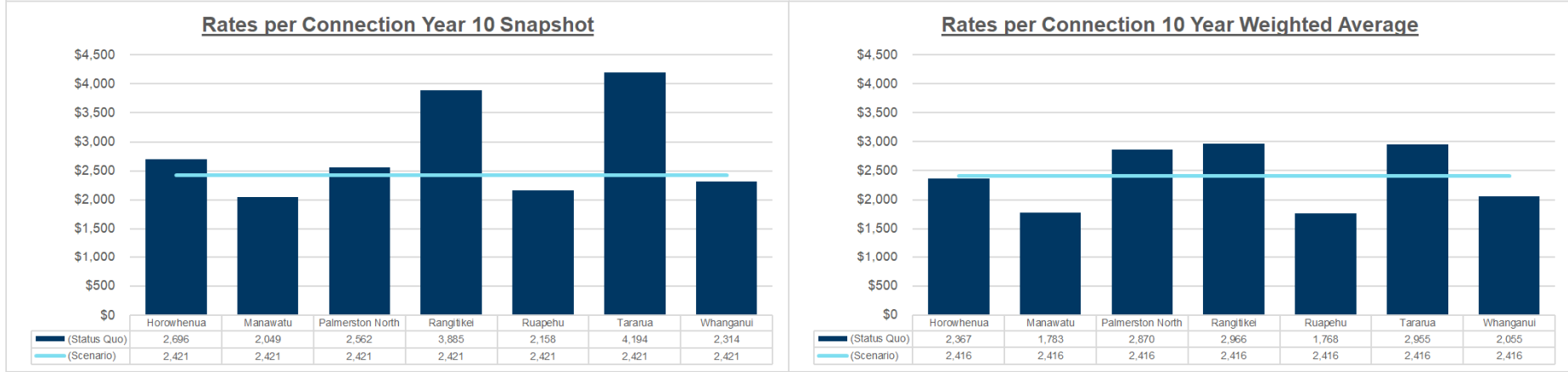
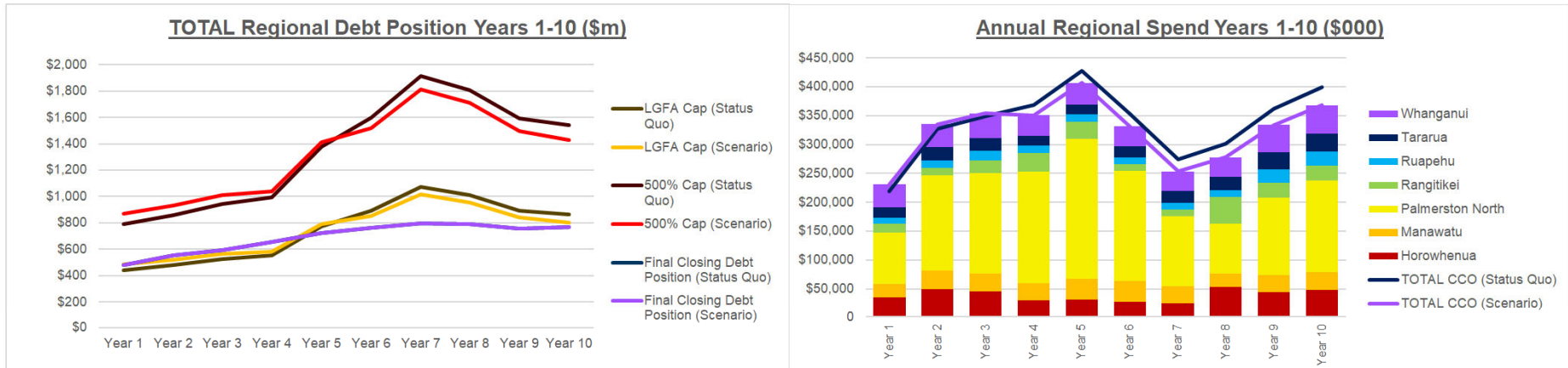
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



		Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt	Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
	Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA	Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
	Scenario	469,269	748,080	765,752	973,106	1,064,875	1,091,955	1,012,181
500%	Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
	Scenario	837,980	1,335,857	1,367,414	1,737,688	1,901,563	1,949,919	1,807,467

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 4 – WWTP in CCO (CCO Pays) – Keep Debt Equal (Change Rates) – Conservative



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

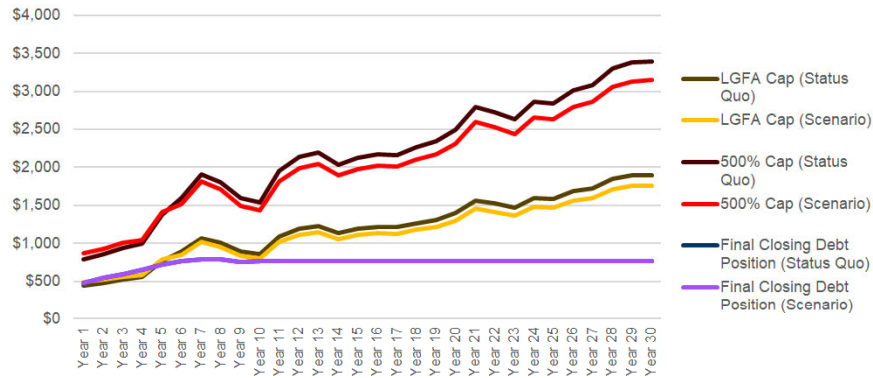
Efficiency Assumptions		
Opex Savings	conservative	11%
Capex Savings	conservative	6%
Transition Costs	conservative	17%
Interest Rate	conservative	+25 bp



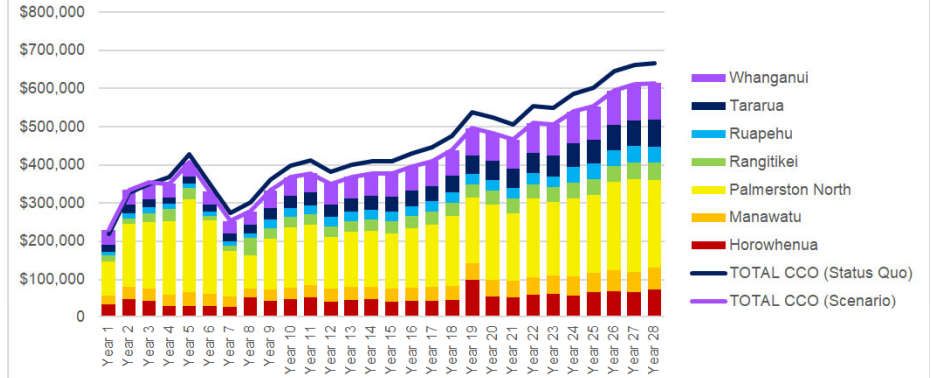
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	487,680	522,277	565,123	581,743	789,958	851,697	1,015,514	956,397	838,992	801,038
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	870,858	932,638	1,009,148	1,038,826	1,410,639	1,520,887	1,813,417	1,707,852	1,498,200	1,430,424

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

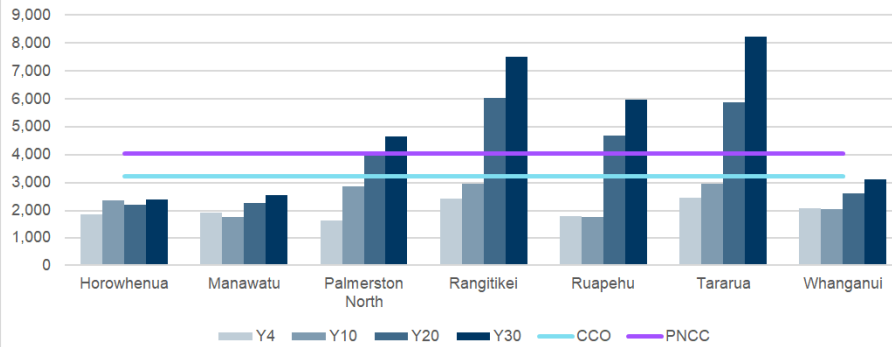
TOTAL Regional Debt Position Years 1-30 (\$m)



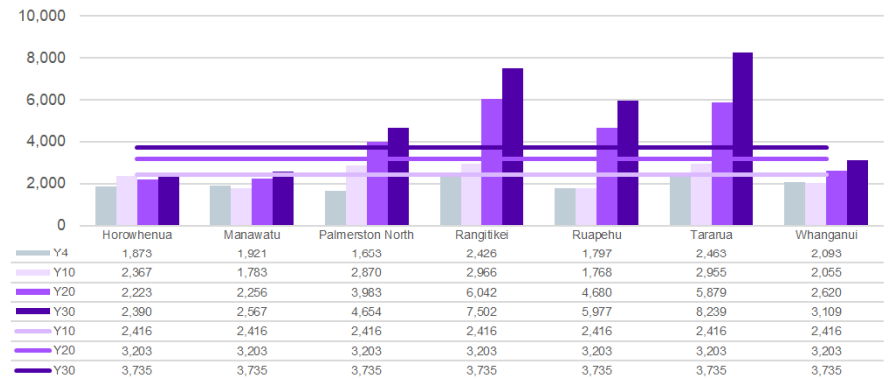
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

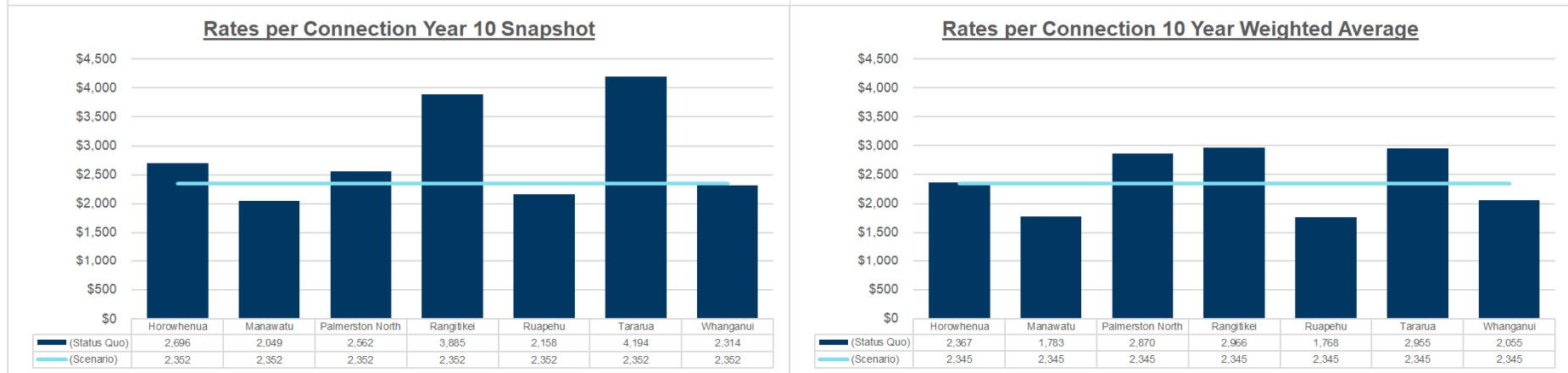
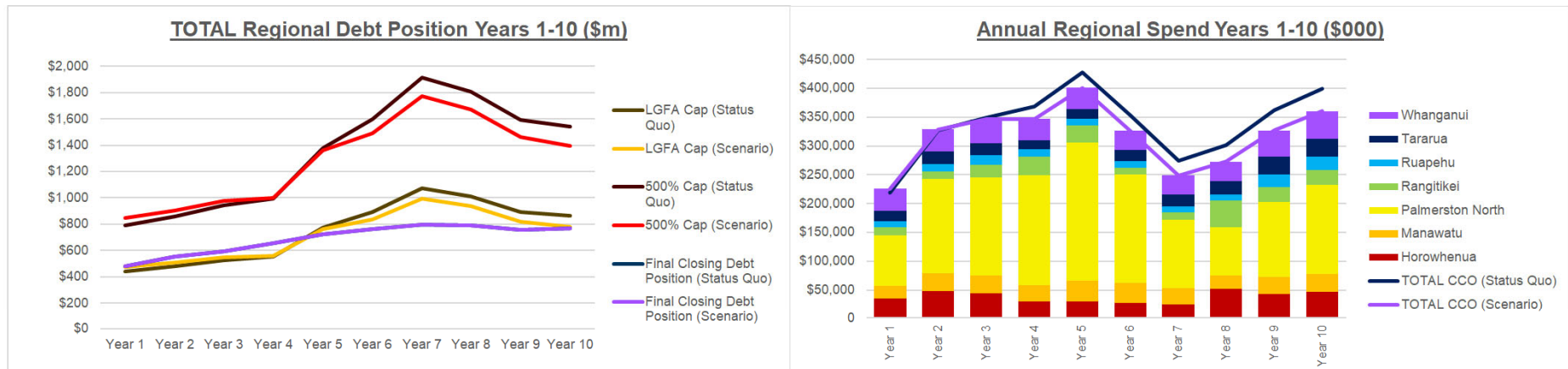
Efficiency Assumptions		
Opex Savings	conservativ	11%
Capex Savings	conservativ	6%
Transition Costs	conservativ	17%
Interest Rate	conservativ	+25 bp



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,136,492
LGFA Scenario	487,680	789,958	801,038	1,018,224	1,114,315	1,142,849	1,059,789
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	870,858	1,410,639	1,430,424	1,818,257	1,989,848	2,040,801	1,892,480

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 5 – WWTP in CCO (CCO Pays) – Keep Debt Equal (Change Rates) – Mid range'



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

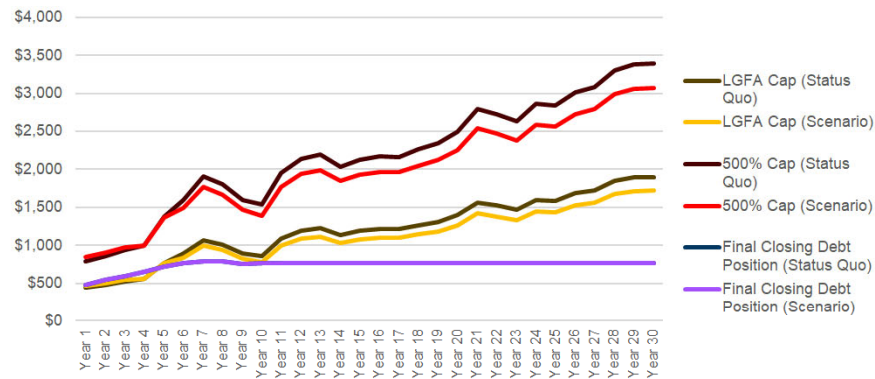
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



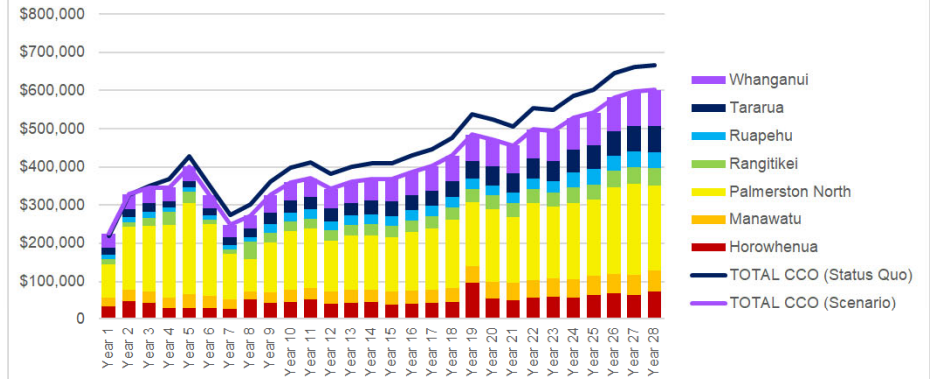
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	473,955	506,223	546,724	558,779	763,269	833,631	993,645	935,350	819,994	780,036
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	846,348	903,969	976,293	997,819	1,362,980	1,488,626	1,774,366	1,670,268	1,464,275	1,392,922

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

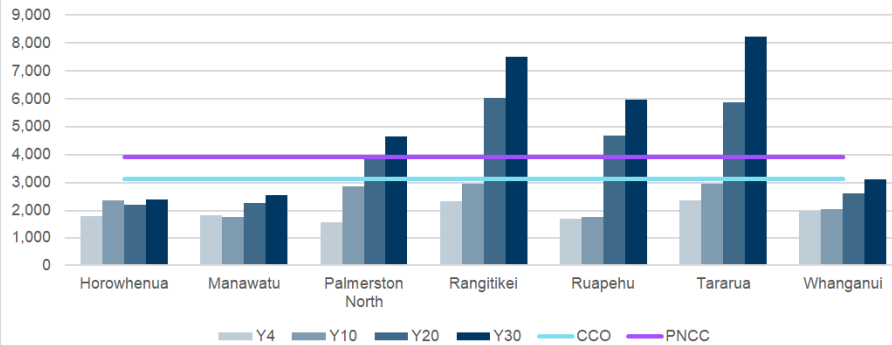
TOTAL Regional Debt Position Years 1-30 (\$m)



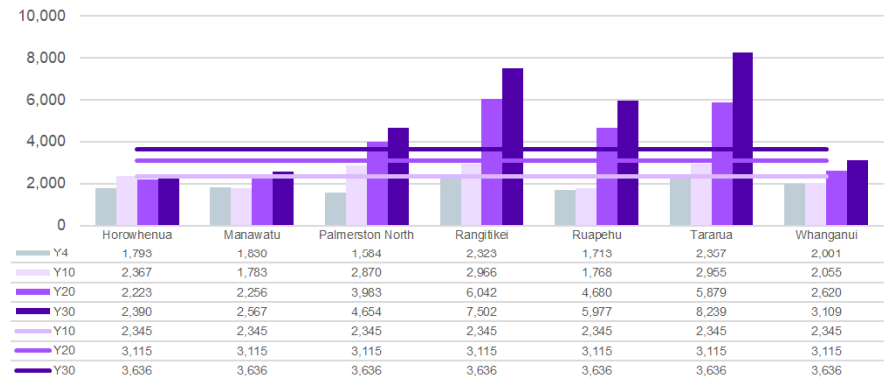
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg

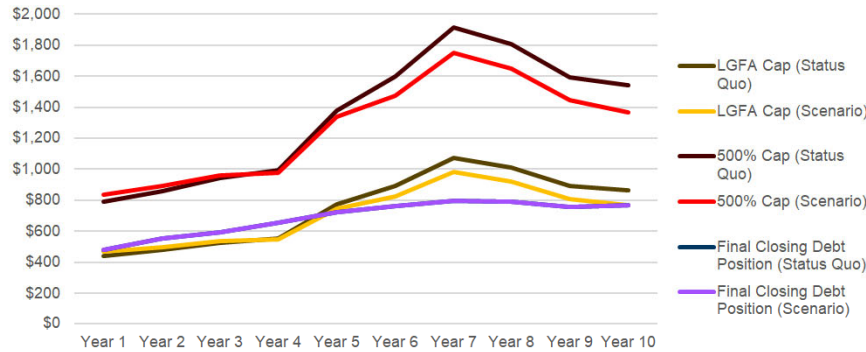


	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,136,492
LGFA Scenario	473,955	763,269	780,036	992,050	1,085,968	1,113,848	1,032,641
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	846,348	1,362,980	1,392,922	1,771,517	1,939,229	1,989,015	1,844,002

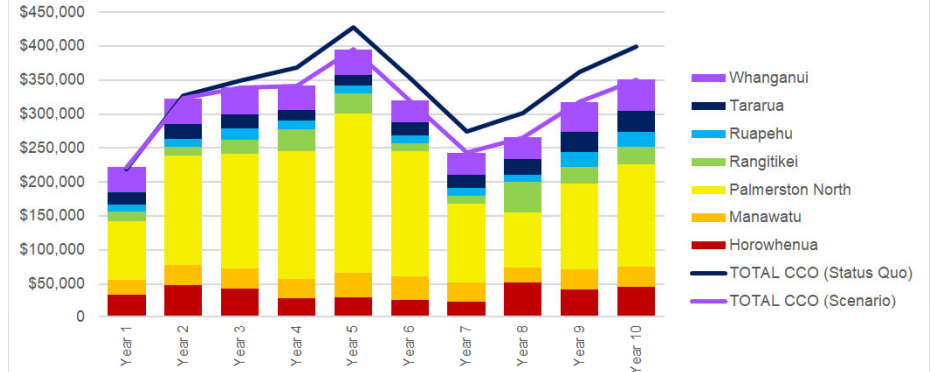
■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 6 – WWTP in CCO (CCO Pays) – Keep Debt Equal (Change Rates) – Optimistic

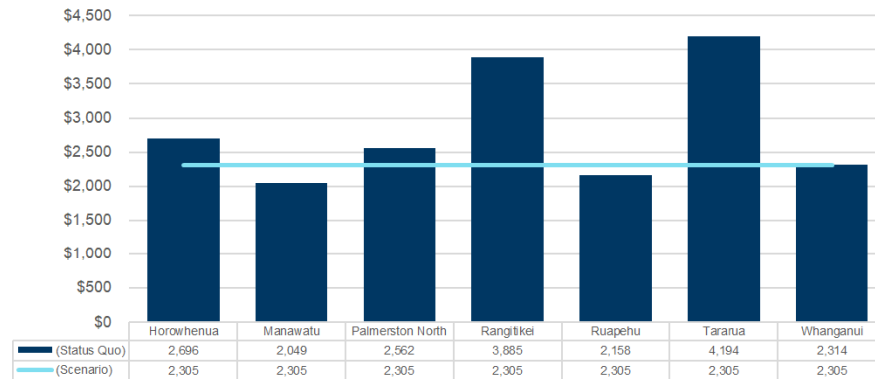
TOTAL Regional Debt Position Years 1-10 (\$m)



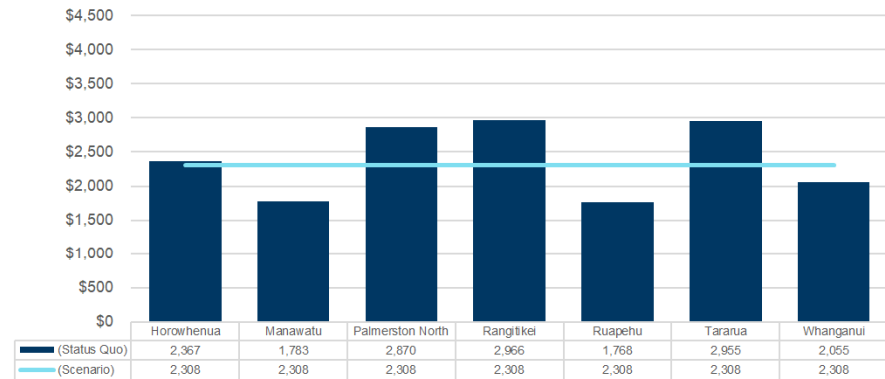
Annual Regional Spend Years 1-10 (\$000)



Rates per Connection Year 10 Snapshot



Rates per Connection 10 Year Weighted Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

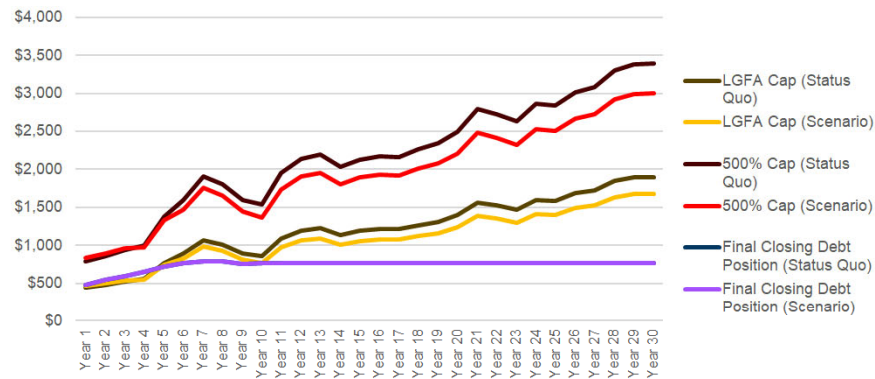
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



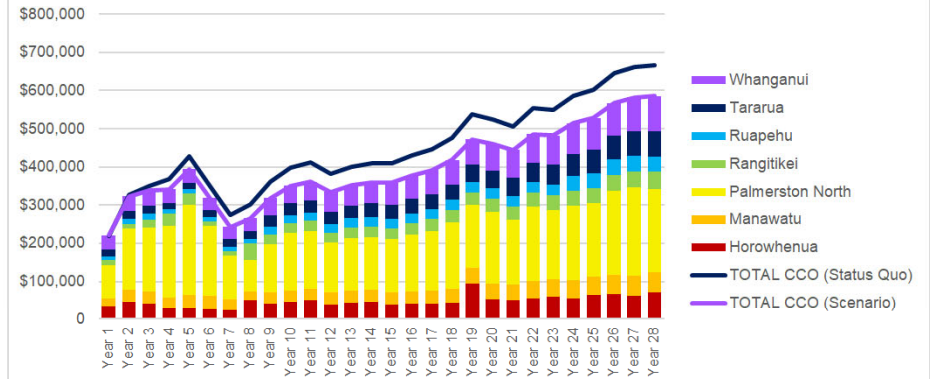
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	469,269	499,771	538,459	546,348	748,080	824,483	981,067	923,096	808,636	765,752
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	837,980	892,448	961,533	975,621	1,335,857	1,472,291	1,751,905	1,648,386	1,443,992	1,367,414

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

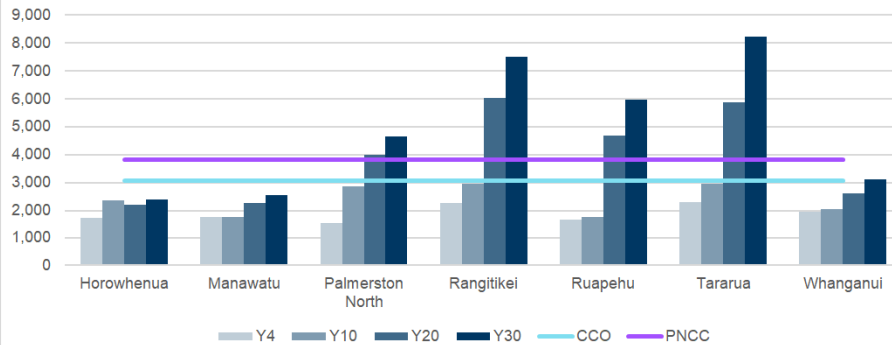
TOTAL Regional Debt Position Years 1-30 (\$m)



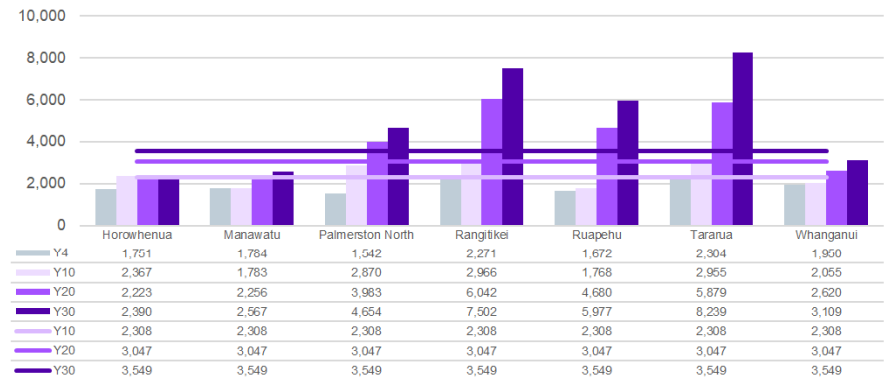
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

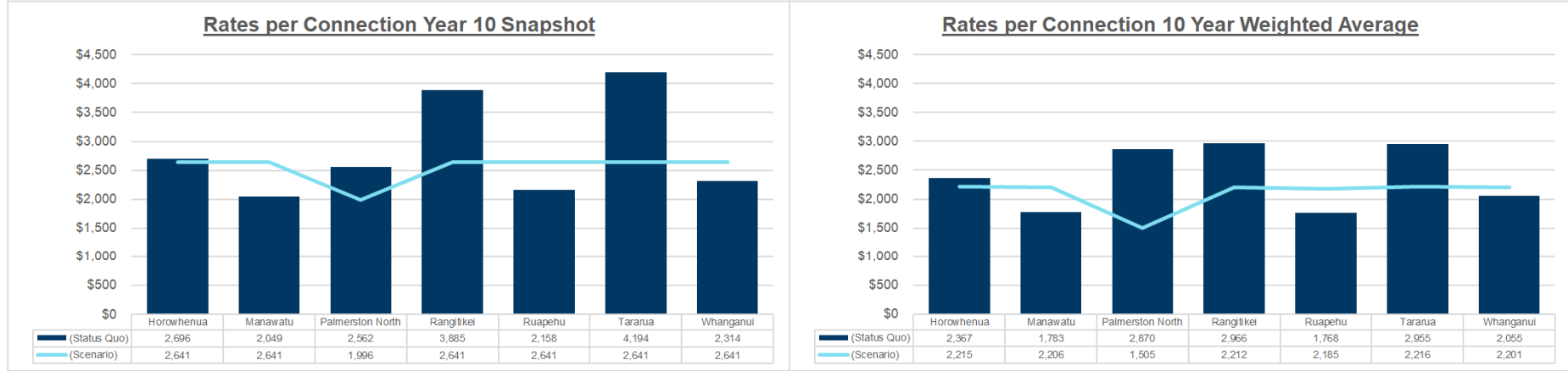
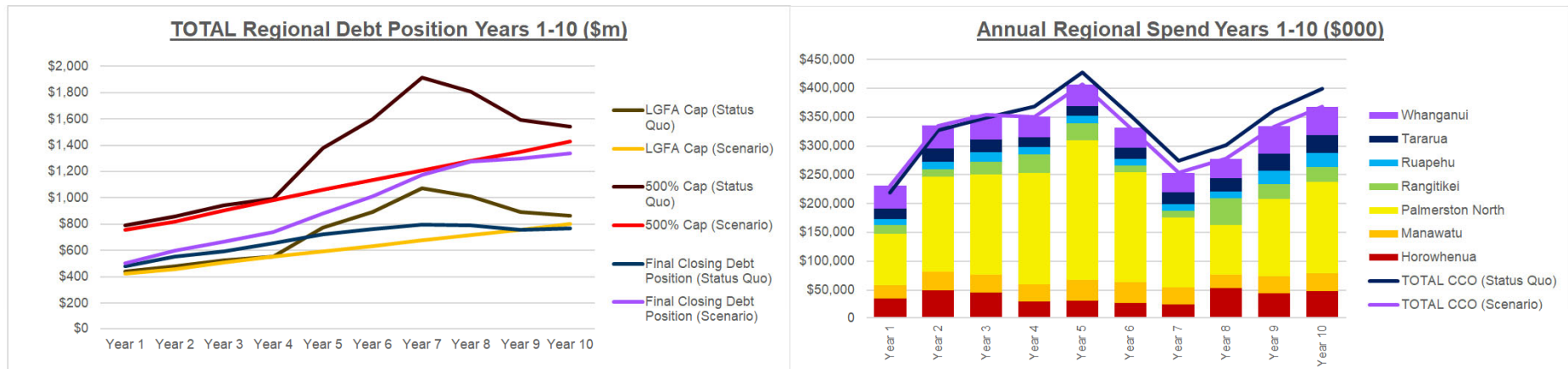
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
LGFA Scenario	469,269	748,080	765,752	973,106	1,064,875	1,091,955	1,012,181
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	837,980	1,335,857	1,367,414	1,737,688	1,901,563	1,949,919	1,807,467

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 7 – WWTP not in CCO (PNCC Pays) – Keep Rates Equal (Change Debt) – Conservative



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	DEBT

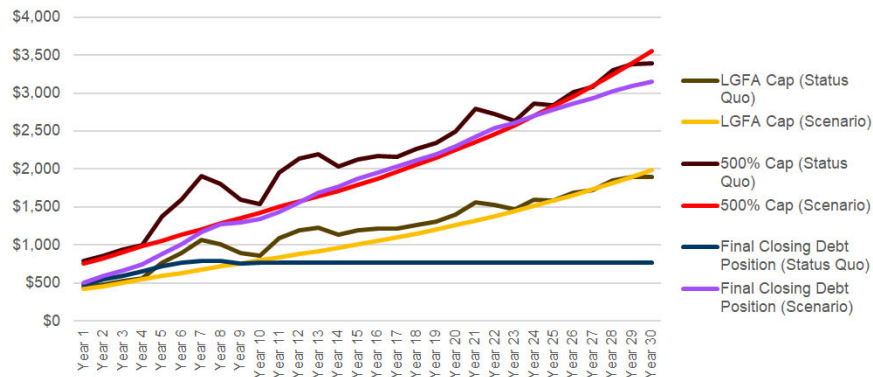
Efficiency Assumptions		
Opex Savings	conservative	11%
Capex Savings	conservative	6%
Transition Costs	conservative	17%
Interest Rate	conservative	+25 bp



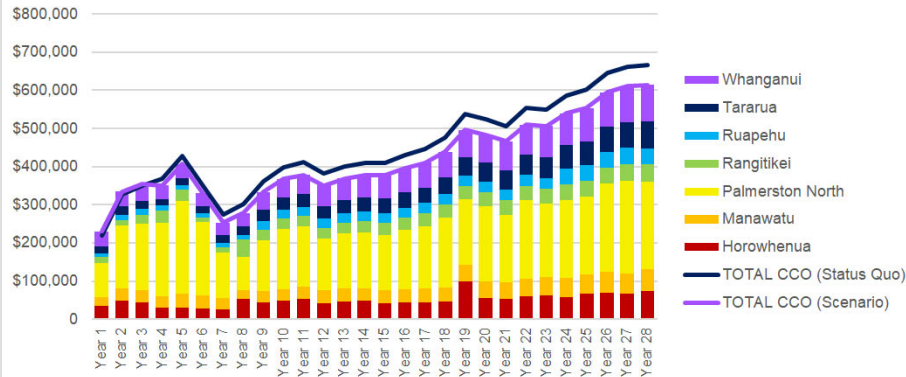
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	504,204	598,072	666,060	742,779	880,233	1,010,877	1,174,390	1,274,796	1,298,027	1,340,844
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	423,057	458,974	506,283	551,323	593,904	634,412	677,753	718,969	757,149	800,419
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	755,458	819,597	904,077	984,506	1,060,544	1,132,879	1,210,273	1,283,874	1,352,052	1,429,319

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

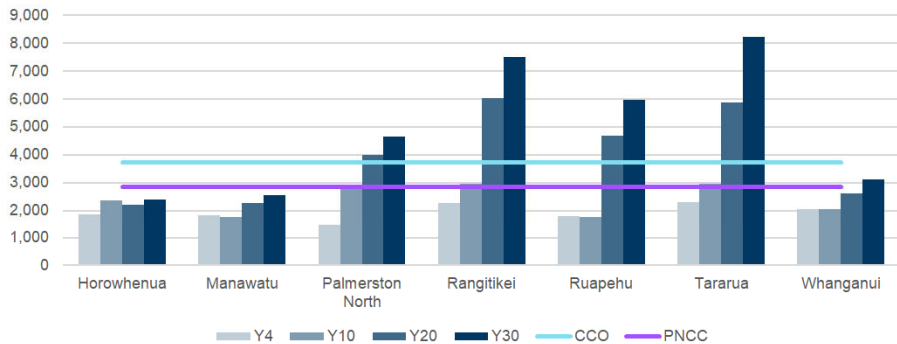
TOTAL Regional Debt Position Years 1-30 (\$m)



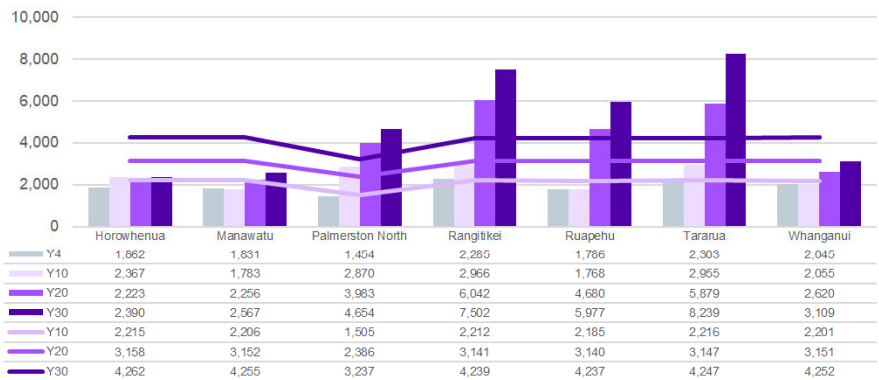
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	DEBT

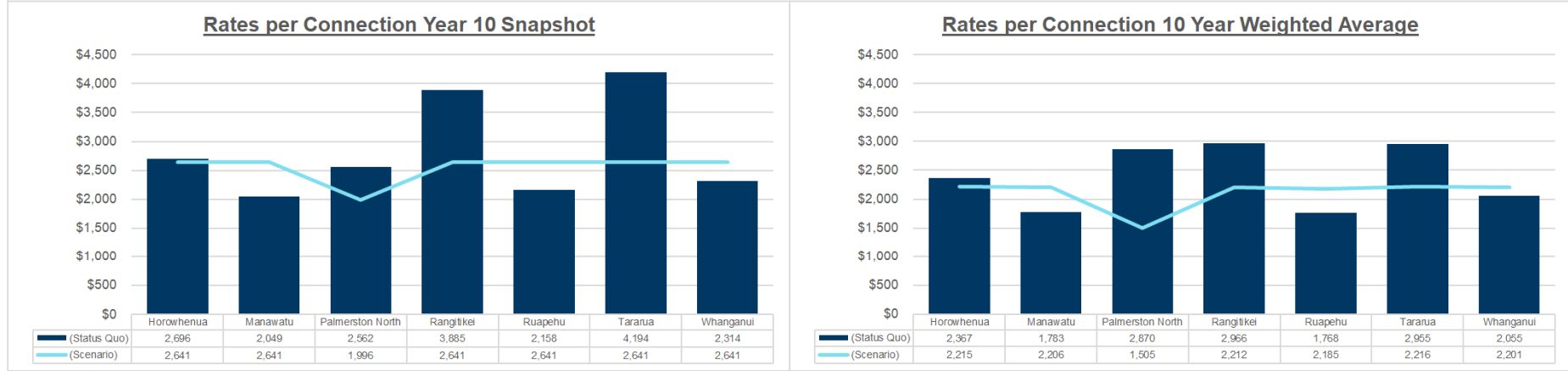
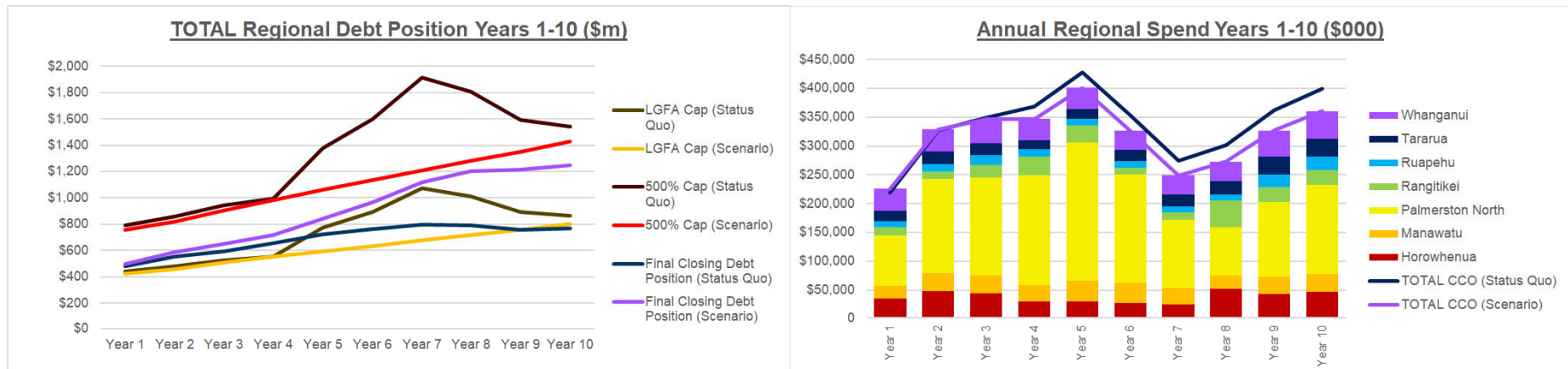
Efficiency Assumptions		
Opex Savings	Conservativ	11%
Capex Savings	Conservativ	6%
Transition Costs	Conservativ	17%
Interest Rate	Conservativ	+25 bp



		Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt	Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
	Scenario	504,204	880,233	1,340,844	1,437,246	1,559,693	1,684,892	1,772,476
LGFA	Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,136,492
	Scenario	423,057	593,904	800,419	839,516	878,035	918,362	960,559
500%	Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
	Scenario	755,458	1,060,544	1,429,319	1,499,136	1,567,920	1,639,933	1,715,284

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 8 – WWTP not in CCO (PNCC Pays) – Keep Rates Equal (Change Debt) – Mid Range



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	DEBT

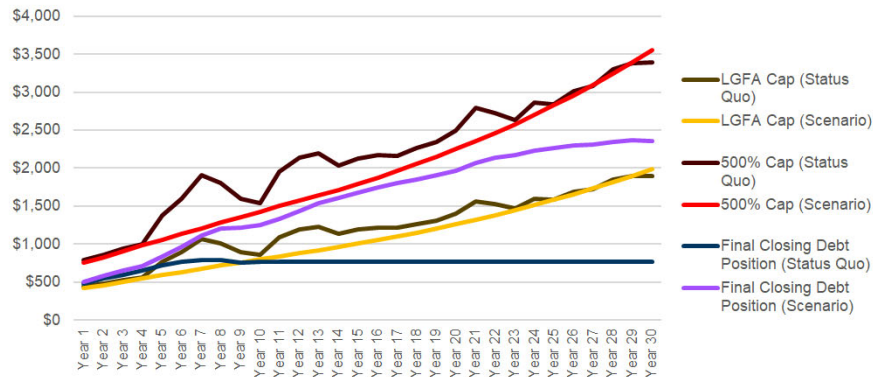
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



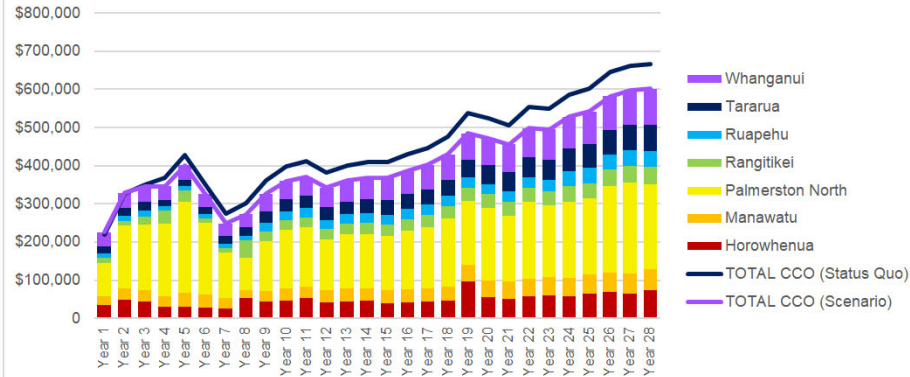
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	499,303	587,151	647,920	715,347	841,638	963,396	1,115,968	1,204,822	1,216,338	1,245,919
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	423,057	458,974	506,283	551,323	593,904	634,412	677,753	718,969	757,149	800,419
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	755,458	819,597	904,077	984,506	1,060,544	1,132,879	1,210,273	1,283,874	1,352,052	1,429,319

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

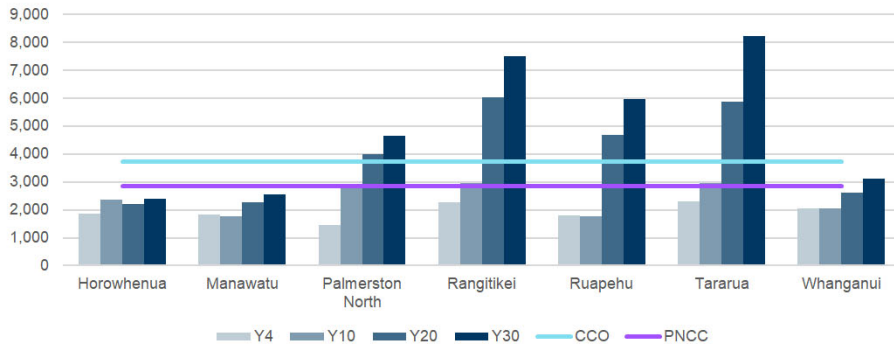
TOTAL Regional Debt Position Years 1-30 (\$m)



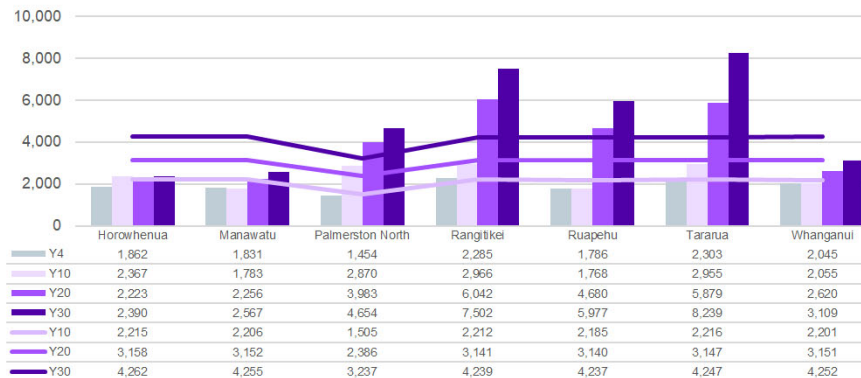
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	DEBT

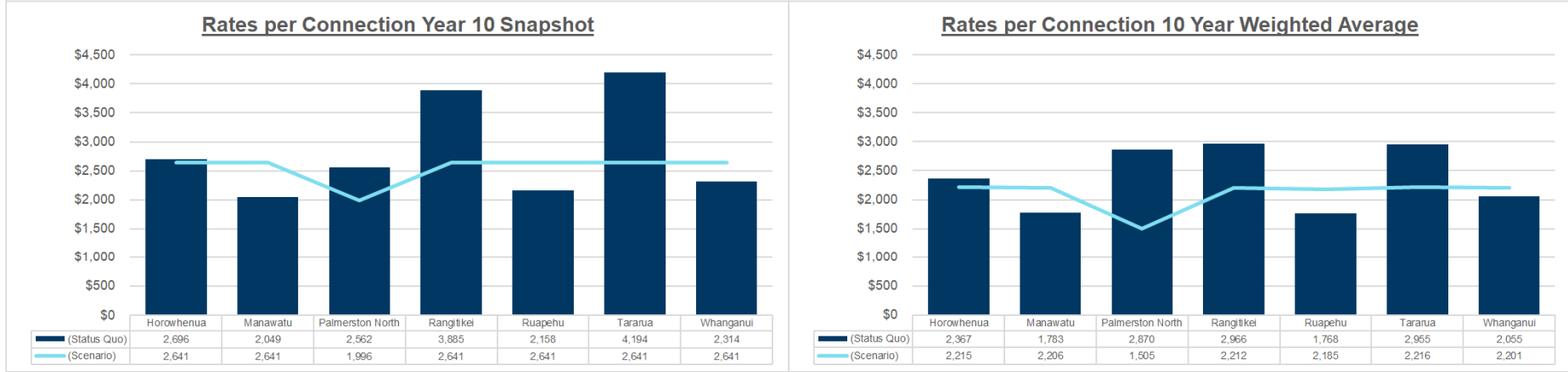
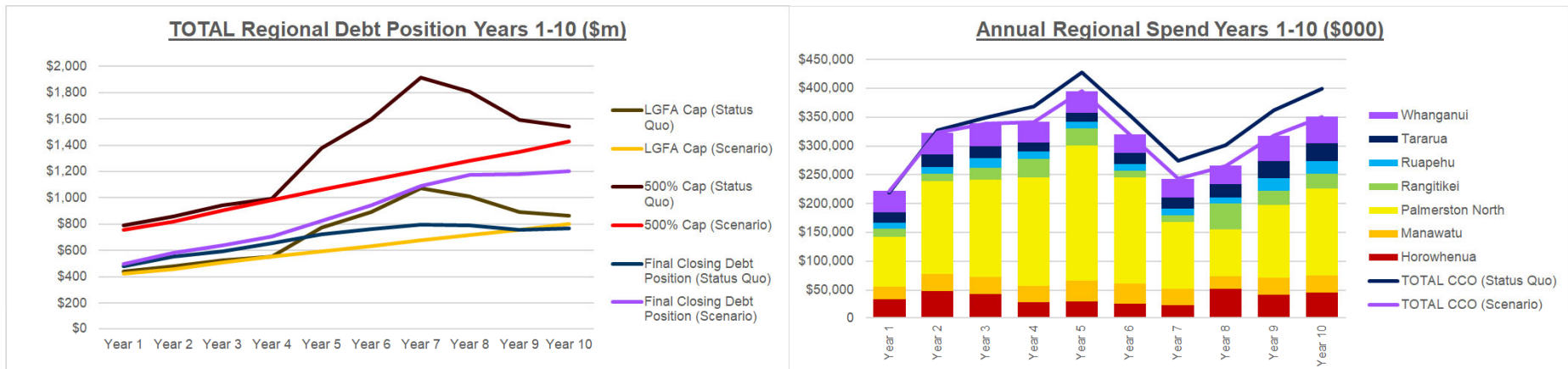
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	499,303	841,638	1,245,919	1,326,380	1,431,002	1,536,867	1,604,416
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
LGFA Scenario	423,057	593,904	800,419	839,516	878,035	918,362	960,559
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	755,458	1,060,544	1,429,319	1,499,136	1,567,920	1,639,933	1,715,284

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 9 – WWTP not in CCO (PNCC Pays) – Keep Rates Equal (Change Debt) – Optimistic



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	DEBT

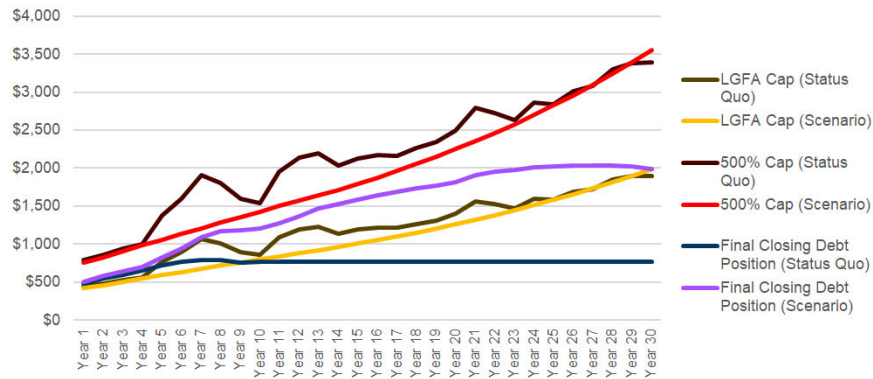
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



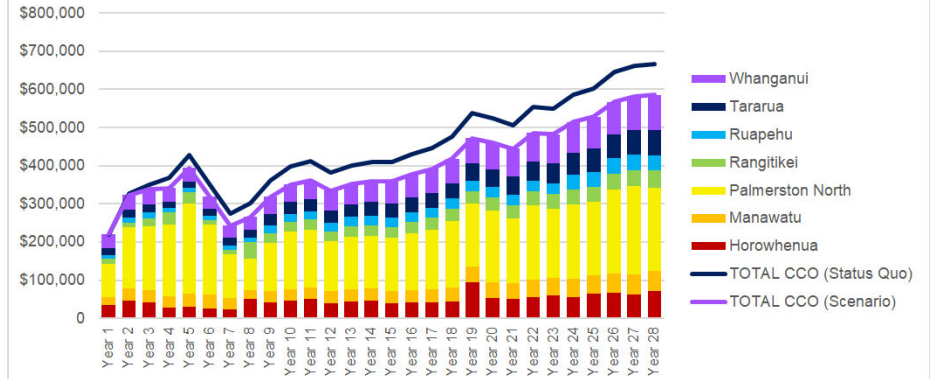
Debt		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Status Quo	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	497,629	583,136	640,839	703,581	823,952	941,769	1,089,144	1,172,942	1,179,670	1,203,243
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	423,057	458,974	506,283	551,323	593,904	634,412	677,753	718,969	757,149	800,419
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	755,458	819,597	904,077	984,506	1,060,544	1,132,879	1,210,273	1,283,874	1,352,052	1,429,319

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

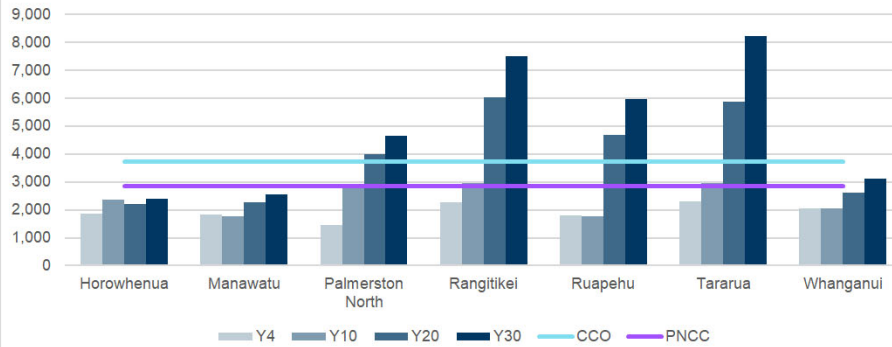
TOTAL Regional Debt Position Years 1-30 (\$m)



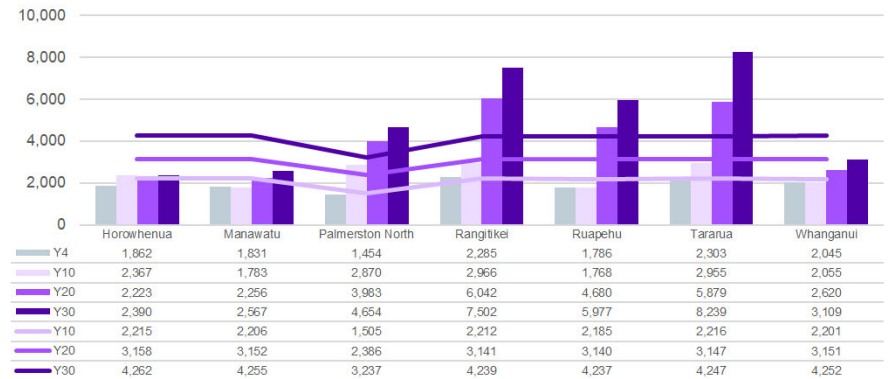
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	DEBT

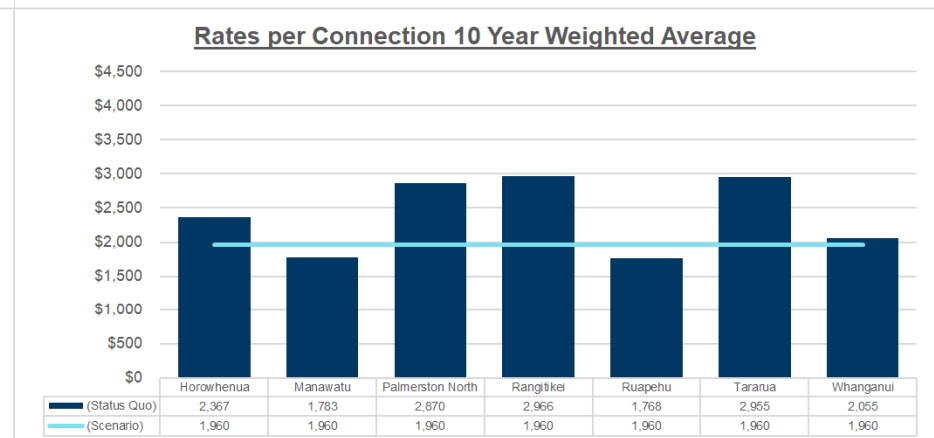
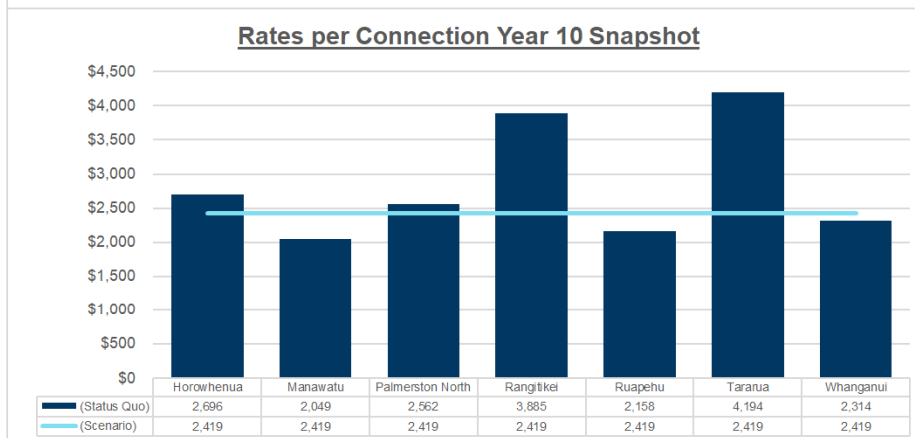
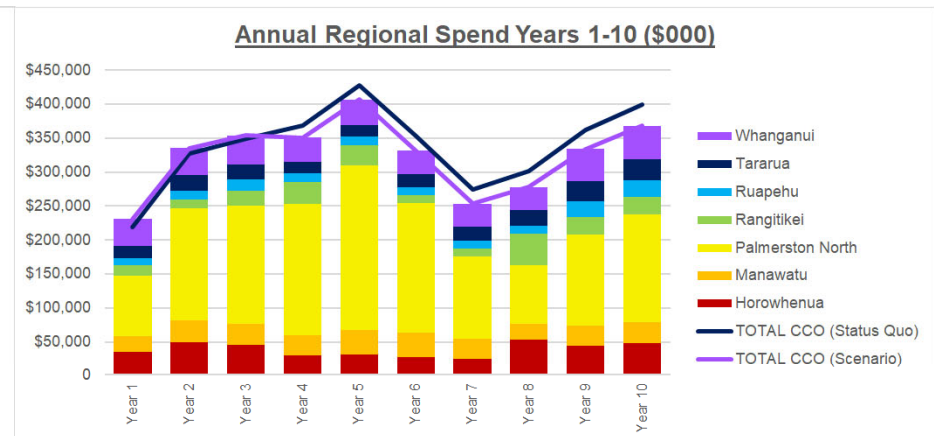
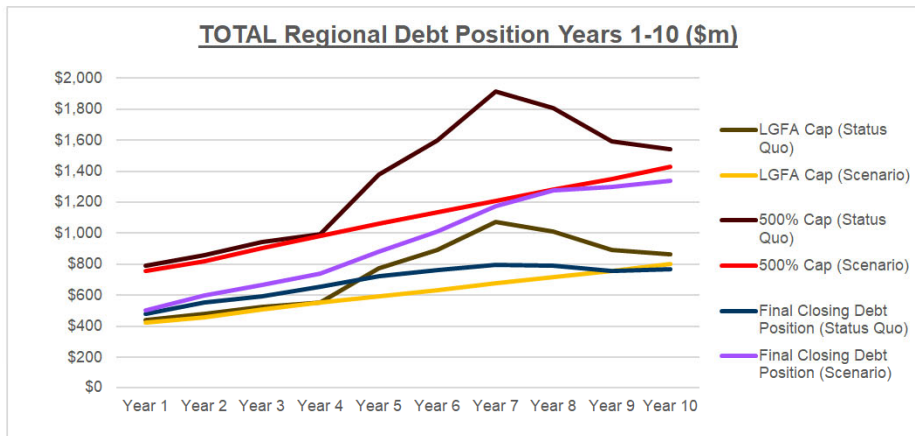
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	
Debt	Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	
	Scenario	497,629	823,952	1,203,243	1,275,706	1,371,308	1,467,616	1,525,841
LGFA	Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
	Scenario	423,057	593,904	800,419	839,516	878,035	918,362	960,559
500%	Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
	Scenario	755,458	1,060,544	1,429,319	1,499,136	1,567,920	1,639,933	1,715,284

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

Scenario 10 – WWTP in CCO (CCO Pays) – Keep Rates Equal (Change Debt) – Conservative



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	DEBT

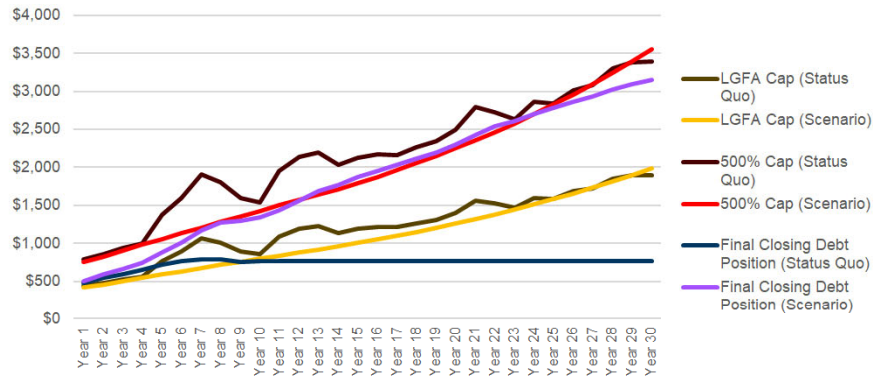
Efficiency Assumptions		
Opex Savings	conservative	11%
Capex Savings	conservative	6%
Transition Costs	conservative	17%
Interest Rate	conservative	+25 bp



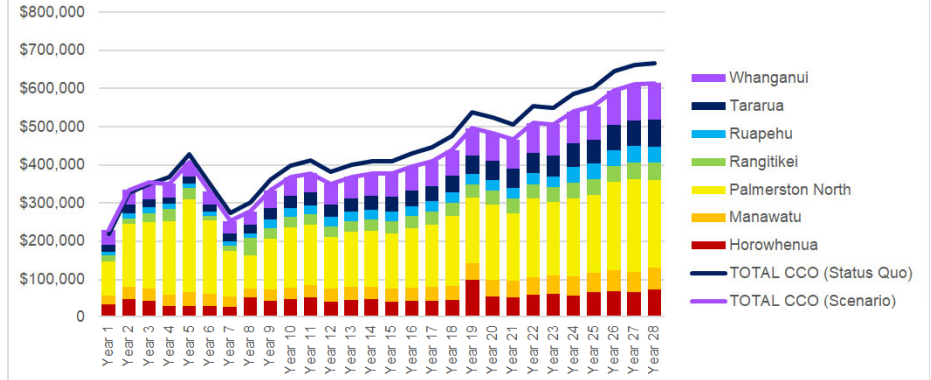
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	504,204	598,072	666,060	742,779	880,233	1,010,877	1,174,390	1,274,796	1,298,027	1,340,844
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	423,057	458,974	506,283	551,323	593,904	634,412	677,753	718,969	757,149	800,419
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	755,458	819,597	904,077	984,506	1,060,544	1,132,879	1,210,273	1,283,874	1,352,052	1,429,319

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

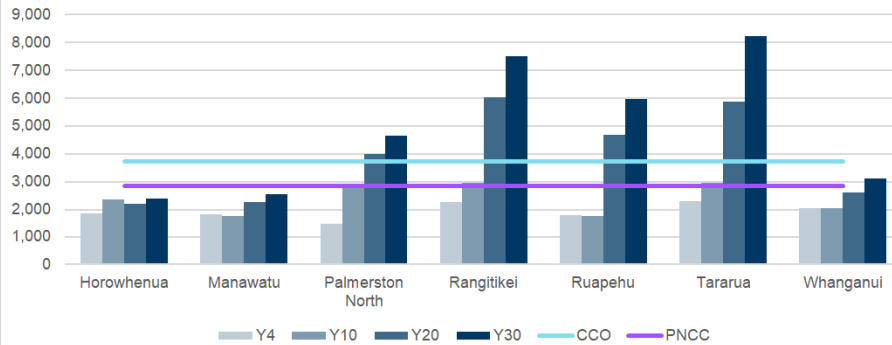
TOTAL Regional Debt Position Years 1-30 (\$m)



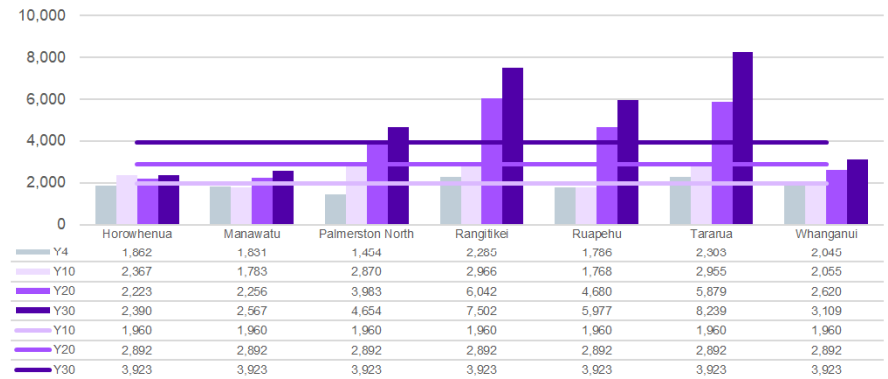
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	DEBT

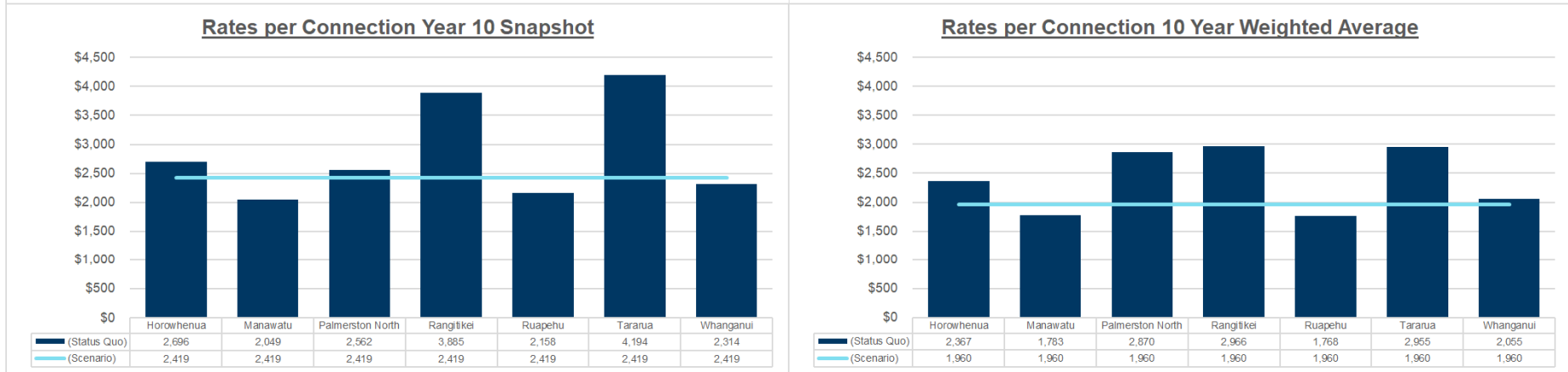
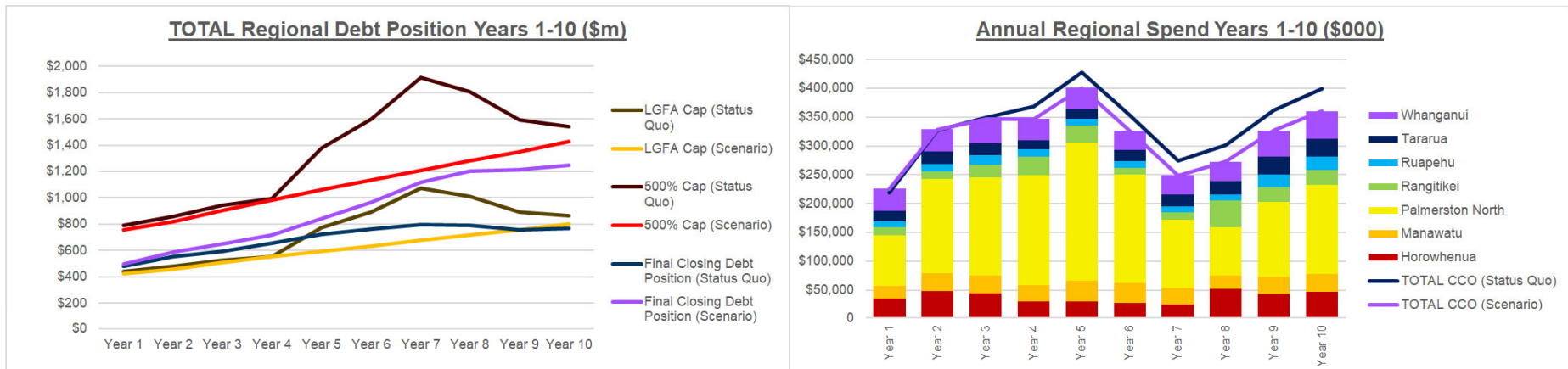
Efficiency Assumptions		
Opex Savings	Conservativ	11%
Capex Savings	Conservativ	6%
Transition Costs	Conservativ	17%
Interest Rate	Conservativ	+25 bp



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	504,204	880,233	1,340,844	1,437,246	1,559,693	1,684,892	1,772,478
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
LGFA Scenario	423,057	593,904	800,419	839,516	878,035	918,362	960,559
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	755,458	1,060,544	1,429,319	1,499,136	1,567,920	1,639,933	1,715,284

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 11 – WWTP in CCO (CCO Pays) – Keep Rates Equal (Change Debt) – Mid Range



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	DEBT

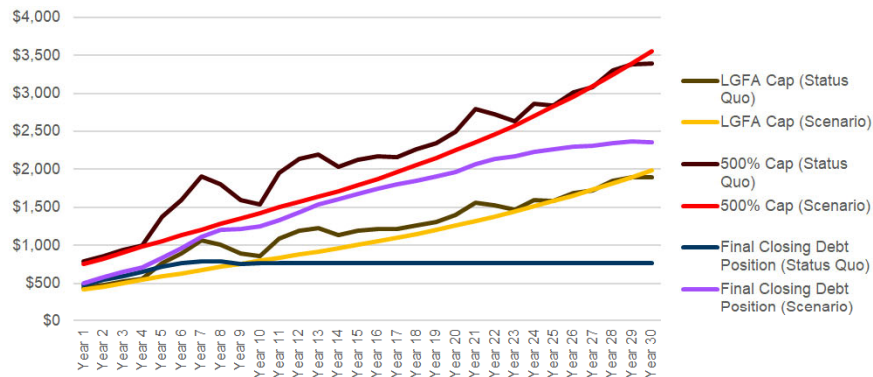
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



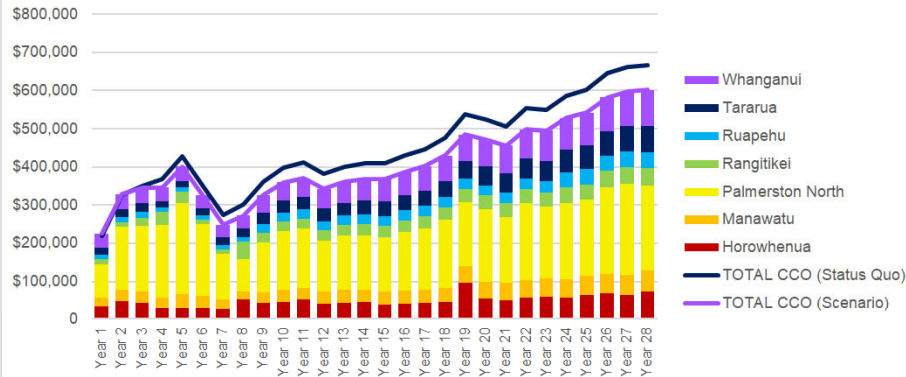
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	499,303	587,151	647,920	715,347	841,638	963,396	1,115,968	1,204,822	1,216,338	1,245,919
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	423,057	458,974	506,283	551,323	593,904	634,412	677,753	718,969	757,149	800,419
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	755,458	819,597	904,077	984,506	1,060,544	1,132,879	1,210,273	1,283,874	1,352,052	1,429,319

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

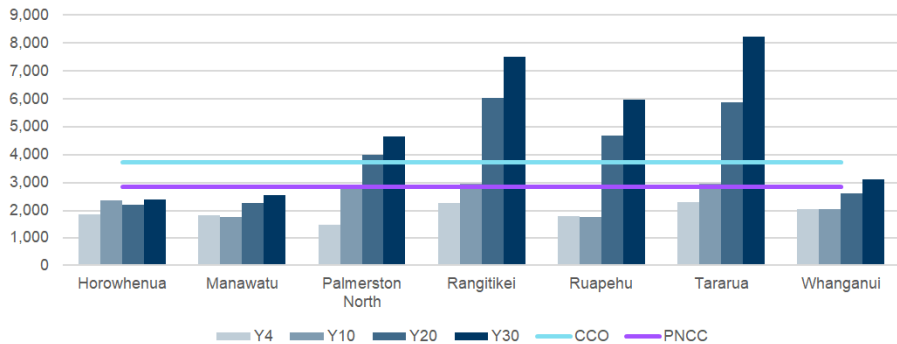
TOTAL Regional Debt Position Years 1-30 (\$m)



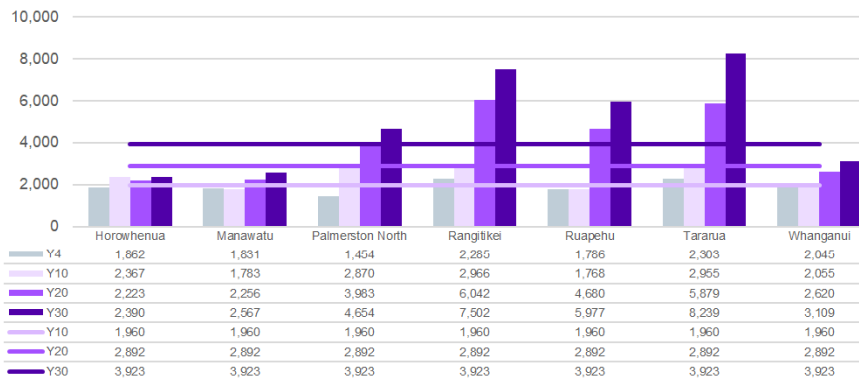
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	DEBT

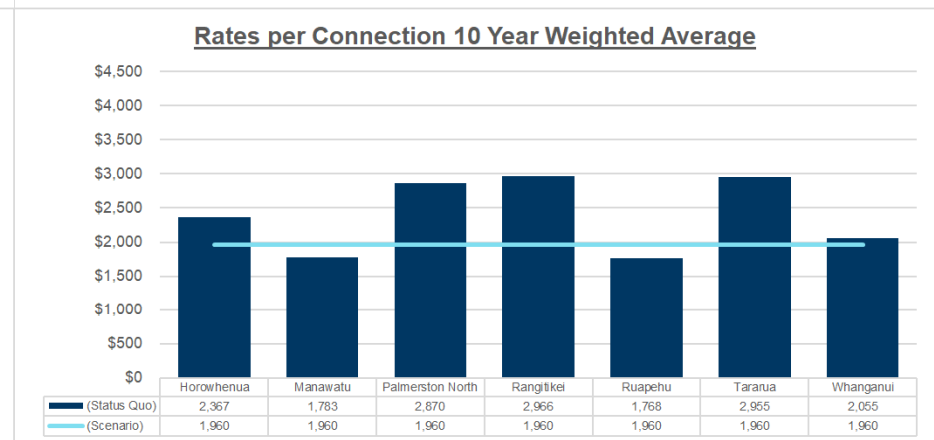
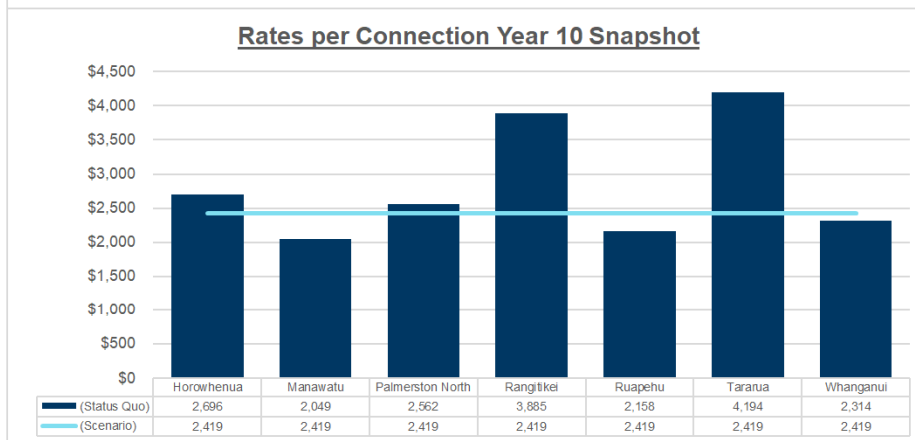
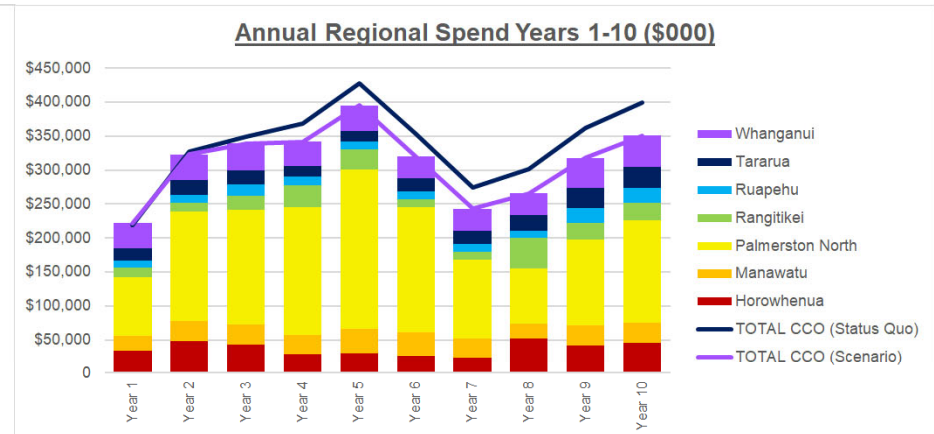
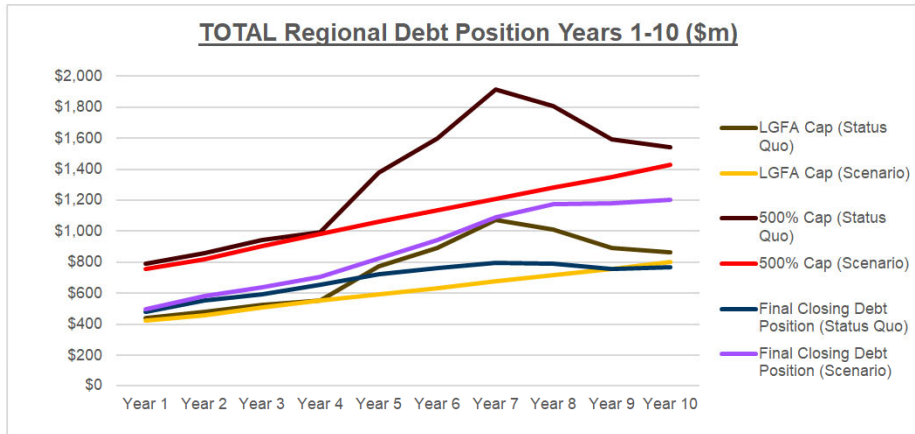
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



Debt	Status Quo	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
		481,125	720,807	768,035	768,035	768,035	768,035	768,035
	Scenario	499,303	841,638	1,245,919	1,326,380	1,431,002	1,536,867	1,604,416
LGFA	Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
	Scenario	423,057	593,904	800,419	839,516	878,035	918,362	960,559
500%	Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
	Scenario	755,458	1,060,544	1,429,319	1,499,136	1,567,920	1,639,933	1,715,284

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 12 – WWTP in CCO (CCO Pays) – Keep Rates Equal (Change Debt) – Optimistic



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	DEBT

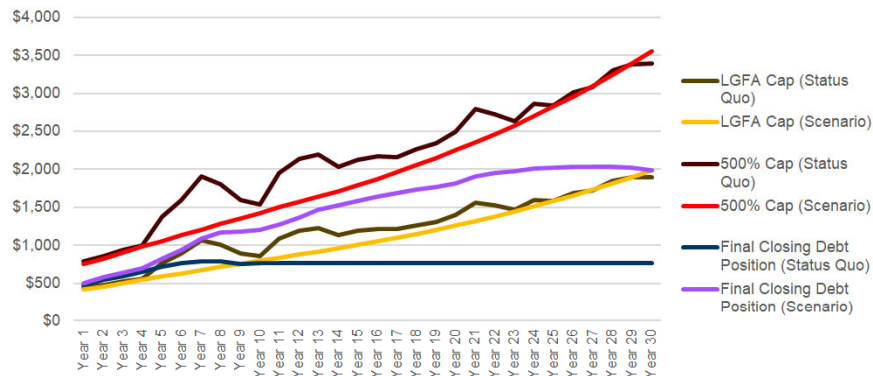
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



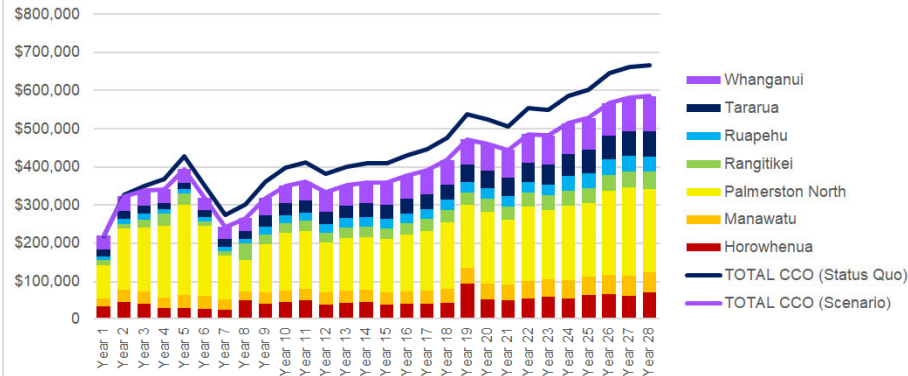
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	497,629	583,136	640,839	703,581	823,952	941,769	1,089,144	1,172,942	1,179,670	1,203,243
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	423,057	458,974	506,283	551,323	593,904	634,412	677,753	718,969	757,149	800,419
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	755,458	819,597	904,077	984,506	1,060,544	1,132,879	1,210,273	1,283,874	1,352,052	1,429,319

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

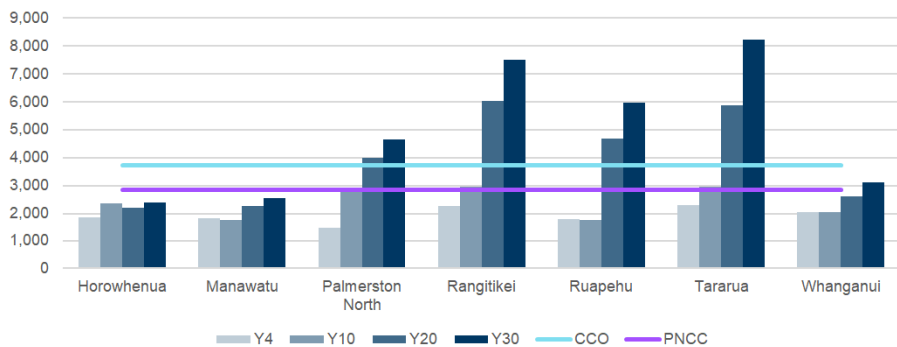
TOTAL Regional Debt Position Years 1-30 (\$m)



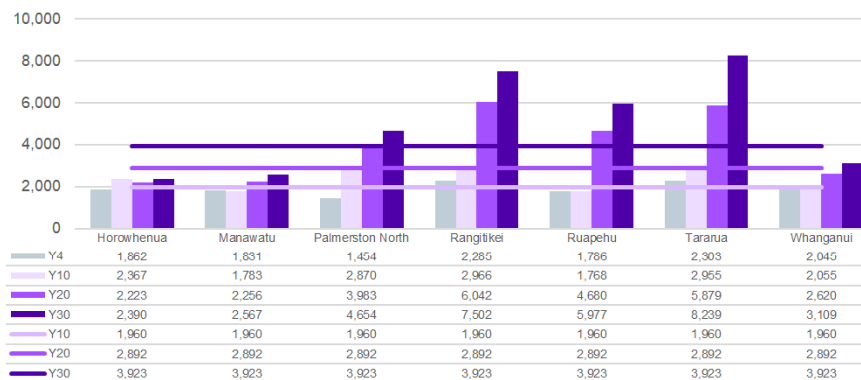
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	DEBT

Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



Debt	Status Quo	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Status Quo		481,125	720,807	768,035	768,035	768,035	768,035	768,035
Scenario		497,629	823,952	1,203,243	1,275,706	1,371,308	1,467,616	1,525,841
LGFA	Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
Scenario		423,057	593,904	800,419	839,516	878,035	918,362	960,559
500%	Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
Scenario		755,458	1,060,544	1,429,319	1,499,136	1,567,920	1,639,933	1,715,284

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Appendix B

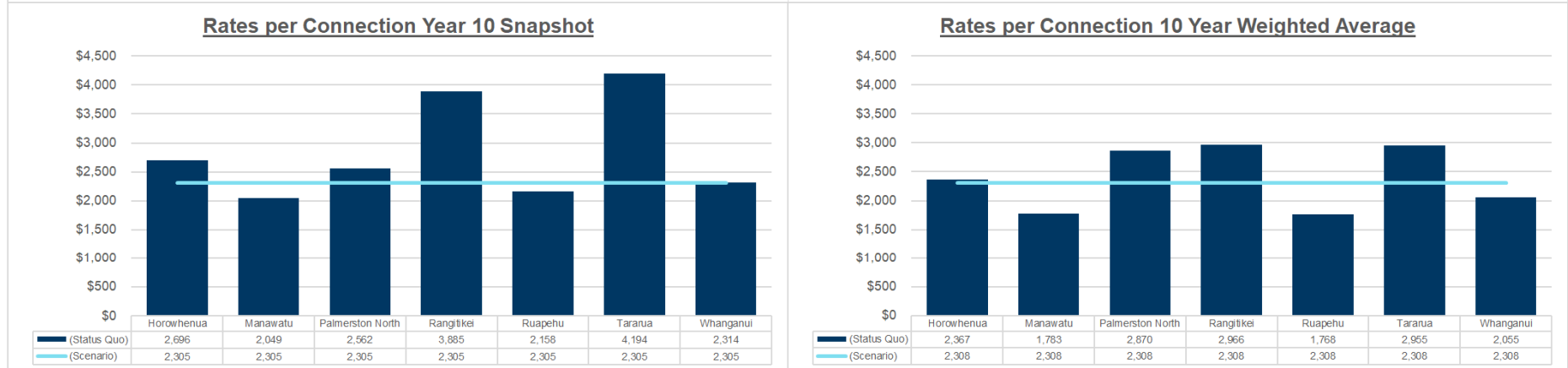
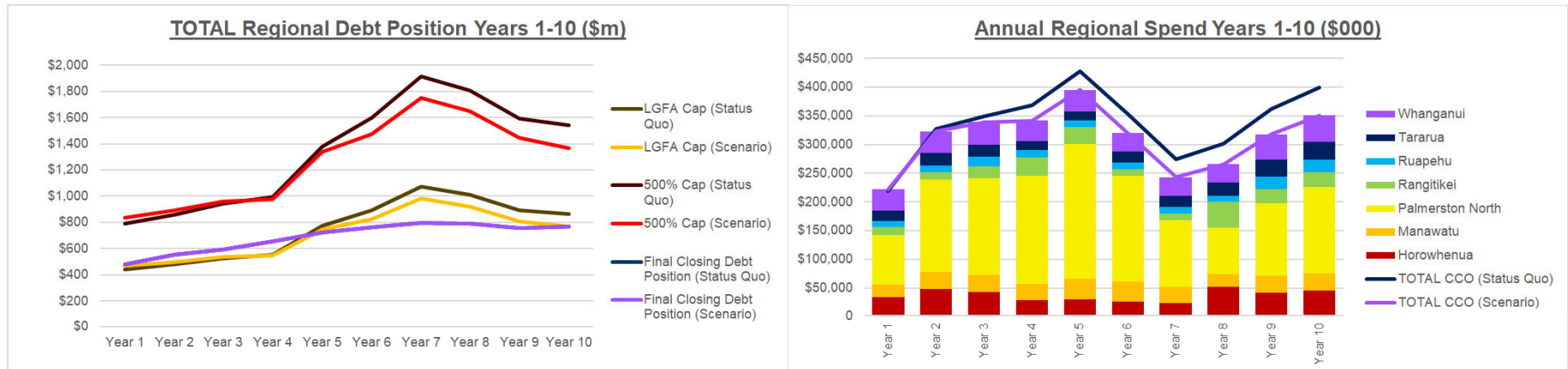
Council Inclusion/Exclusion Scenarios

Council Inclusion/Exclusion Scenarios

Cost/Efficiency Effect		Paid by PNCC (not included in the CCO)	Paid by CCO (included in the CCO)
Keep Debt Equal (Change Rates)	All Councils	0	0
	Horowhenua Out	1	1
	Whanganui Out	2	2
	Tararua Out	3	3
	Ruapehu Out	4	4
	<u>Combination</u> Manawatū Palmerston North Rangitikei	5	5
	<u>Combination</u> Rangitikei Ruapehu Whanganui	6a	6a
	<u>Combination</u> Horowhenua Manawatū Palmerston North Tararua	6b	6b
	Palmerston North Out	7	7
	Manawatū Out	8	8
	Rangitikei Out	9	9

WWTP in CCO (All CCO Pays)

Scenario 0 – WWTP in CCO (All CCO Pays) – All Councils



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

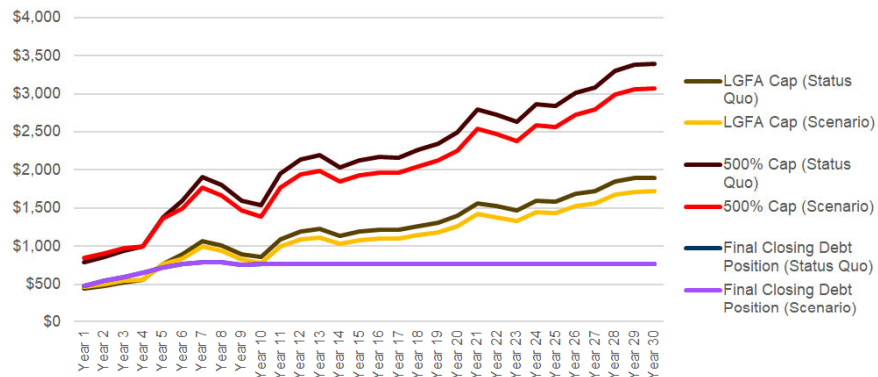
Efficiency Assumptions		
Opex Savings	Optimistic	16%
Capex Savings	Optimistic	10%
Transition Costs	Optimistic	10%
Interest Rate	Optimistic	-25 bp



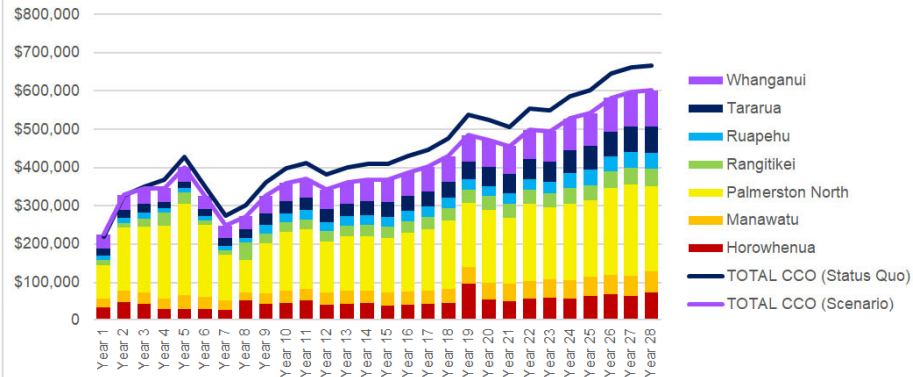
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	469,269	499,771	538,459	546,348	748,080	824,483	981,067	923,096	808,636	765,752
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	837,980	892,448	961,533	975,621	1,335,857	1,472,291	1,751,905	1,648,386	1,443,992	1,367,414

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

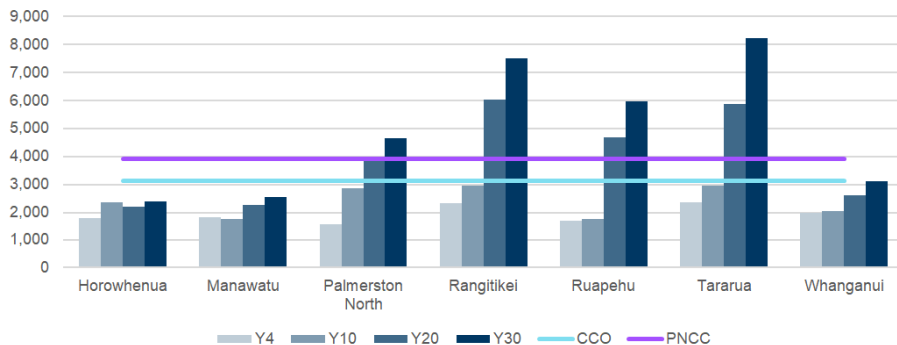
TOTAL Regional Debt Position Years 1-30 (\$m)



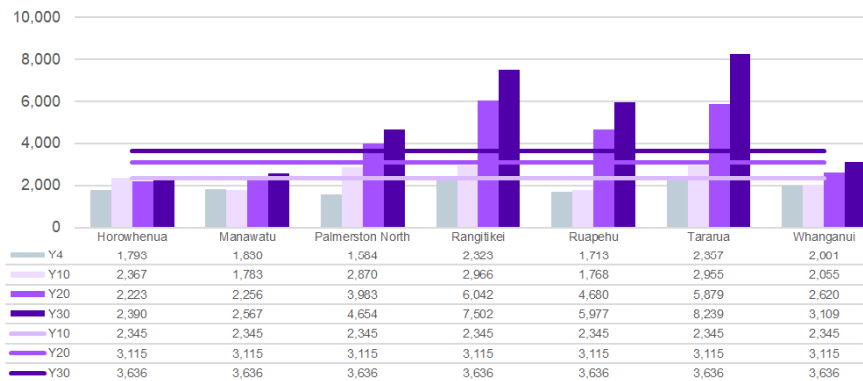
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

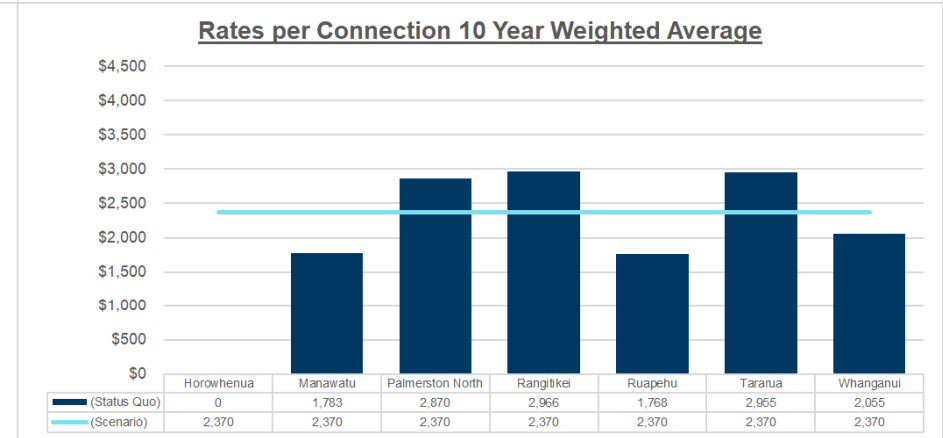
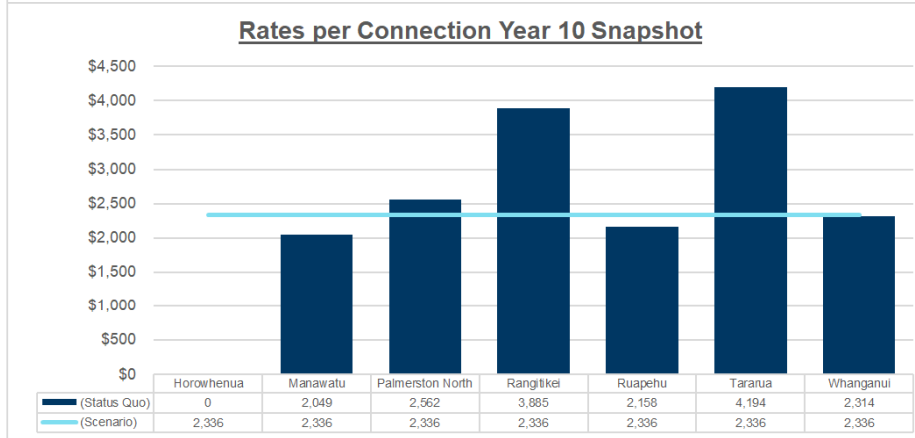
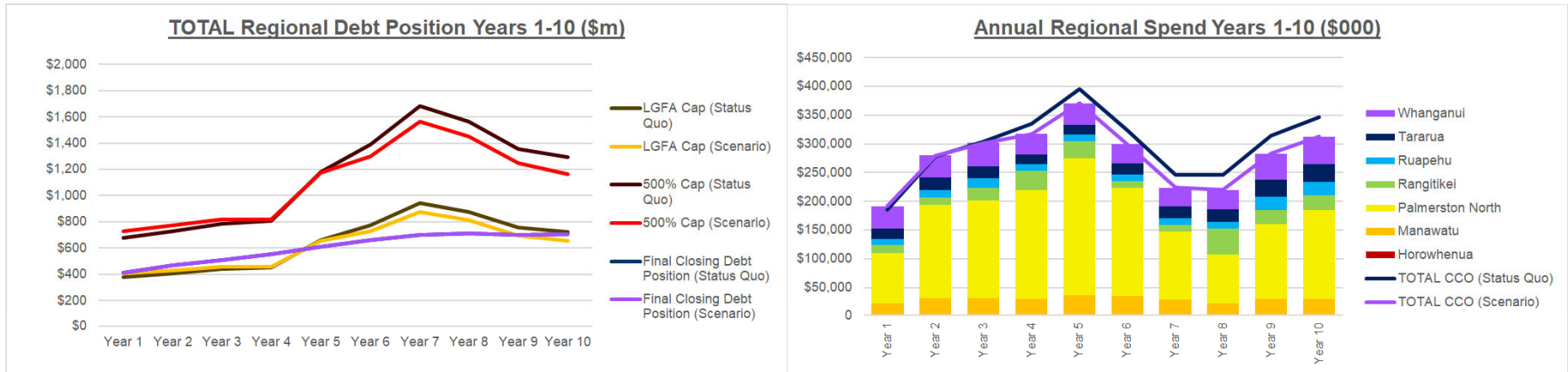
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
LGFA Scenario	473,955	763,269	780,036	992,050	1,085,968	1,113,848	1,032,641
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	846,348	1,362,980	1,392,922	1,771,517	1,939,229	1,989,015	1,844,002

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

Scenario 1 – WWTP in CCO (All CCO Pays) – Horowhenua Out



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

Efficiency Assumptions

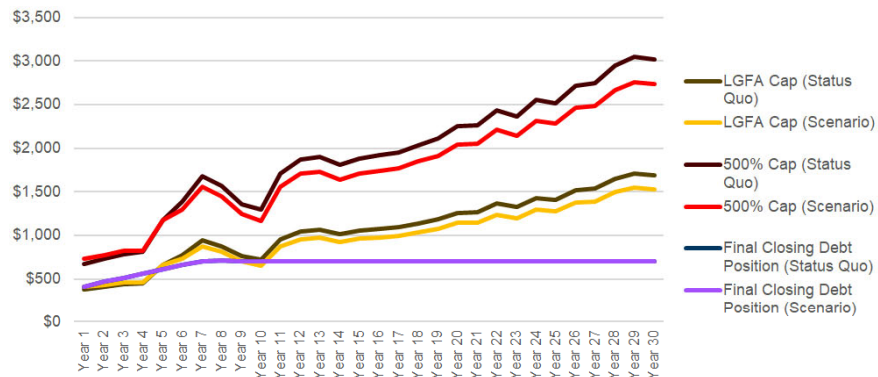
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



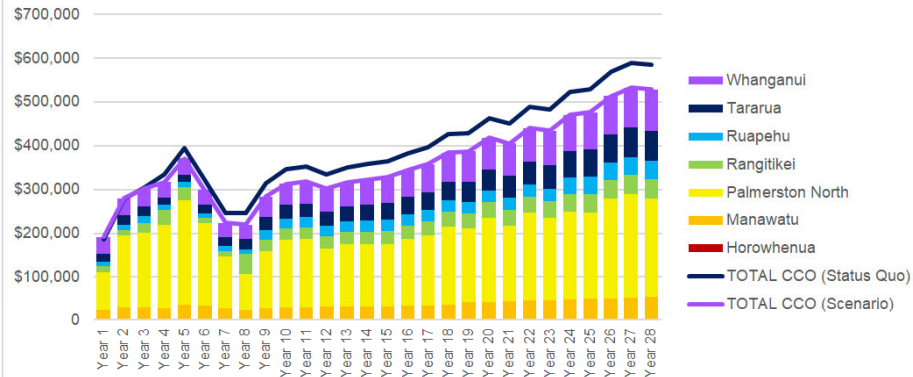
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	414,277	468,061	508,642	556,588	611,569	662,585	702,411	713,216	699,791	706,110
	Scenario	414,277	468,061	508,642	556,588	611,569	662,585	702,411	713,216	699,791	706,110
LGFA	Status Quo	378,916	407,770	440,487	453,054	660,415	776,205	941,180	876,906	757,630	723,076
	Scenario	408,619	431,805	459,152	459,822	657,324	727,826	875,216	812,616	697,517	652,674
500%	Status Quo	676,636	728,160	786,583	809,026	1,179,313	1,386,080	1,680,678	1,565,903	1,352,910	1,291,206
	Scenario	729,676	771,080	819,914	821,112	1,173,793	1,299,690	1,562,886	1,451,100	1,245,566	1,165,490

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

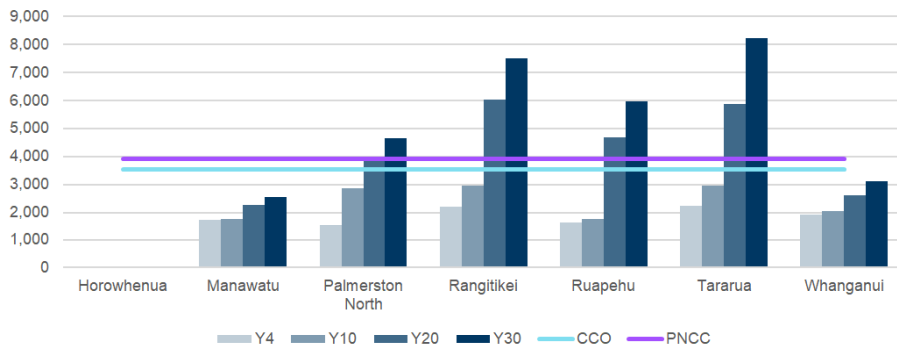
TOTAL Regional Debt Position Years 1-30 (\$m)



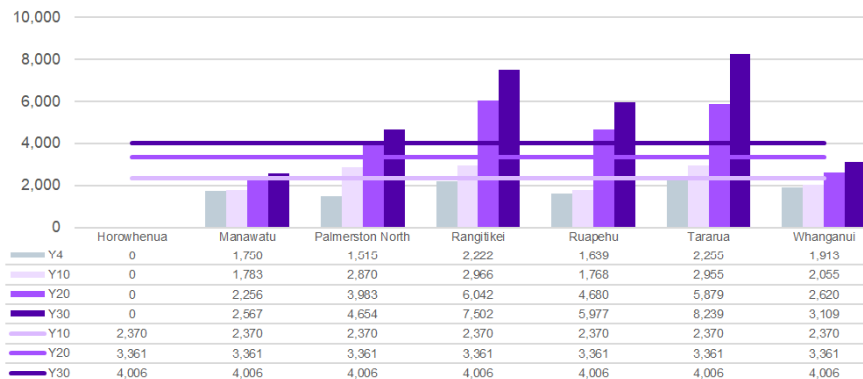
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

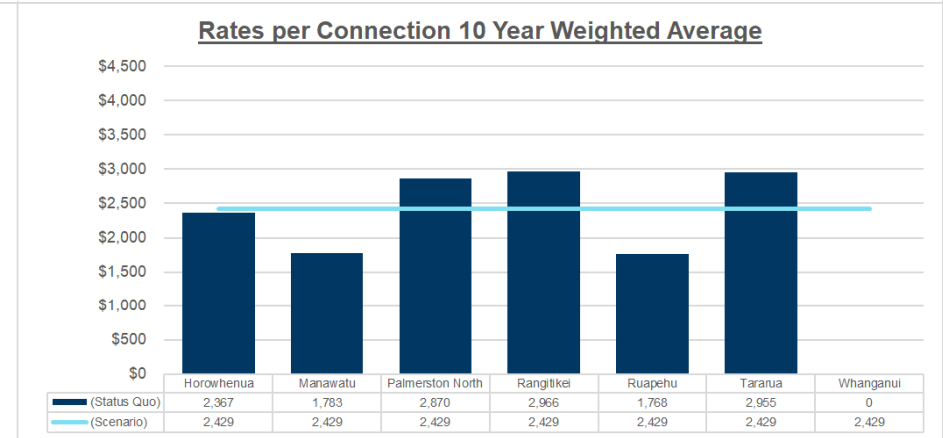
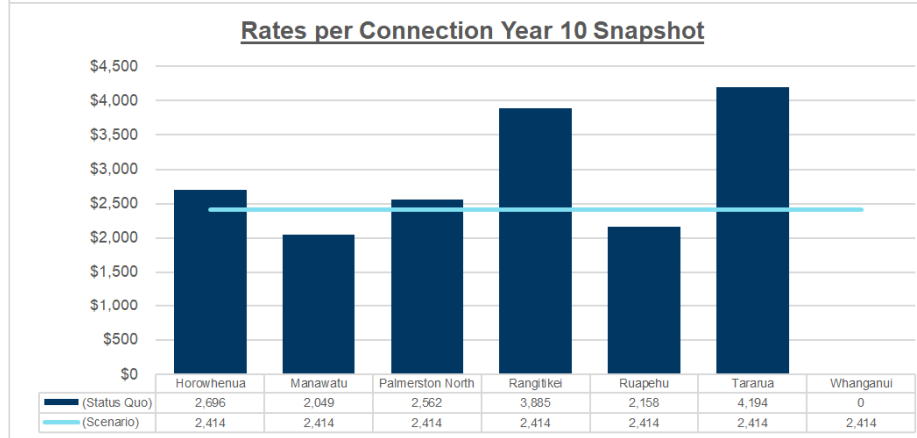
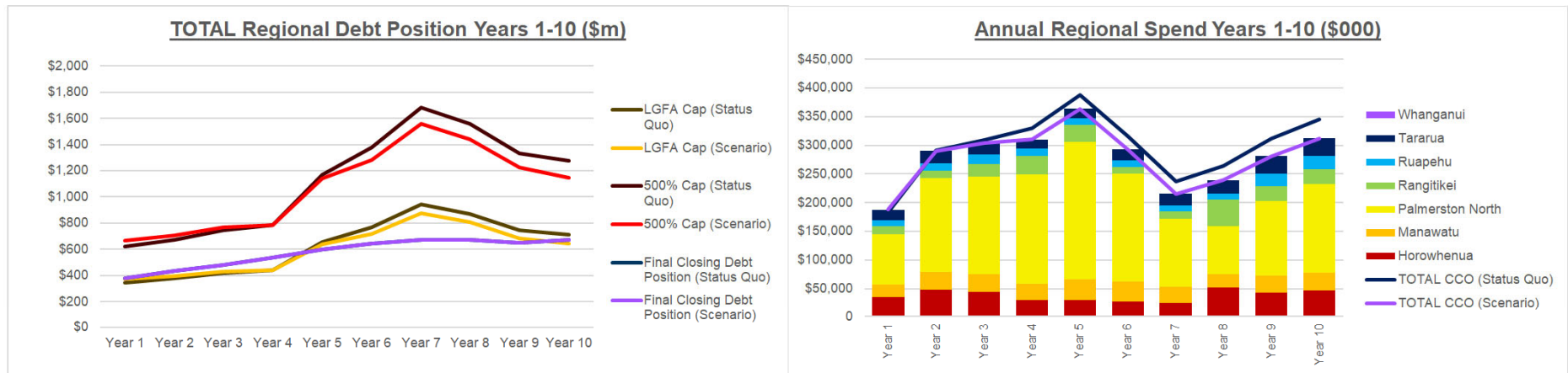
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	414,277	611,569	706,110	706,110	706,110	706,110	706,110
Debt Scenario	414,277	611,569	706,110	706,110	706,110	706,110	706,110
LGFA Status Quo	378,916	660,415	723,076	957,845	1,048,575	1,064,709	1,011,210
LGFA Scenario	408,619	657,324	652,674	872,175	955,089	969,238	919,197
500% Status Quo	676,636	1,179,313	1,291,206	1,710,438	1,872,456	1,901,265	1,805,732
500% Scenario	729,676	1,173,793	1,165,490	1,557,456	1,705,517	1,730,782	1,641,423

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 2 – WWTP in CCO (All CCO Pays) – Whanganui Out



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	OUT
WWTP in CCO?	IN
Changes made to:	RATES

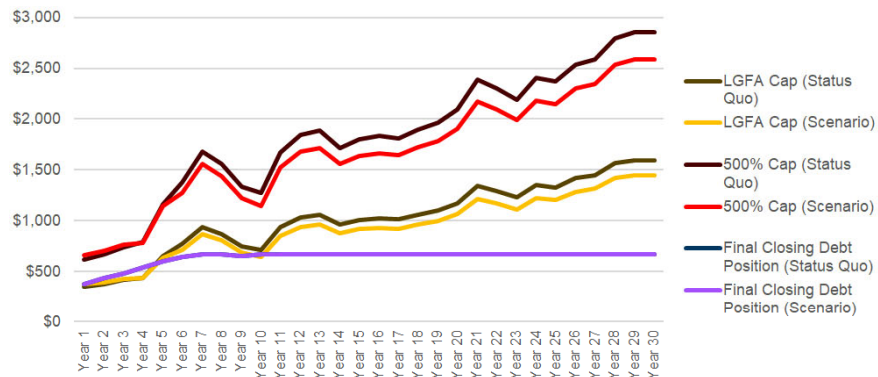
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



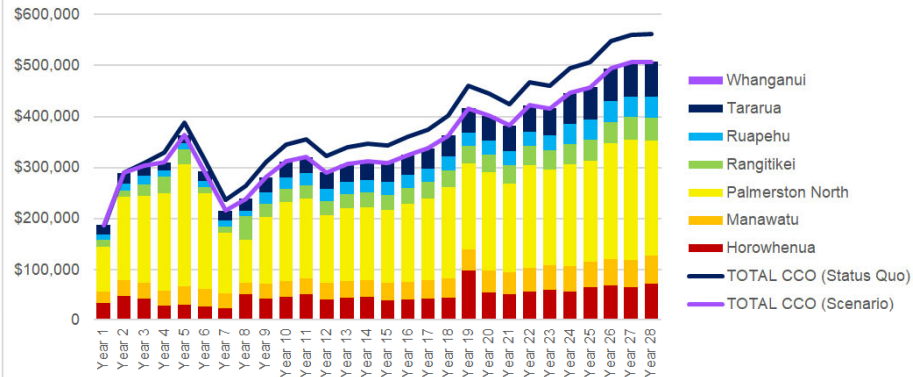
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	376,116	435,172	478,233	539,264	598,881	643,105	672,256	674,317	650,839	673,948
	Scenario	376,116	435,172	478,233	539,264	598,881	643,105	672,256	674,317	650,839	673,948
LGFA	Status Quo	347,165	377,068	416,646	440,826	653,176	770,928	941,164	871,666	747,324	713,800
	Scenario	373,024	396,768	429,754	438,627	640,327	716,291	872,721	805,073	686,238	642,579
500%	Status Quo	619,937	673,336	744,011	787,190	1,166,385	1,376,658	1,680,650	1,556,547	1,334,507	1,274,643
	Scenario	666,115	708,515	767,418	783,262	1,143,440	1,279,091	1,558,431	1,437,630	1,225,425	1,147,463

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

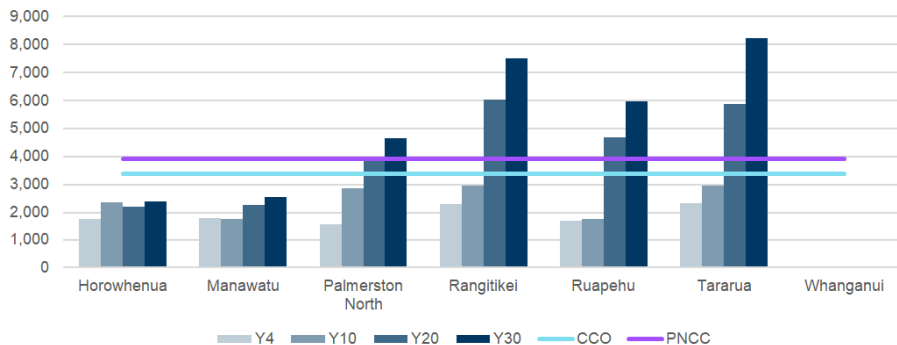
TOTAL Regional Debt Position Years 1-30 (\$m)



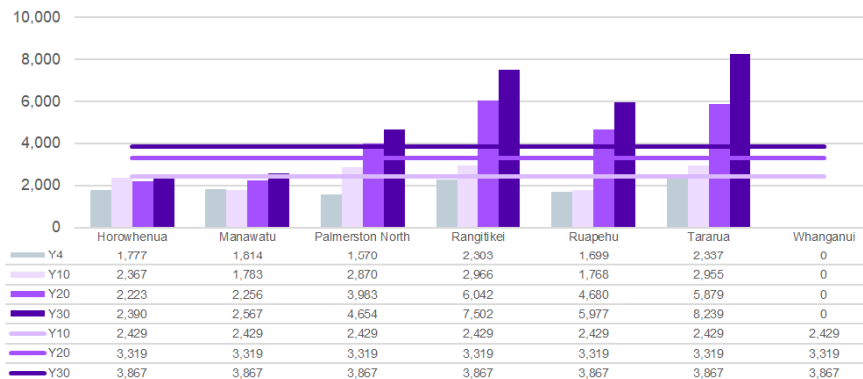
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	OUT
WWTP in CCO?	IN
Changes made to:	RATES

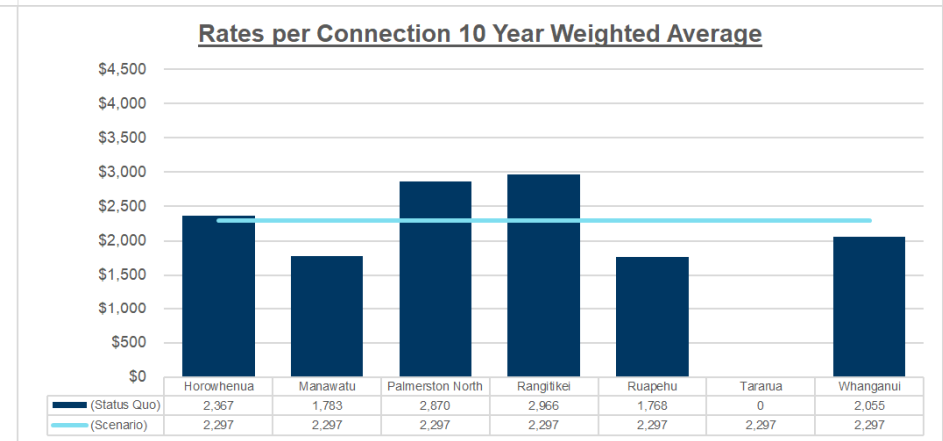
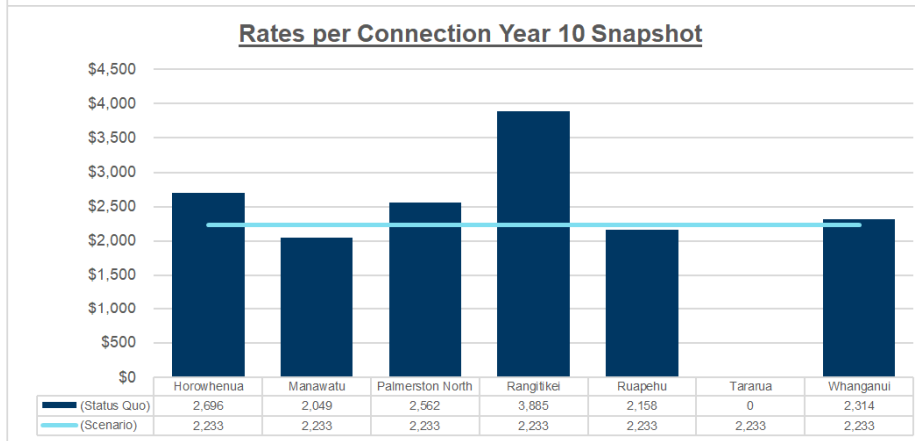
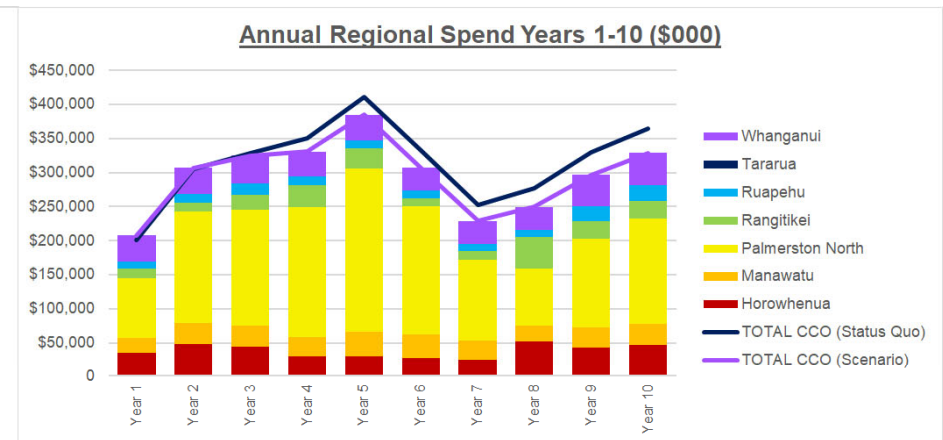
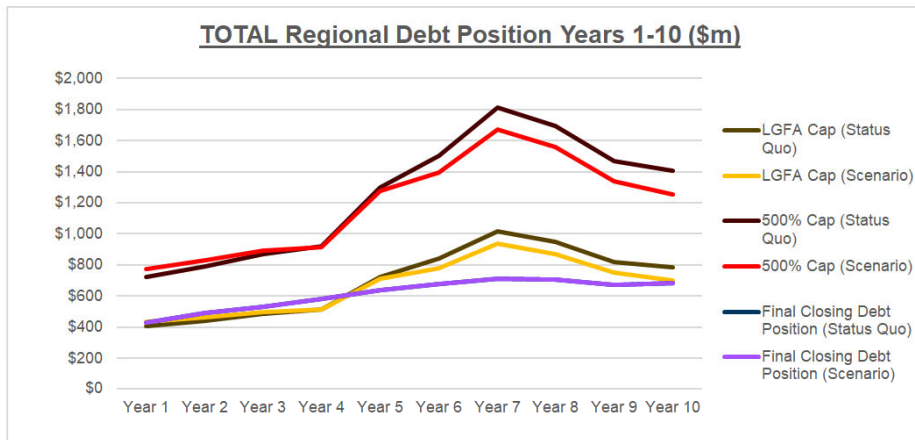
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	376,116	598,881	673,948	673,948	673,948	673,948	673,948
Debt Scenario	376,116	598,881	673,948	673,948	673,948	673,948	673,948
LGFA Status Quo	347,165	653,176	713,800	936,314	1,032,425	1,056,875	962,406
LGFA Scenario	373,024	640,327	642,579	853,066	940,978	962,750	875,325
500% Status Quo	619,937	1,166,385	1,274,643	1,671,989	1,843,616	1,887,276	1,718,582
500% Scenario	666,115	1,143,440	1,147,463	1,523,332	1,680,317	1,719,197	1,563,080

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 3 – WWTP in CCO (All CCO Pays) – Tararua Out



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	OUT
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

Efficiency Assumptions

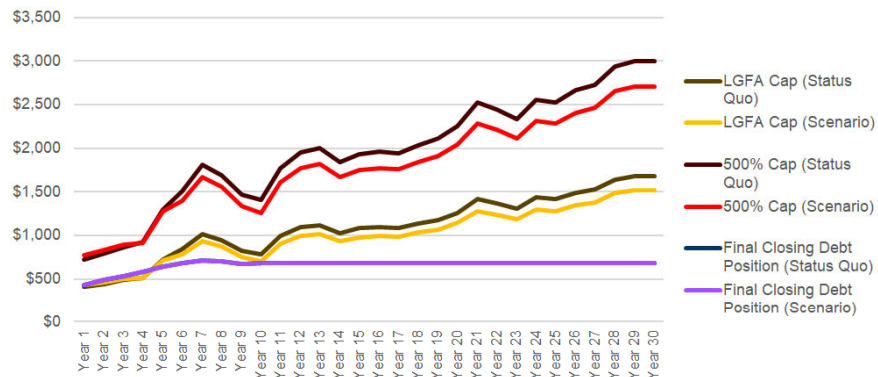
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



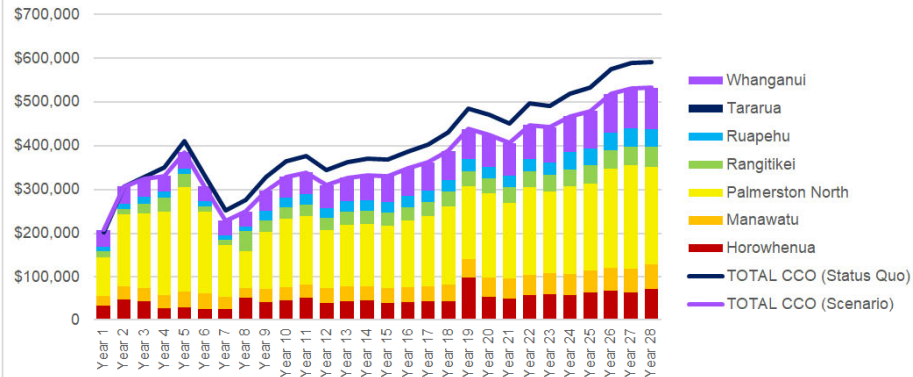
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	429,830	489,175	528,961	581,740	637,396	680,577	709,663	703,444	671,106	683,914
	Scenario	429,830	489,175	528,961	581,740	637,396	680,577	709,663	703,444	671,106	683,914
LGFA	Status Quo	405,832	443,538	486,025	514,558	725,690	842,321	1,014,158	948,077	821,678	785,701
	Scenario	433,157	464,294	500,016	513,809	713,452	779,888	936,280	871,680	749,792	701,970
500%	Status Quo	724,700	792,033	867,902	918,854	1,295,876	1,504,145	1,810,997	1,692,995	1,467,282	1,403,037
	Scenario	773,494	829,096	892,887	917,515	1,274,022	1,392,658	1,671,928	1,556,571	1,338,914	1,253,518

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

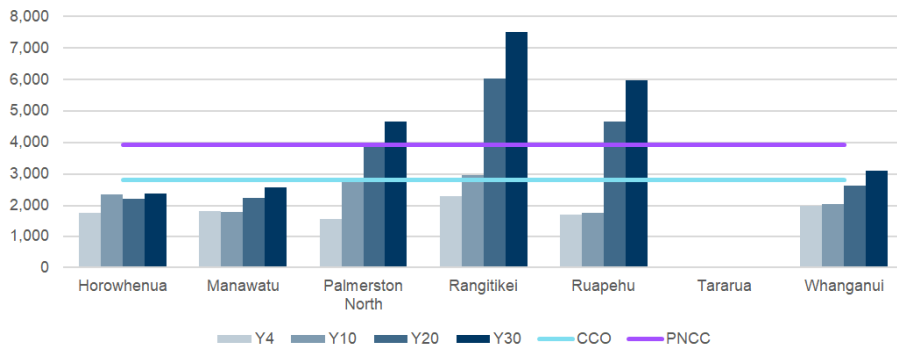
TOTAL Regional Debt Position Years 1-30 (\$m)



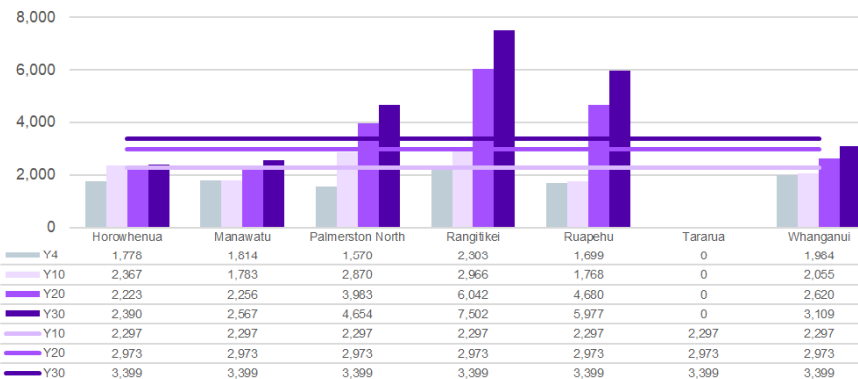
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	OUT
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

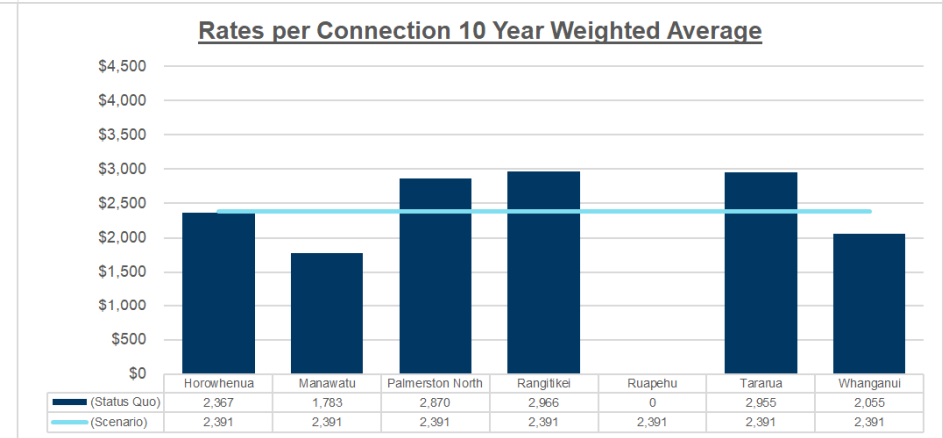
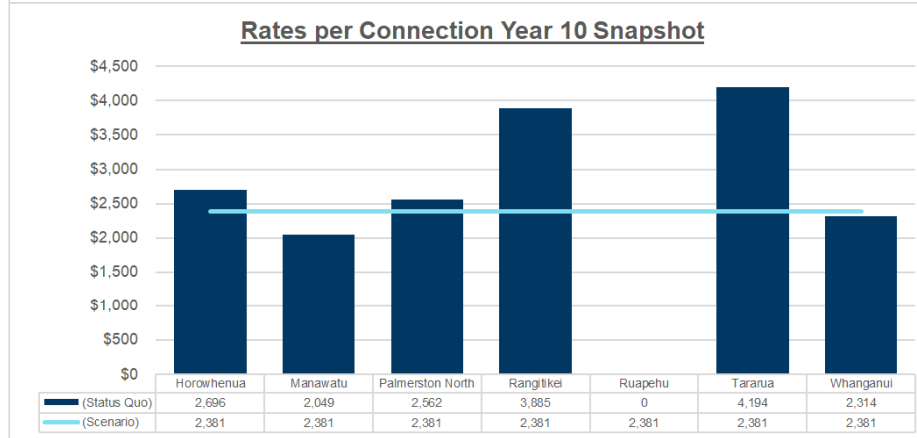
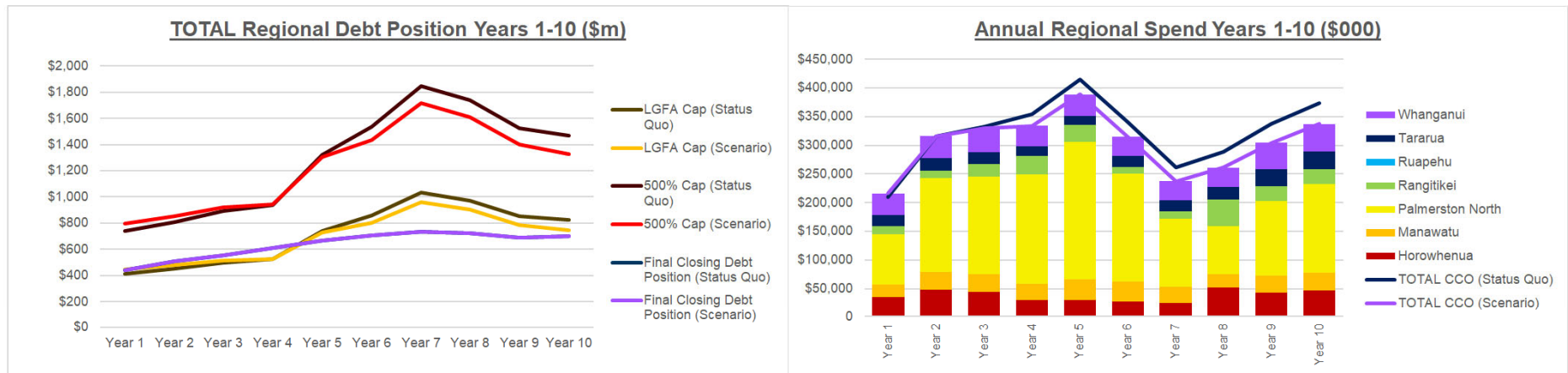
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	429,830	637,396	683,914	683,914	683,914	683,914	683,914
Debt Scenario	429,830	637,396	683,914	683,914	683,914	683,914	683,914
LGFA Status Quo	405,832	725,690	785,701	991,276	1,091,201	1,119,472	1,028,831
LGFA Scenario	433,157	713,452	701,970	900,177	991,556	1,016,729	932,594
500% Status Quo	724,700	1,295,876	1,403,037	1,770,135	1,948,574	1,999,057	1,837,197
500% Scenario	773,494	1,274,022	1,253,518	1,607,459	1,770,636	1,815,588	1,665,346

Exceeds 500% Debt Cap Exceeds LGFA Cap Within Debt Caps

Scenario 4 – WWTP in CCO (All CCO Pays) – Ruapehu District Council Out



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

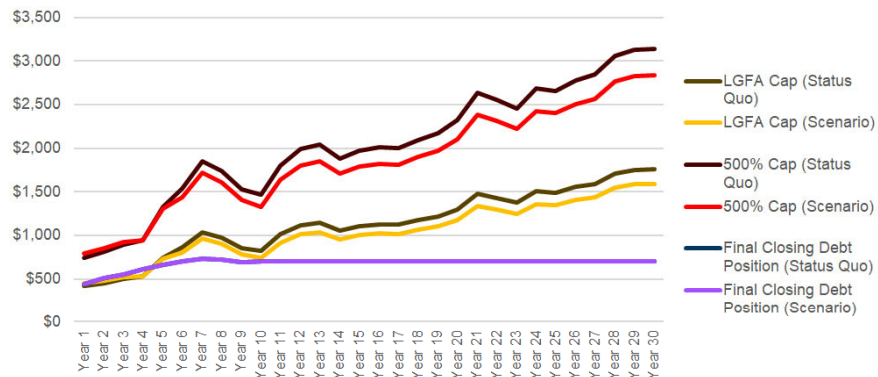
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



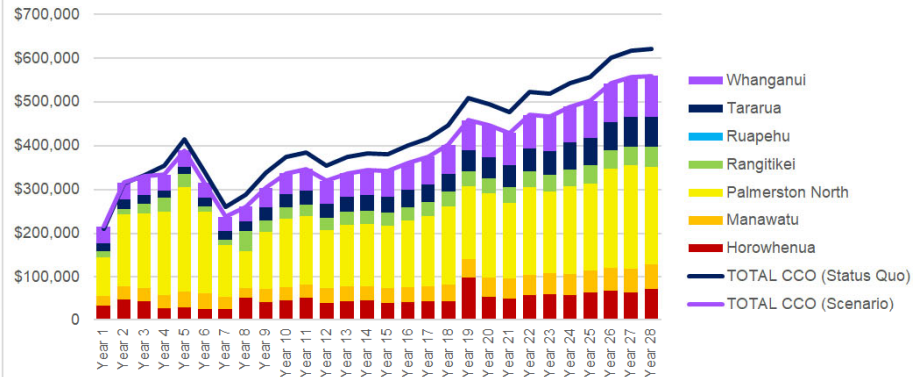
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	440,742	509,732	553,120	611,197	666,466	706,670	732,419	724,105	688,906	699,316
	Scenario	440,742	509,732	553,120	611,197	666,466	706,670	732,419	724,105	688,906	699,316
LGFA	Status Quo	415,154	453,002	498,743	525,782	740,090	860,661	1,034,452	974,015	852,677	822,782
	Scenario	446,458	477,794	516,488	527,949	731,223	802,198	961,074	901,998	784,994	743,734
500%	Status Quo	741,347	808,932	890,612	938,896	1,321,590	1,536,895	1,847,235	1,739,312	1,522,638	1,469,253
	Scenario	797,247	853,204	922,300	942,766	1,305,756	1,432,496	1,716,204	1,610,712	1,401,776	1,328,096

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

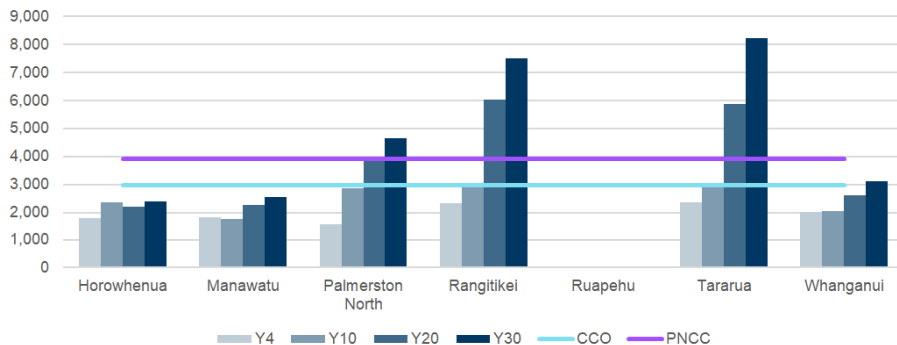
TOTAL Regional Debt Position Years 1-30 (\$m)



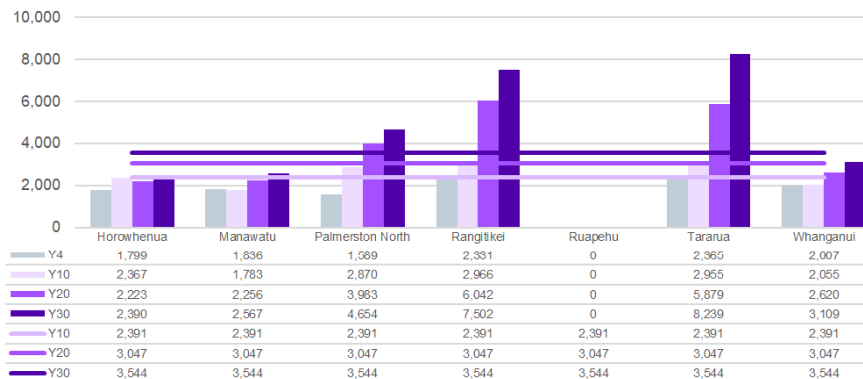
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

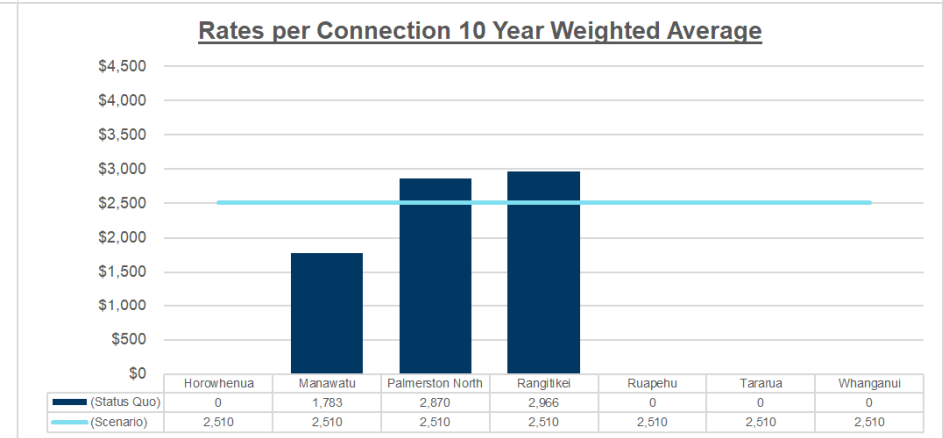
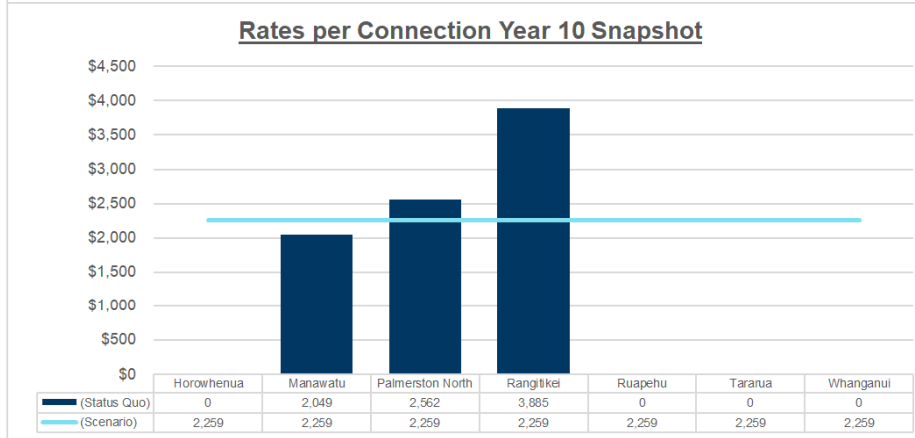
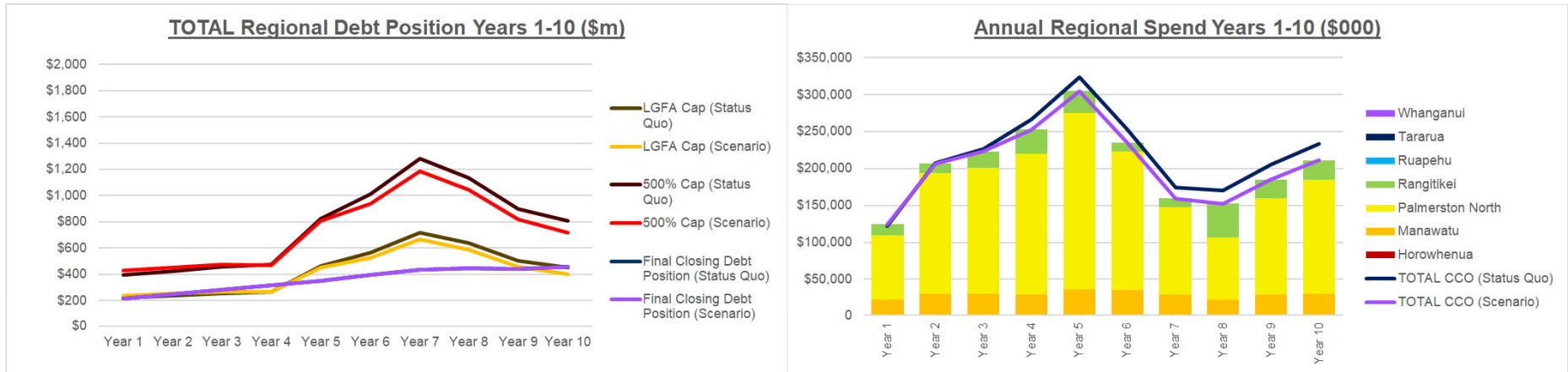
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	440,742	666,466	699,316	699,316	699,316	699,316	699,316
Debt Scenario	440,742	666,466	699,316	699,316	699,316	699,316	699,316
LGFA Status Quo	415,154	740,090	822,782	1,010,463	1,112,157	1,142,250	1,053,485
LGFA Scenario	446,458	731,223	743,734	916,863	1,009,762	1,036,615	954,387
500% Status Quo	741,347	1,321,590	1,469,253	1,804,399	1,985,994	2,039,732	1,881,224
500% Scenario	797,247	1,305,756	1,328,096	1,637,256	1,803,147	1,851,098	1,704,262

Exceeds 500% Debt Cap Exceeds LGFA Cap Within Debt Caps

Scenario 5 – WWTP in CCO (All CCO Pays) – Manawatū, Palmerston North, Rangitikei



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	OUT
Whanganui	OUT
WWTP in CCO?	IN
Changes made to:	RATES

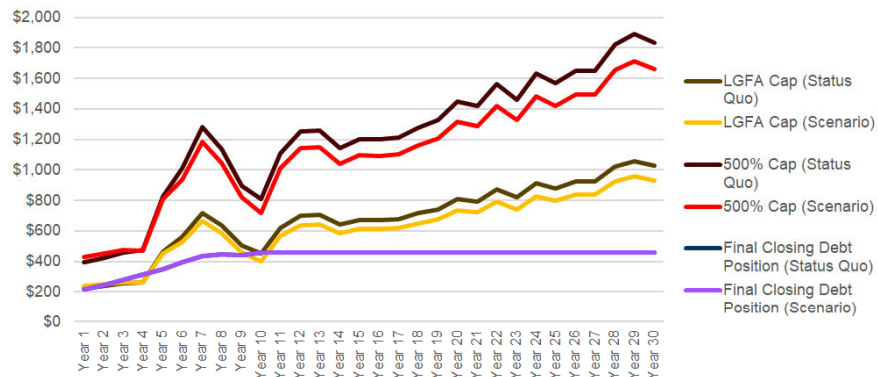
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



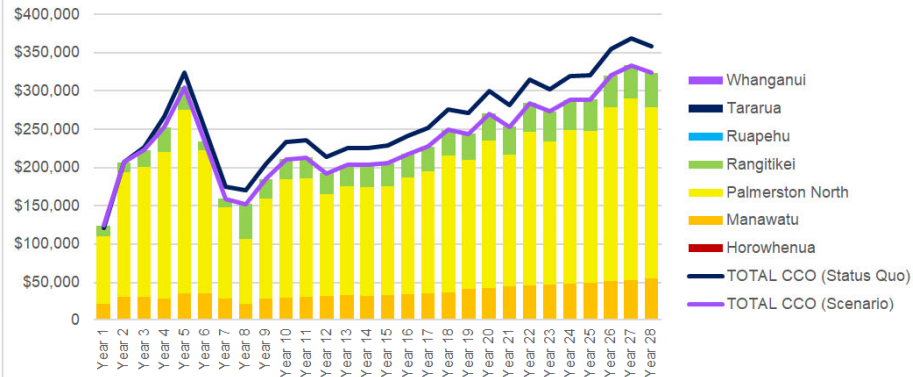
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	217,591	248,378	281,444	314,874	351,891	397,806	433,897	448,456	443,056	459,182
	Scenario	217,591	248,378	281,444	314,874	351,891	397,806	433,897	448,456	443,056	459,182
LGFA	Status Quo	221,268	238,727	256,900	265,313	461,522	564,656	718,886	636,019	502,869	453,512
	Scenario	239,394	251,992	265,239	263,870	452,520	525,312	664,356	585,318	458,560	400,848
500%	Status Quo	395,122	426,298	458,750	473,773	824,147	1,008,315	1,283,725	1,135,749	897,980	809,843
	Scenario	427,489	449,986	473,640	471,197	808,071	938,057	1,186,350	1,045,210	818,857	715,801

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

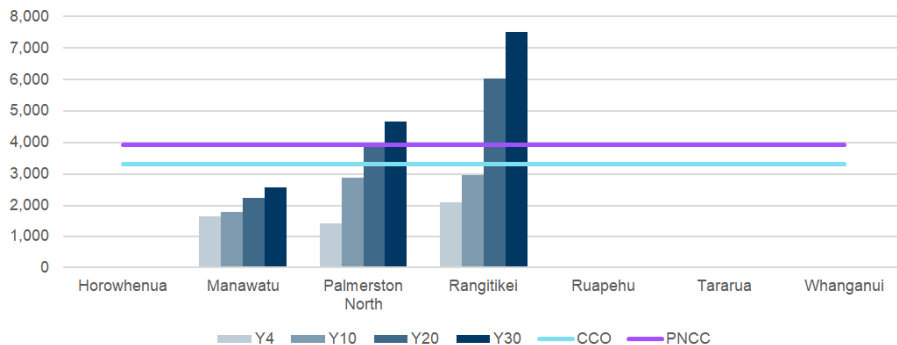
TOTAL Regional Debt Position Years 1-30 (\$m)



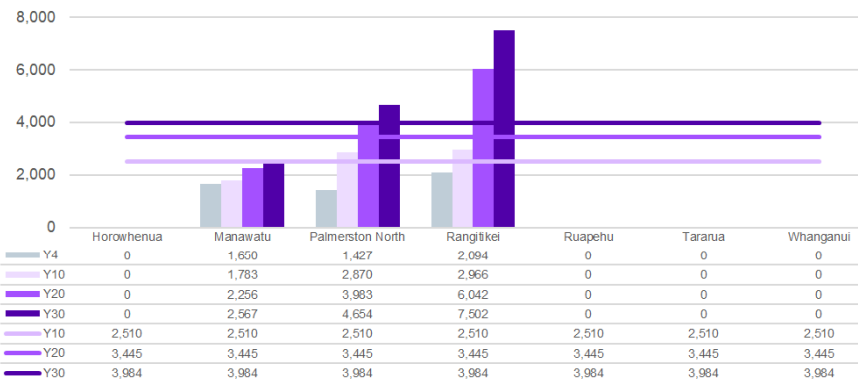
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	OUT
Whanganui	OUT
WWTP in CCO?	IN
Changes made to:	RATES

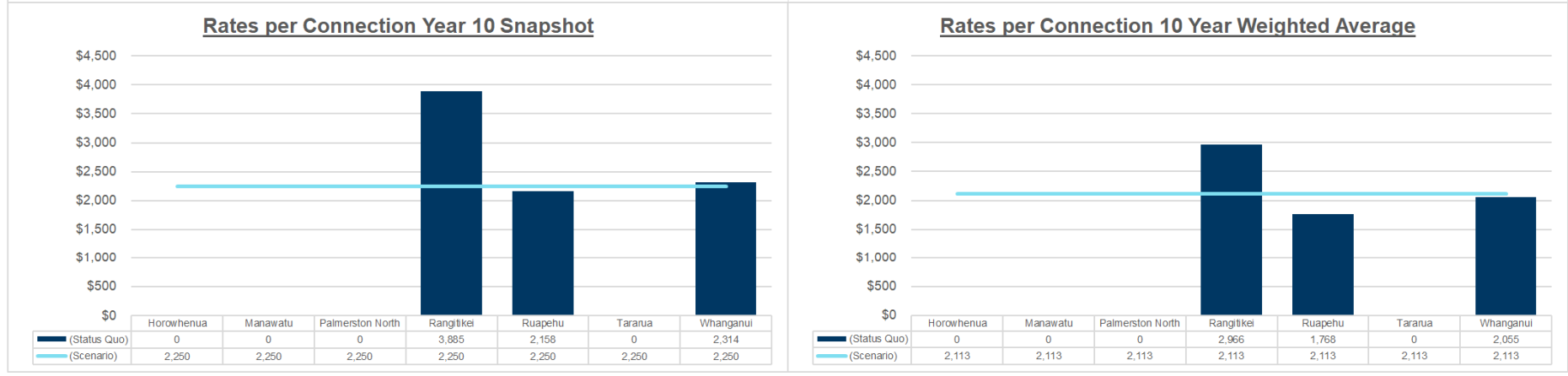
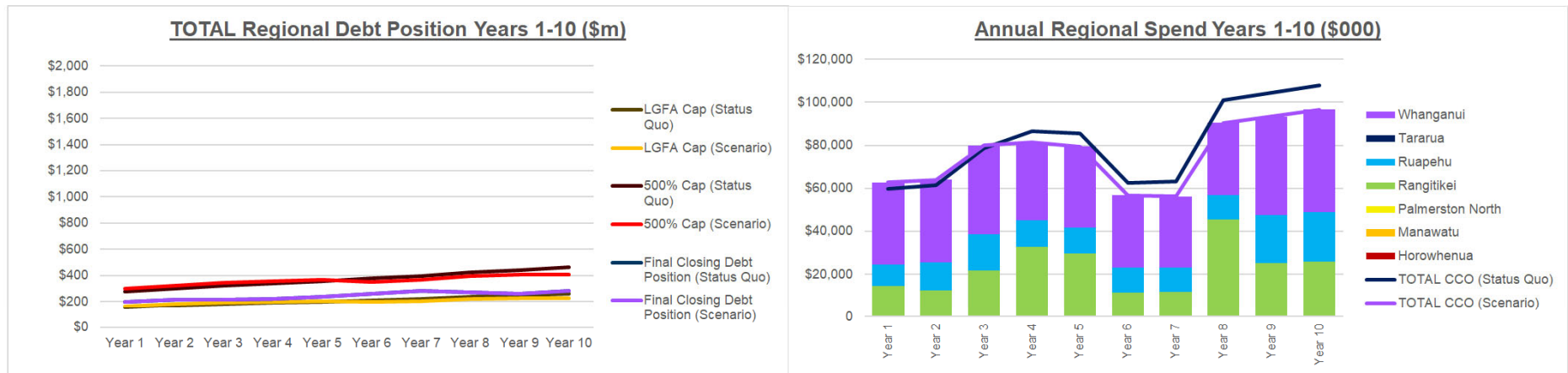
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	217,591	351,891	459,182	459,182	459,182	459,182	459,182
Debt Scenario	217,591	351,891	459,182	459,182	459,182	459,182	459,182
LGFA Status Quo	221,268	461,522	453,512	619,984	699,968	705,137	640,456
LGFA Scenario	239,394	452,520	400,848	566,199	639,560	643,859	583,678
500% Status Quo	395,122	824,147	809,843	1,107,114	1,249,943	1,259,174	1,143,672
500% Scenario	427,489	808,071	715,801	1,011,070	1,142,072	1,149,748	1,042,282

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 6a – WWTP in CCO (All CCO Pays) – Part A: Rangitikei, Ruapehu, Whanganui



Horowhenua	OUT
Manawatu	OUT
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Tararua	OUT
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

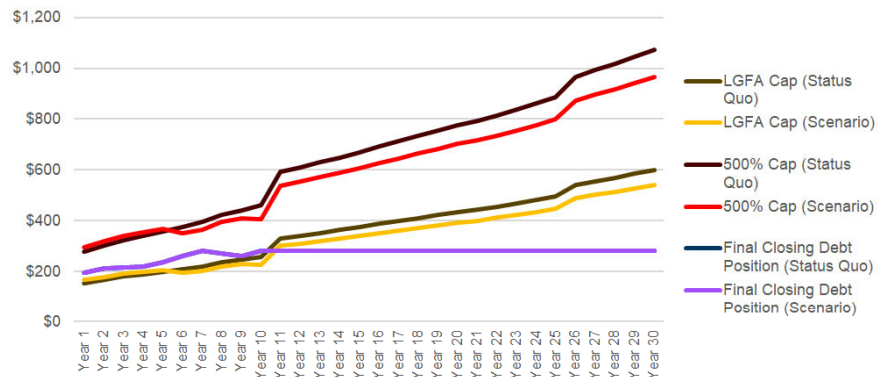
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



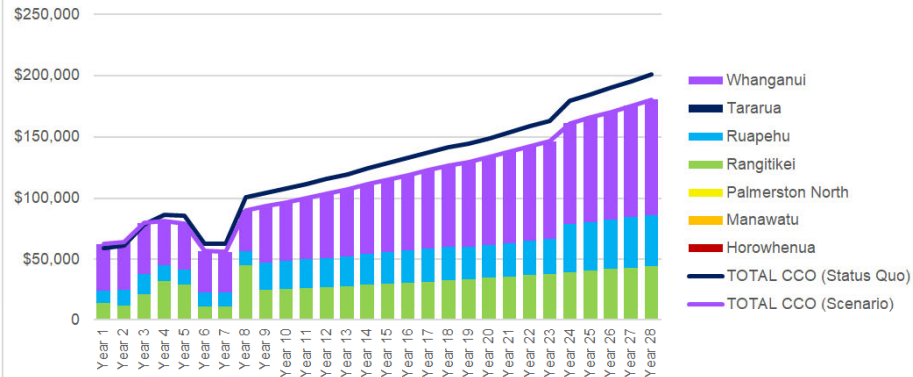
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	197,220	213,684	217,785	220,888	238,578	261,784	281,478	272,950	260,489	282,785
	Scenario	197,220	213,684	217,785	220,888	238,578	261,784	281,478	272,950	260,489	282,785
LGFA	Status Quo	155,229	168,666	181,828	190,501	200,299	211,089	221,453	236,635	247,262	258,275
	Scenario	166,494	179,293	191,790	199,410	205,451	197,082	204,348	220,943	229,163	227,971
500%	Status Quo	277,194	301,190	324,692	340,181	357,677	376,944	395,452	422,563	441,540	461,206
	Scenario	297,310	320,165	342,482	356,090	366,877	351,933	364,908	394,542	409,219	407,091

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

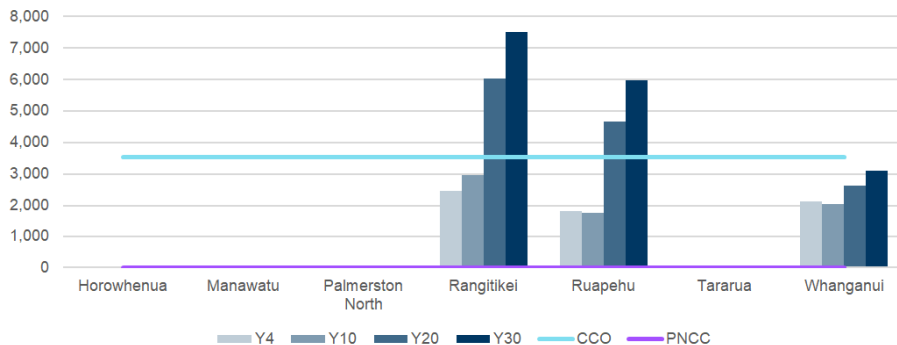
TOTAL Regional Debt Position Years 1-30 (\$m)



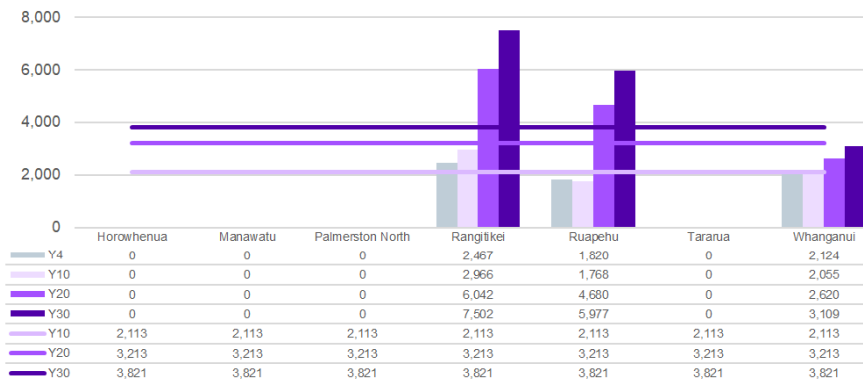
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	OUT
Manawatu	OUT
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Tararua	OUT
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

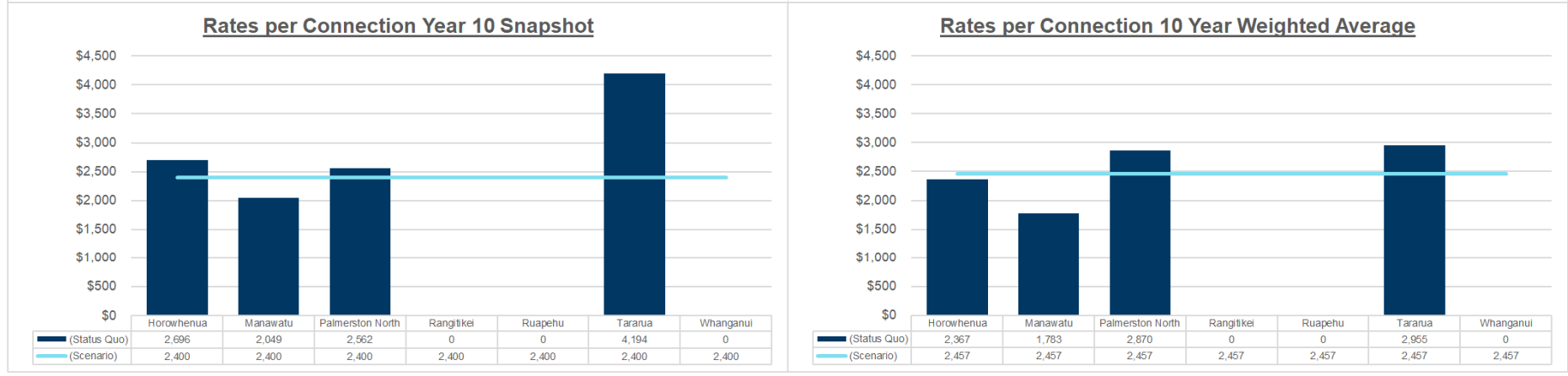
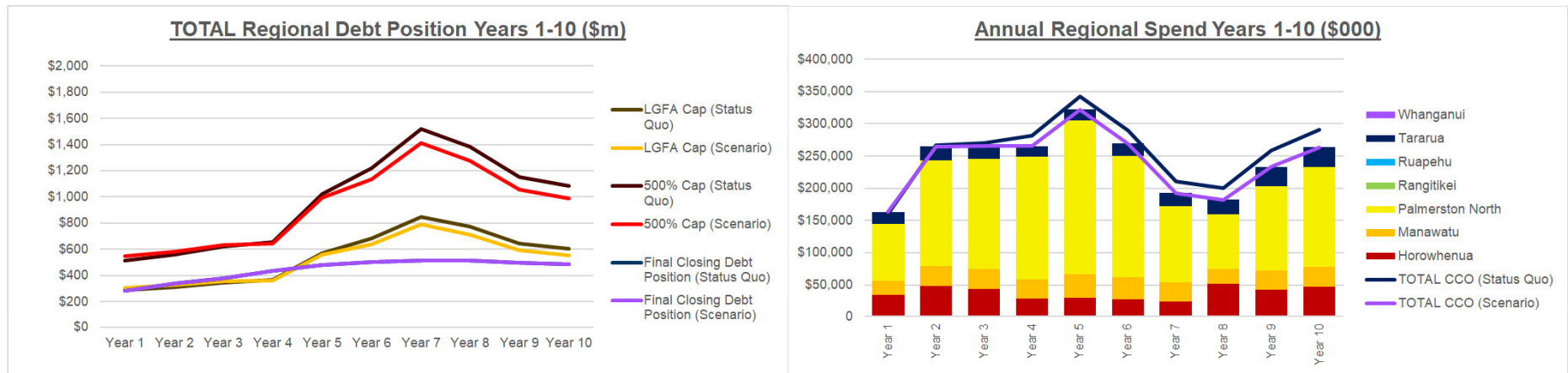
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	197,220	238,578	282,785	282,785	282,785	282,785	282,785
Debt Scenario	197,220	238,578	282,785	282,785	282,785	282,785	282,785
LGFA Status Quo	155,229	200,299	258,275	331,990	342,260	352,734	363,410
LGFA Scenario	166,494	205,451	227,971	301,178	310,377	319,754	329,309
500% Status Quo	277,194	357,677	461,206	592,839	611,179	629,882	648,947
500% Scenario	297,310	366,877	407,091	537,819	554,244	570,989	588,053

Exceeds 500% Debt Cap Exceeds LGFA Cap Within Debt Caps

Scenario 6b – WWTP in CCO (All CCO Pays) – Part B: Horowhenua, Manawatū, Palmerston North, Tararua



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	OUT
Ruapehu	OUT
Tararua	IN
Whanganui	OUT
WWTP in CCO?	IN
Changes made to:	RATES

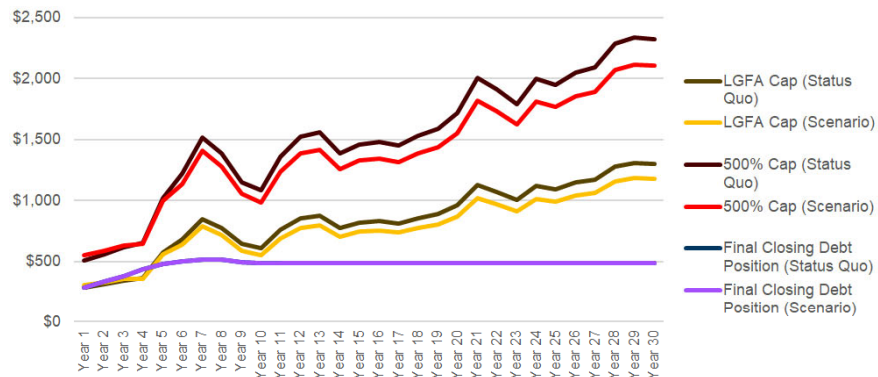
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



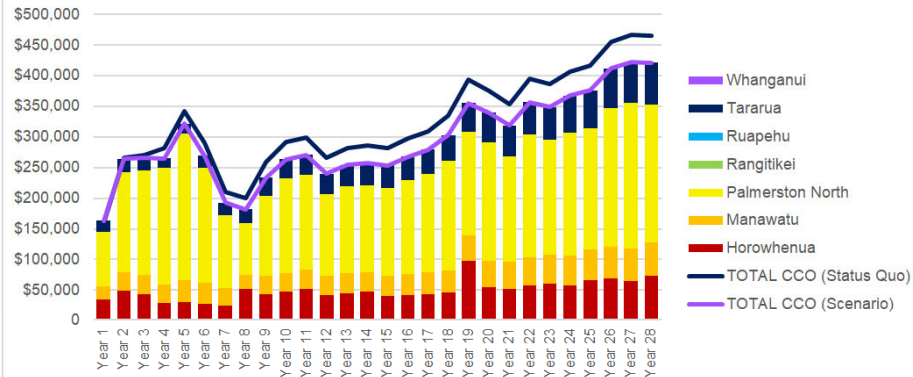
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	283,904	337,569	378,053	437,084	482,228	503,260	512,805	515,925	495,373	485,250
	Scenario	283,904	337,569	378,053	437,084	482,228	503,260	512,805	515,925	495,373	485,250
LGFA	Status Quo	286,704	312,217	346,506	365,801	572,317	684,064	849,236	774,913	644,884	605,674
	Scenario	307,605	327,074	355,077	359,512	557,961	636,692	789,441	714,550	590,975	552,209
500%	Status Quo	511,972	557,531	618,760	653,217	1,021,995	1,221,543	1,516,493	1,383,773	1,151,579	1,081,560
	Scenario	549,294	584,060	634,066	641,986	996,360	1,136,950	1,409,715	1,275,983	1,055,312	986,088

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

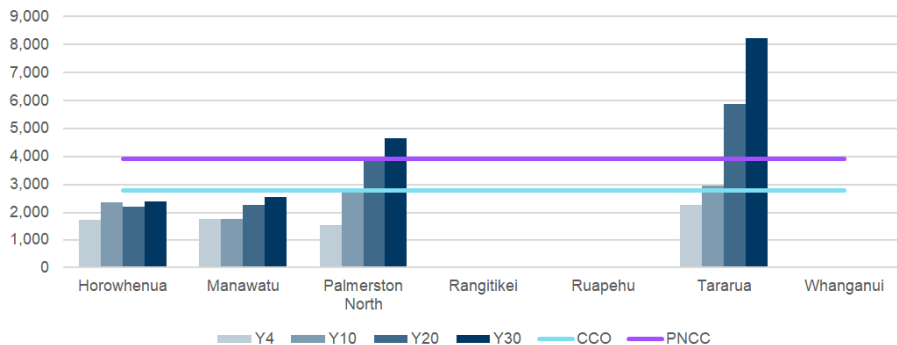
TOTAL Regional Debt Position Years 1-30 (\$m)



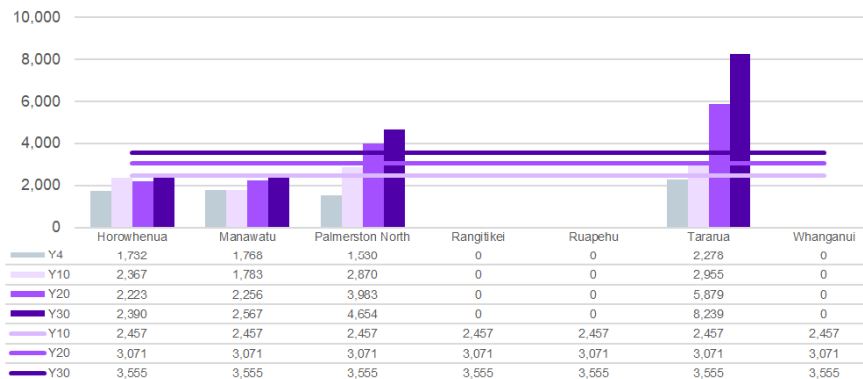
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	OUT
Ruapehu	OUT
Tararua	IN
Whanganui	OUT
WWTP in CCO?	IN
Changes made to:	RATES

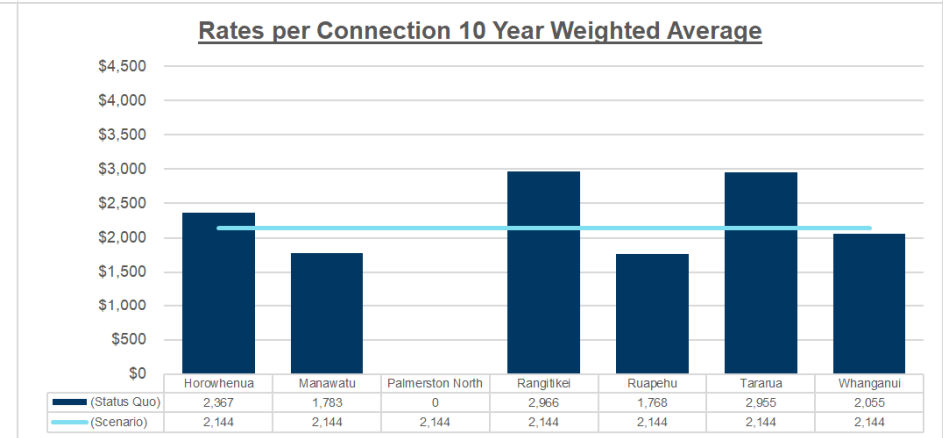
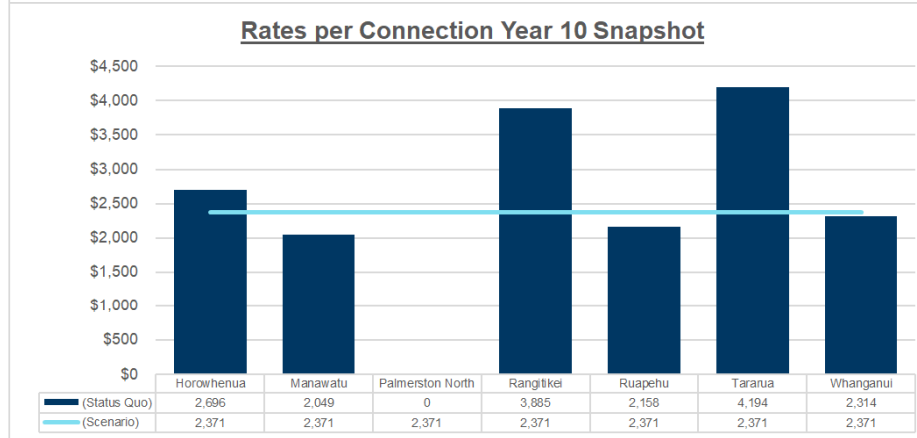
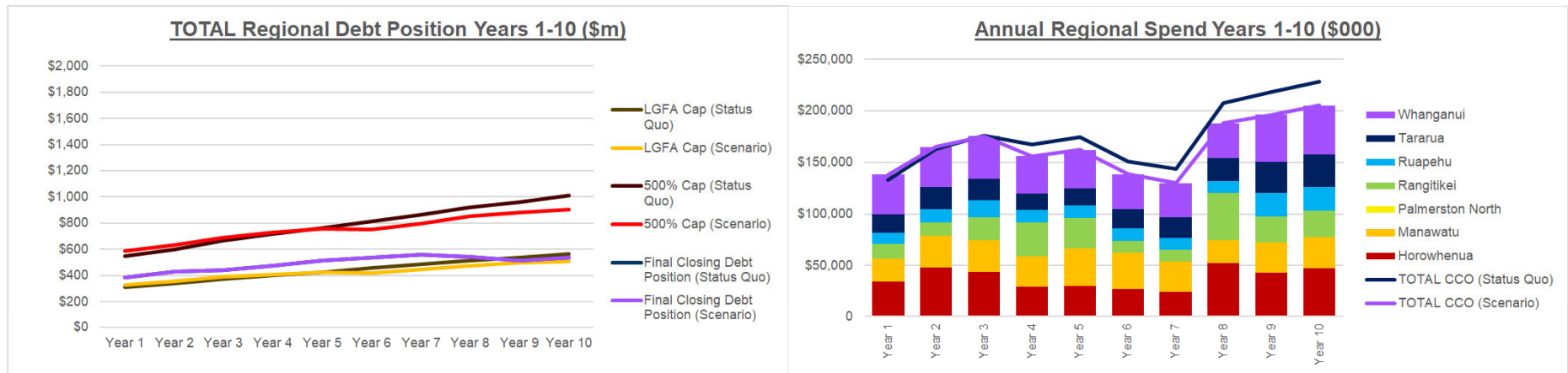
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	283,904	482,228	485,250	485,250	485,250	485,250	485,250
Debt Scenario	283,904	482,228	485,250	485,250	485,250	485,250	485,250
LGFA Status Quo	286,704	572,317	605,674	759,982	852,537	873,322	775,081
LGFA Scenario	307,605	557,961	552,209	691,045	775,797	794,296	703,476
500% Status Quo	511,972	1,021,995	1,081,560	1,357,110	1,522,387	1,559,504	1,384,074
500% Scenario	549,294	996,360	986,088	1,234,009	1,385,351	1,418,387	1,256,206

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 7 – WWTP in CCO (All CCO Pays) – Palmerston North City Council Out



Horowhenua	IN
Manawatu	IN
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

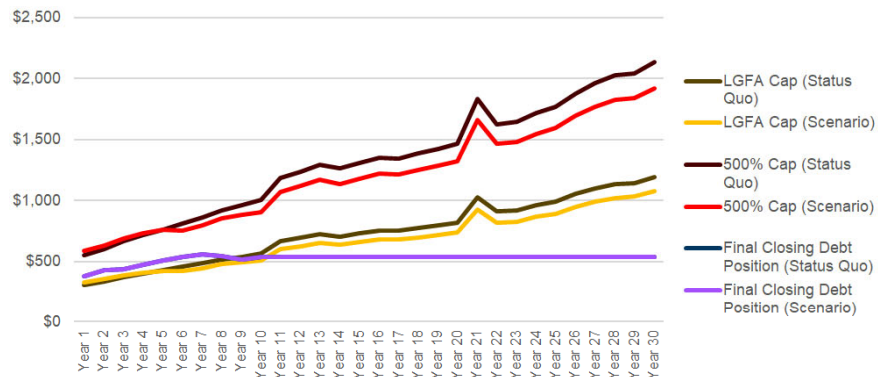
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



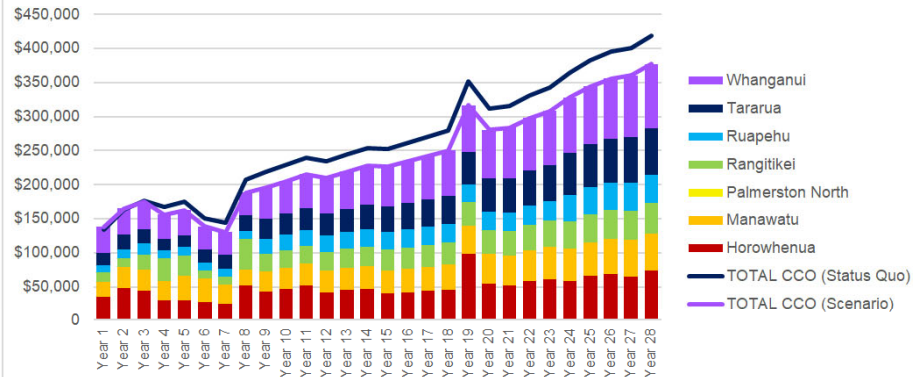
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	381,919	426,849	439,052	472,307	512,091	535,480	556,721	543,545	514,485	539,152
	Scenario	381,919	426,849	439,052	472,307	512,091	535,480	556,721	543,545	514,485	539,152
LGFA	Status Quo	308,506	336,651	373,504	402,573	425,958	455,281	483,702	514,976	537,034	564,696
	Scenario	330,634	355,225	387,490	408,370	424,183	420,474	446,902	476,952	494,564	506,685
500%	Status Quo	550,904	601,162	666,972	718,881	760,639	813,001	863,753	919,599	958,990	1,008,386
	Scenario	590,419	634,330	691,946	729,233	757,470	750,846	798,039	851,700	883,149	904,795

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

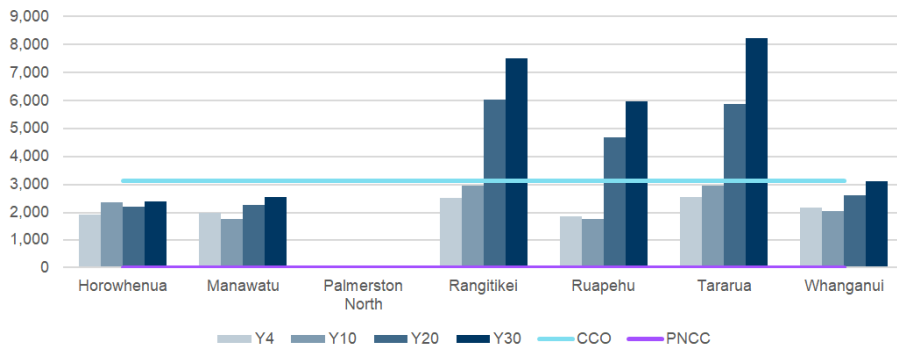
TOTAL Regional Debt Position Years 1-30 (\$m)



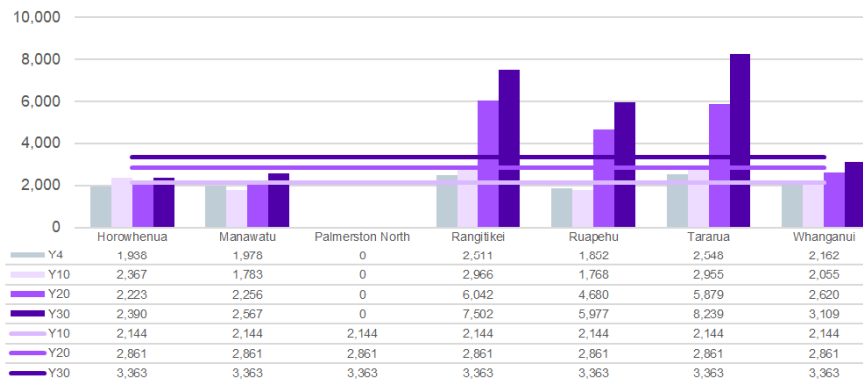
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

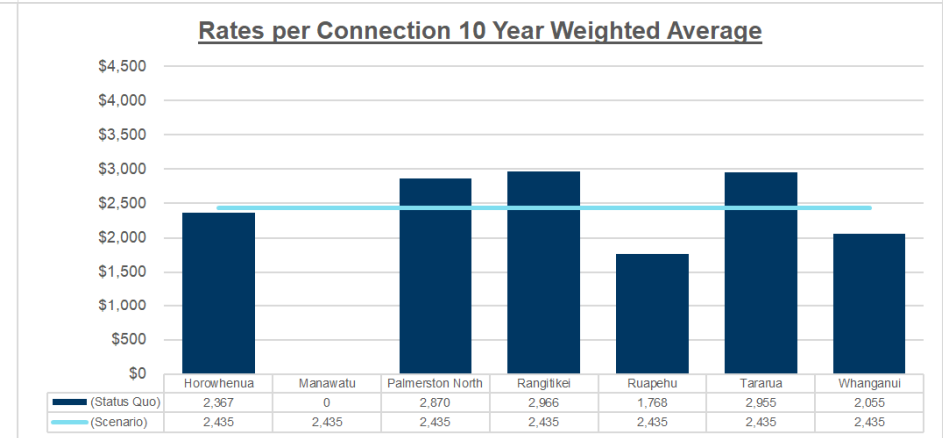
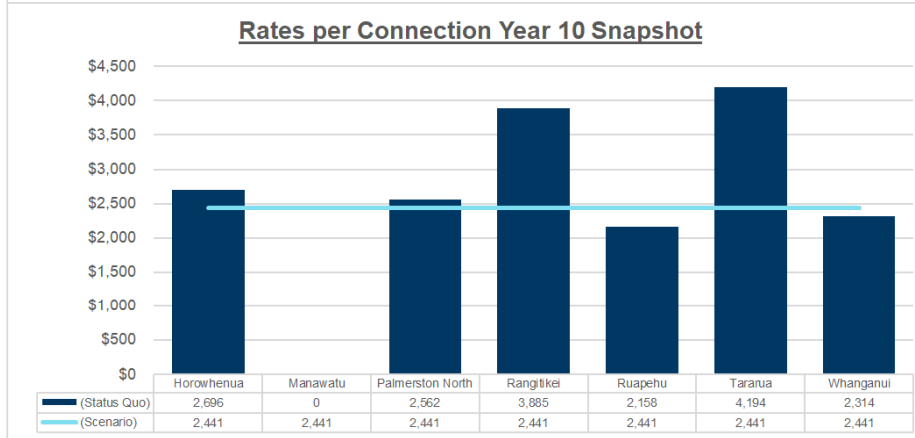
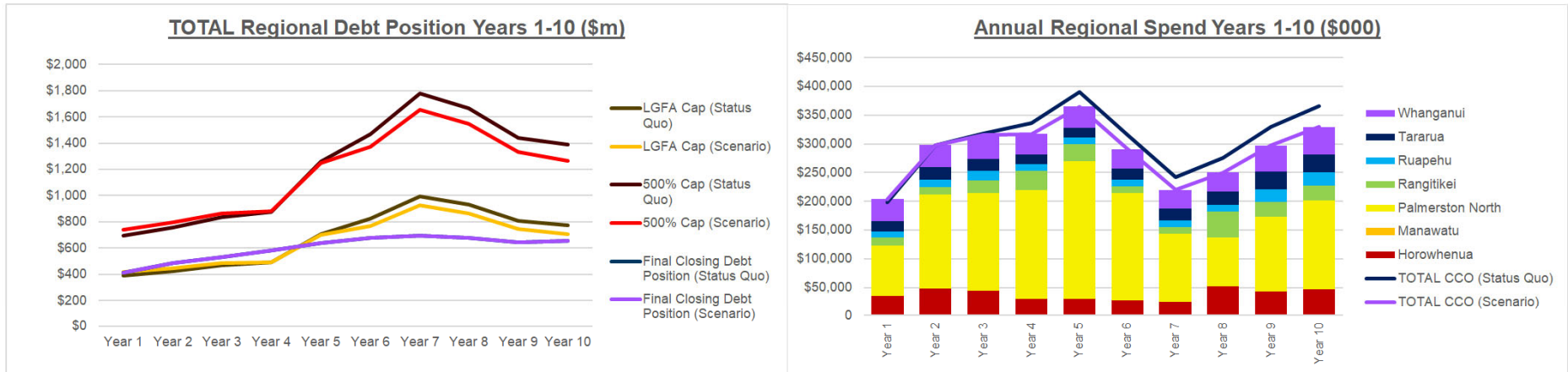
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	381,919	512,091	539,152	539,152	539,152	539,152	539,152
Debt Scenario	381,919	512,091	539,152	539,152	539,152	539,152	539,152
LGFA Status Quo	308,506	425,958	564,696	665,053	692,622	723,589	705,733
LGFA Scenario	330,634	424,183	506,685	600,877	625,678	653,567	636,929
500% Status Quo	550,904	760,639	1,008,386	1,187,595	1,236,824	1,292,123	1,260,237
500% Scenario	590,419	757,470	904,795	1,072,995	1,117,282	1,167,084	1,137,374

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 8 – WWTP in CCO (All CCO Pays) – Manawatū District Council Out



Horowhenua	IN
Manawatu	OUT
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

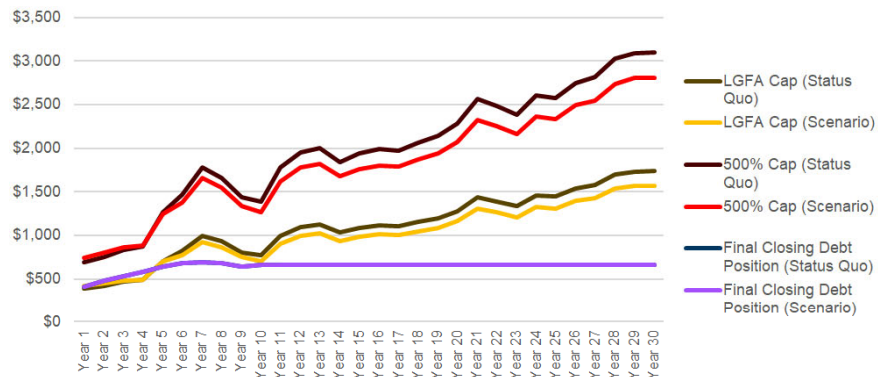
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



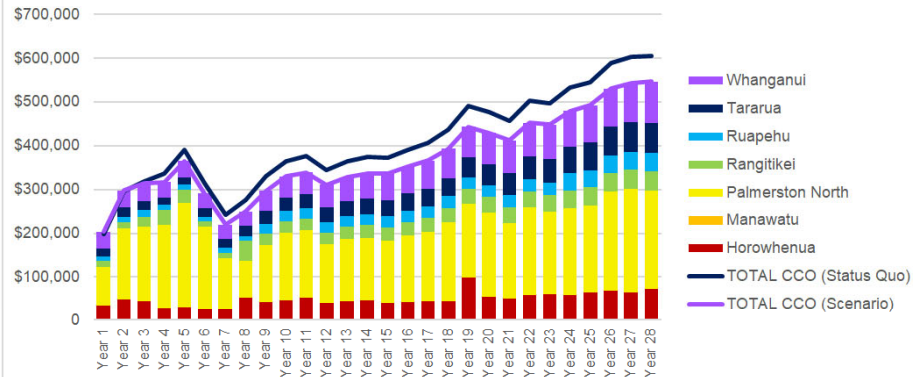
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	414,568	483,361	528,642	584,168	639,942	678,273	695,535	679,371	642,694	657,716
	Scenario	414,568	483,361	528,642	584,168	639,942	678,273	695,535	679,371	642,694	657,716
LGFA	Status Quo	387,774	423,358	466,812	489,224	706,084	822,742	994,482	931,321	807,360	776,649
	Scenario	415,948	446,638	485,303	493,746	700,298	769,786	769,786	865,745	747,271	706,750
500%	Status Quo	692,453	755,997	833,593	873,613	1,260,865	1,469,181	1,775,860	1,663,073	1,441,715	1,386,874
	Scenario	742,765	797,568	866,613	881,689	1,250,532	1,374,617	1,655,153	1,545,974	1,334,413	1,262,054

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

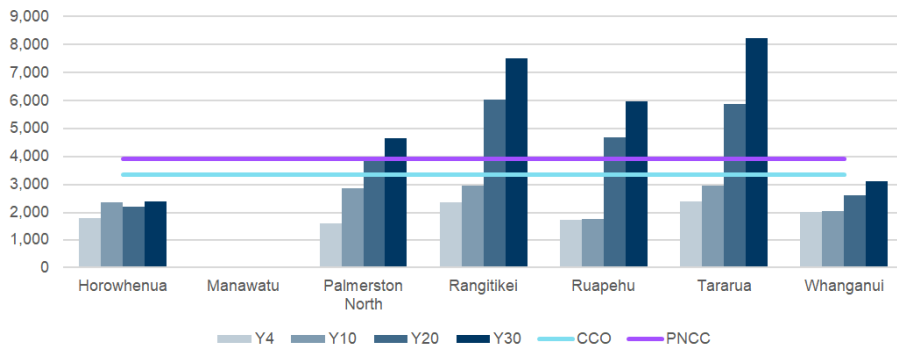
TOTAL Regional Debt Position Years 1-30 (\$m)



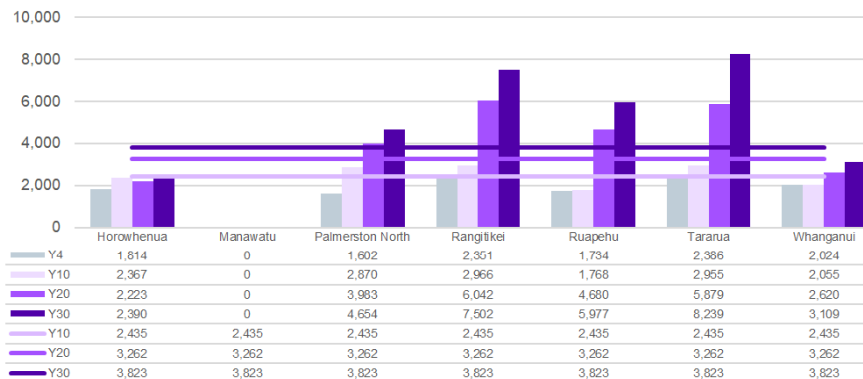
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	OUT
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg

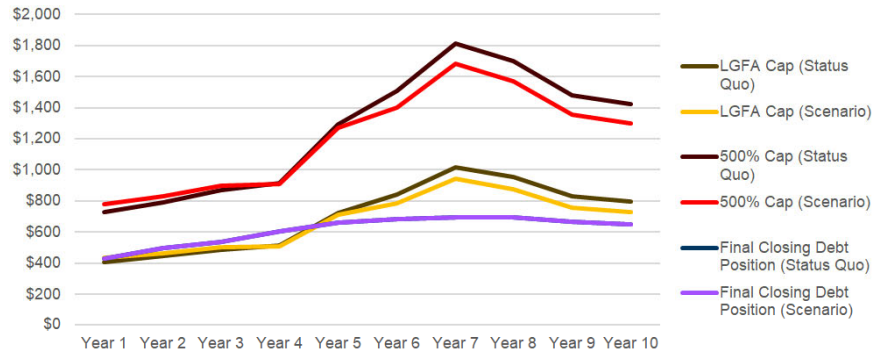


	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	414,568	639,942	657,716	657,716	657,716	657,716	657,716
Debt Scenario	414,568	639,942	657,716	657,716	657,716	657,716	657,716
LGFA Status Quo	387,774	706,084	776,649	993,729	1,094,252	1,123,132	1,033,113
LGFA Scenario	415,948	700,298	706,750	904,048	995,897	1,021,704	938,464
500% Status Quo	692,453	1,260,865	1,386,874	1,774,517	1,954,021	2,005,593	1,844,844
500% Scenario	742,765	1,250,532	1,262,054	1,614,372	1,778,387	1,824,472	1,675,829

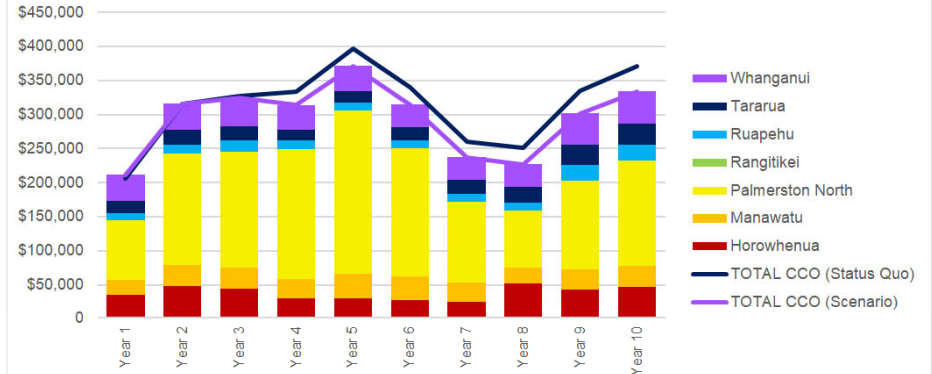
■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

Scenario 9 – WWTP in CCO (All CCO Pays) – Rangitikei District Council Out

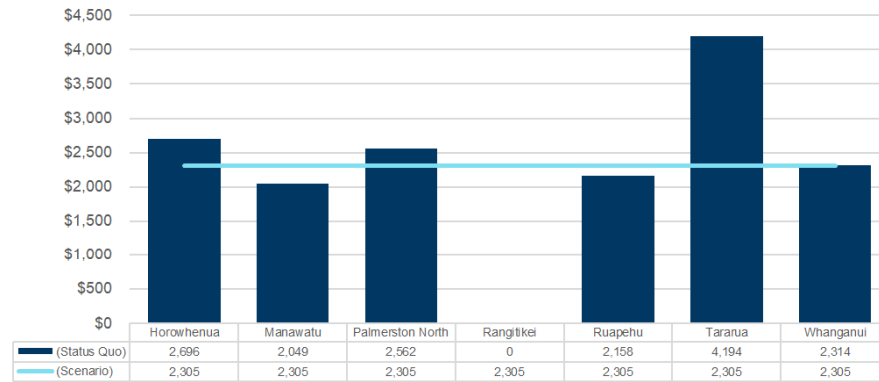
TOTAL Regional Debt Position Years 1-10 (\$m)



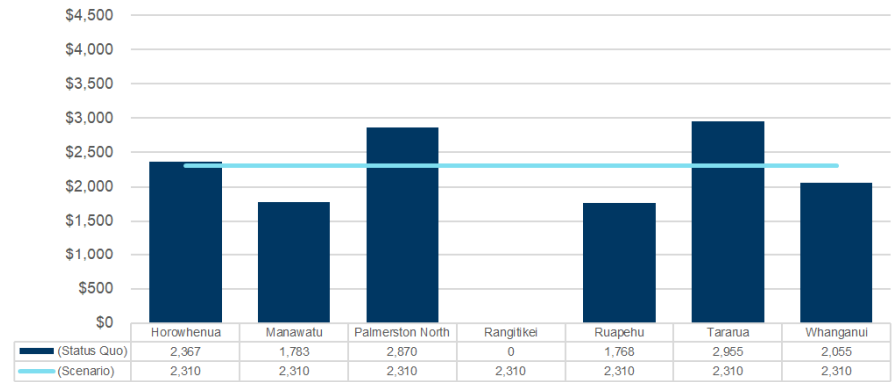
Annual Regional Spend Years 1-10 (\$000)



Rates per Connection Year 10 Snapshot



Rates per Connection 10 Year Weighted Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	OUT
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

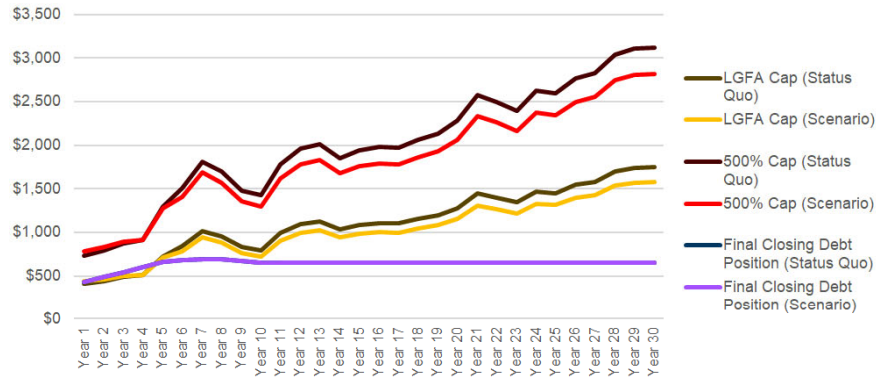
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



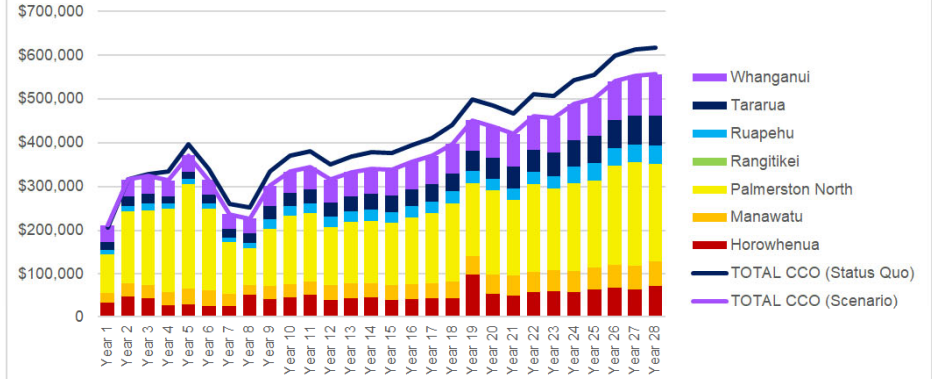
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	429,296	495,173	538,374	602,566	658,495	683,573	696,698	695,254	667,353	648,057
	Scenario	429,296	495,173	538,374	602,566	658,495	683,573	696,698	695,254	667,353	648,057
LGFA	Status Quo	408,251	443,915	487,784	511,799	724,284	842,780	1,014,999	952,329	829,176	796,989
	Scenario	436,031	464,957	502,283	510,494	712,949	785,464	942,935	878,179	759,730	725,969
500%	Status Quo	729,020	792,705	871,043	913,926	1,293,365	1,504,965	1,812,498	1,700,587	1,480,672	1,423,195
	Scenario	778,628	830,280	896,934	911,596	1,273,124	1,402,615	1,683,813	1,568,176	1,356,662	1,296,373

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

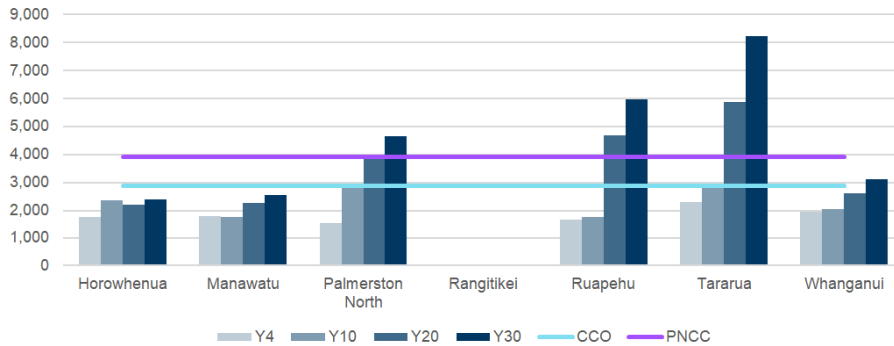
TOTAL Regional Debt Position Years 1-30 (\$m)



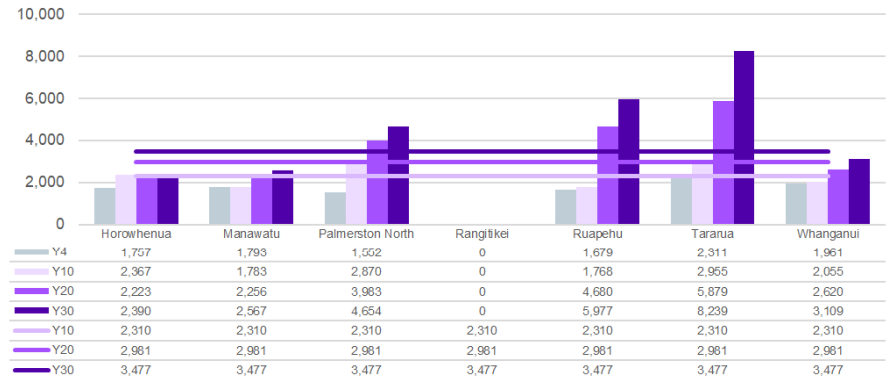
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	OUT
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	IN
Changes made to:	RATES

Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg

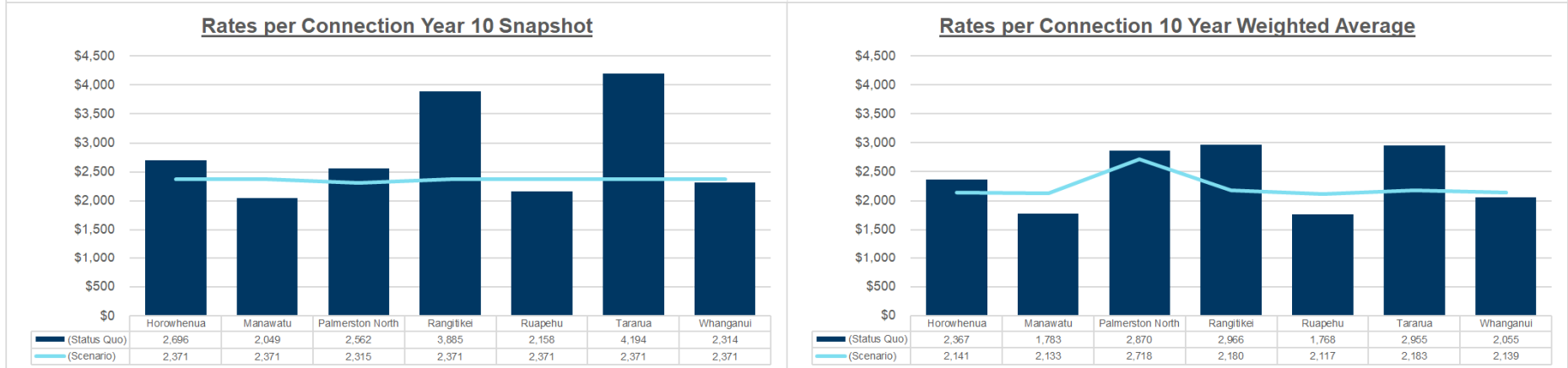
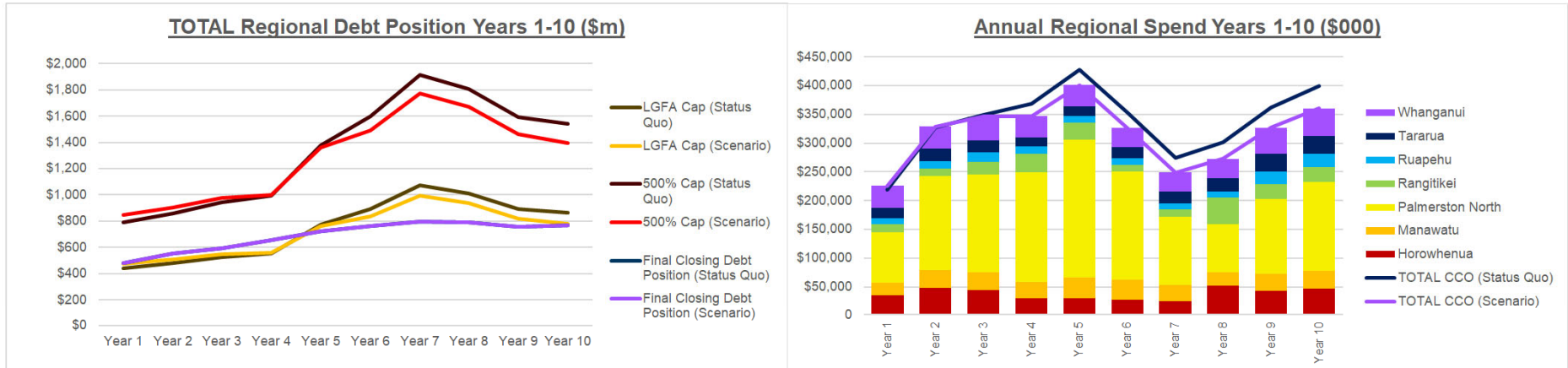


	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	429,296	658,495	648,057	648,057	648,057	648,057	648,057
Debt Scenario	429,296	658,495	648,057	648,057	648,057	648,057	648,057
LGFA Status Quo	408,251	724,284	796,989	997,148	1,097,548	1,126,309	1,036,174
LGFA Scenario	436,031	712,949	725,969	905,221	996,993	1,022,628	939,058
500% Status Quo	729,020	1,293,365	1,423,195	1,780,621	1,959,908	2,011,267	1,850,311
500% Scenario	778,628	1,273,124	1,296,373	1,616,467	1,780,344	1,826,121	1,676,890

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

WWTP not in CCO (PNCC Pays)

Scenario 0 – WWTP not in CCO (PNCC Pays) – All Councils



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

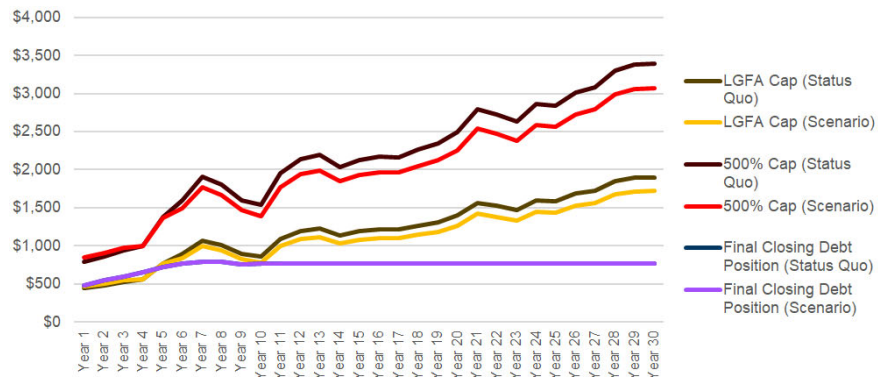
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



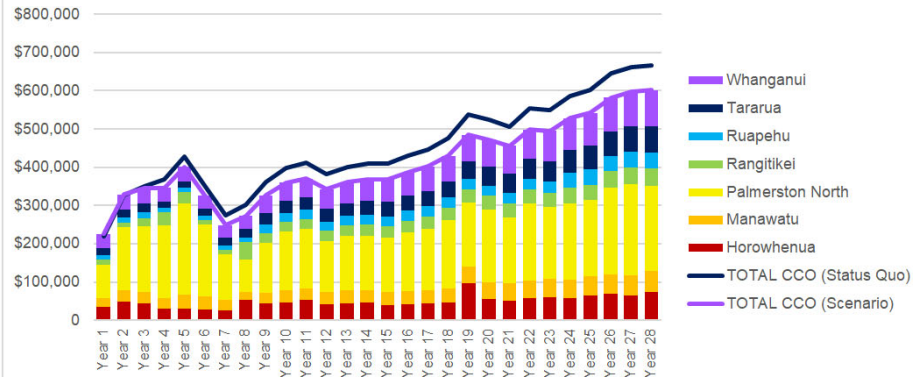
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
	Scenario	481,125	551,254	595,837	657,972	720,807	765,044	794,284	788,875	755,862	768,035
LGFA	Status Quo	441,933	480,884	528,333	556,303	772,616	895,153	1,070,689	1,011,548	892,147	863,949
	Scenario	473,955	506,223	546,724	558,779	763,269	833,631	993,645	935,350	819,994	780,036
500%	Status Quo	789,166	858,721	943,453	993,398	1,379,672	1,598,487	1,911,945	1,806,336	1,593,119	1,542,766
	Scenario	846,348	903,969	976,293	997,819	1,362,980	1,488,626	1,774,366	1,670,268	1,464,275	1,392,922

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

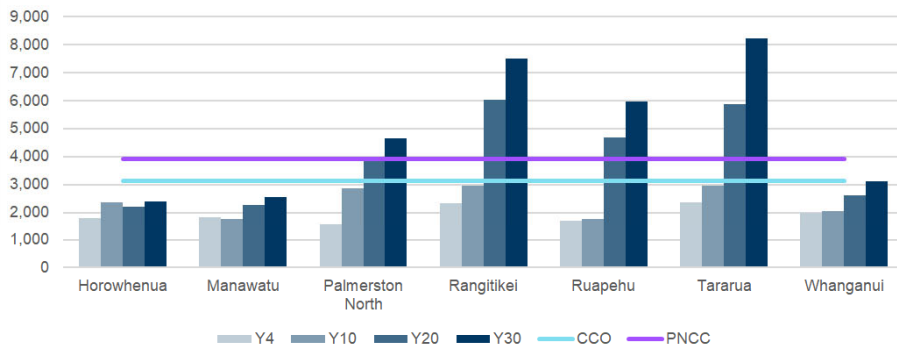
TOTAL Regional Debt Position Years 1-30 (\$m)



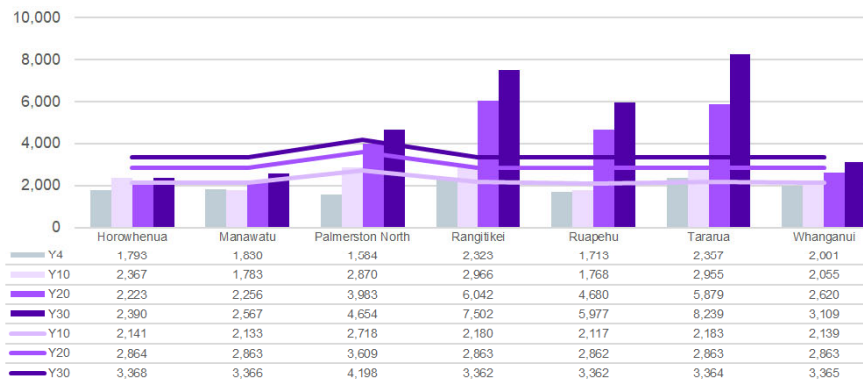
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

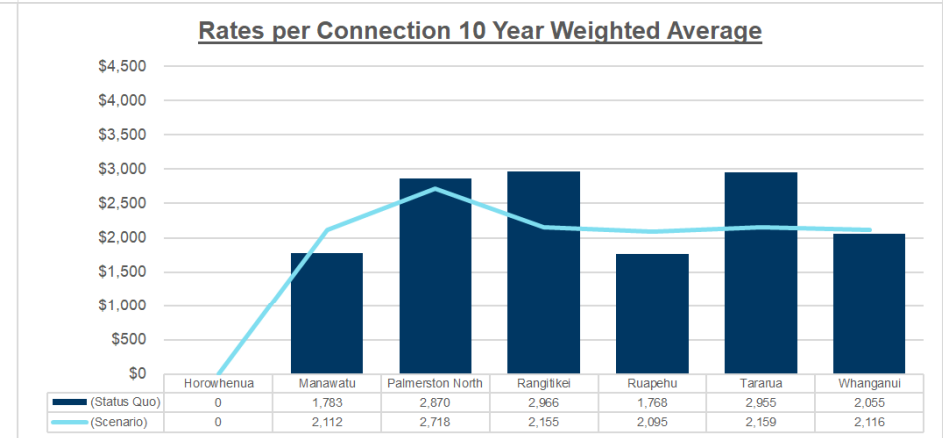
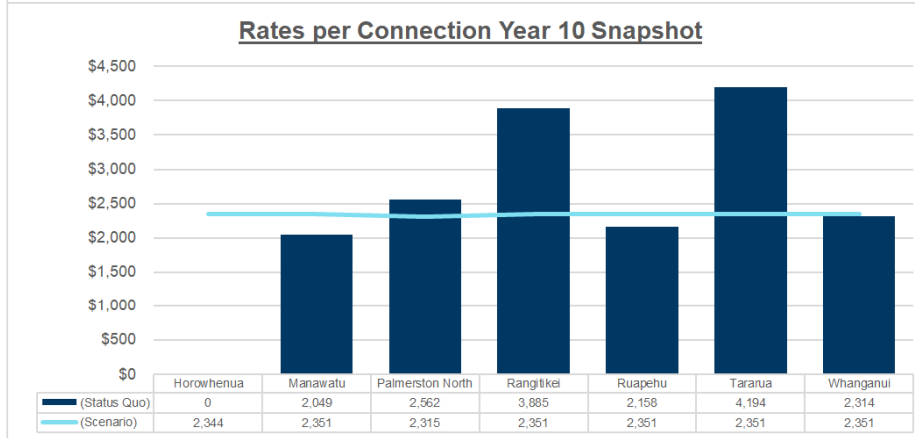
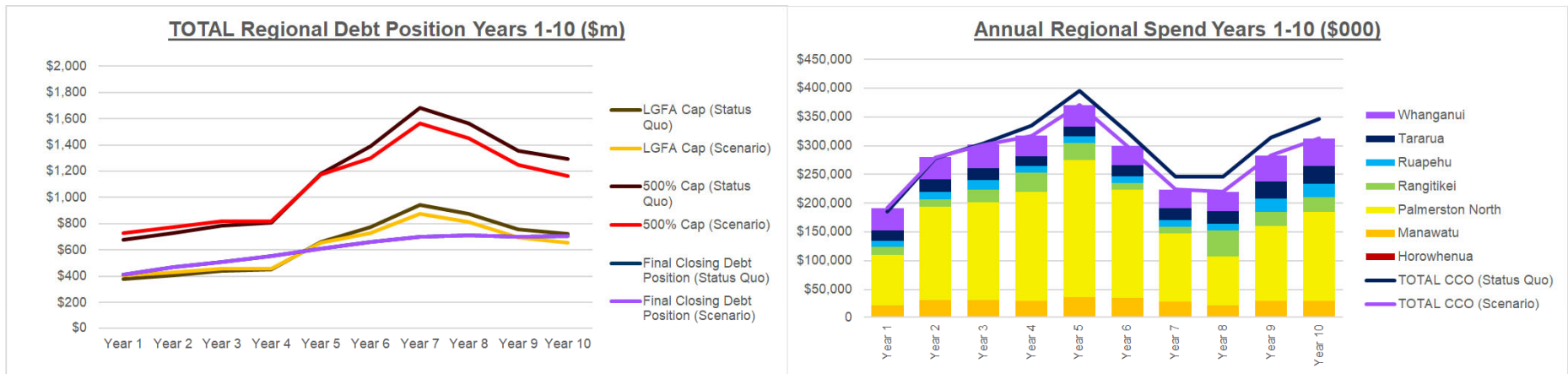
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	481,125	720,807	768,035	768,035	768,035	768,035	768,035
Debt Scenario	481,125	720,807	768,035	768,035	768,035	768,035	768,035
LGFA Status Quo	441,933	772,616	863,949	1,091,971	1,194,797	1,226,056	1,138,492
LGFA Scenario	473,955	763,269	780,036	992,050	1,085,968	1,113,848	1,032,641
500% Status Quo	789,166	1,379,672	1,542,766	1,949,949	2,133,566	2,189,386	2,033,021
500% Scenario	846,348	1,362,980	1,392,922	1,771,517	1,939,229	1,989,015	1,844,002

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

Scenario 1 – WWTP not in CCO (PNCC Pays) – Horowhenua Out



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

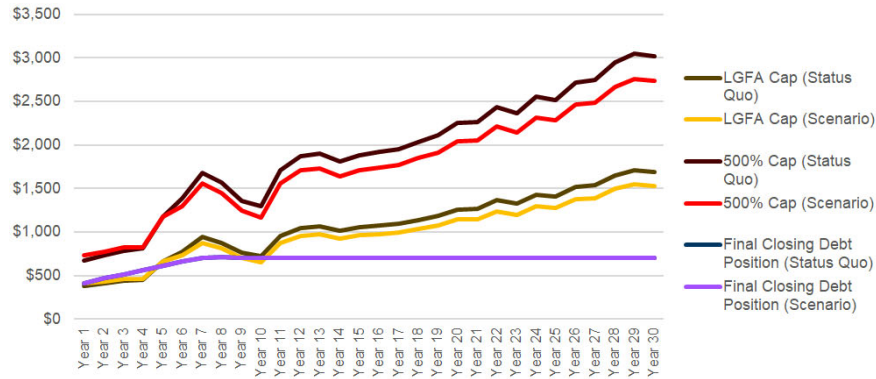
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



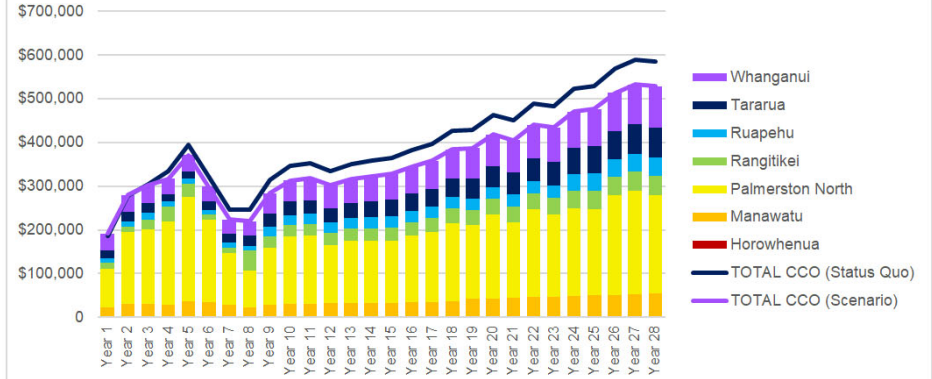
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	414,277	468,061	508,642	556,588	611,569	662,585	702,411	713,216	699,791	706,110
	Scenario	414,277	468,061	508,642	556,588	611,569	662,585	702,411	713,216	699,791	706,110
LGFA	Status Quo	378,916	407,770	440,487	453,054	660,415	776,205	941,180	876,906	757,630	723,076
	Scenario	408,619	431,805	459,152	459,822	657,324	727,826	875,216	812,616	697,517	652,674
500%	Status Quo	676,636	728,160	786,583	809,026	1,179,313	1,386,080	1,680,678	1,565,903	1,352,910	1,291,206
	Scenario	729,676	771,080	819,914	821,112	1,173,793	1,299,690	1,562,886	1,451,100	1,245,566	1,165,490

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

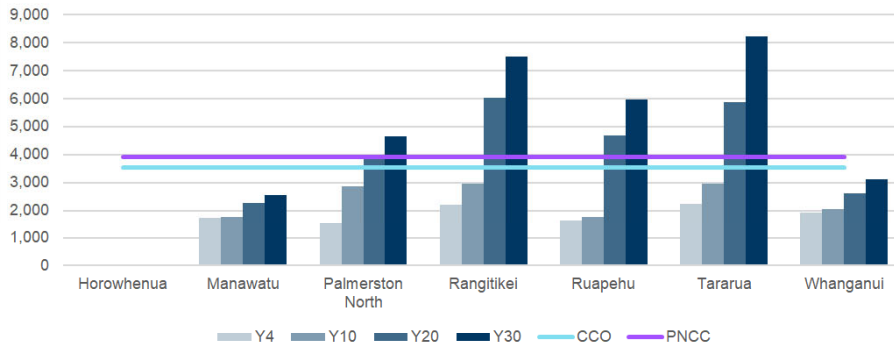
TOTAL Regional Debt Position Years 1-30 (\$m)



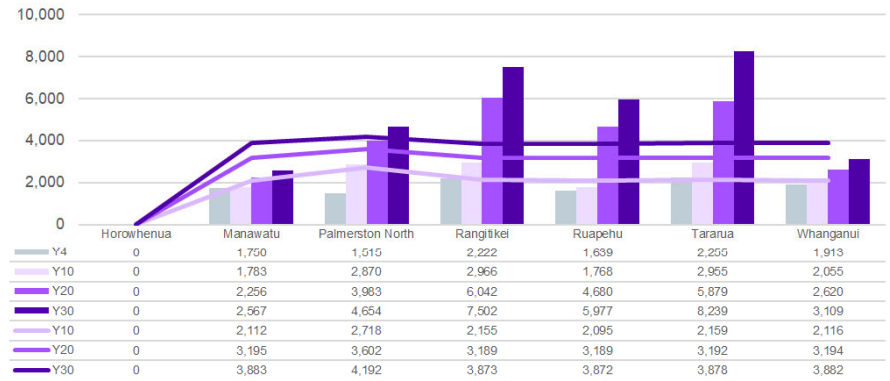
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

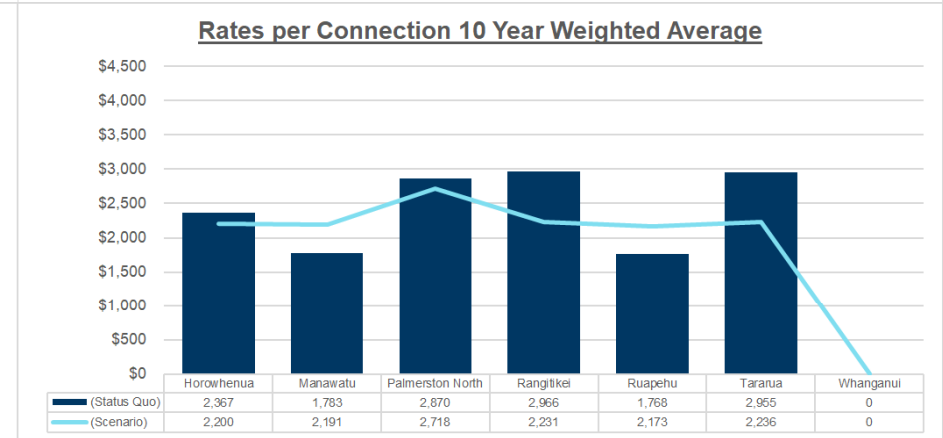
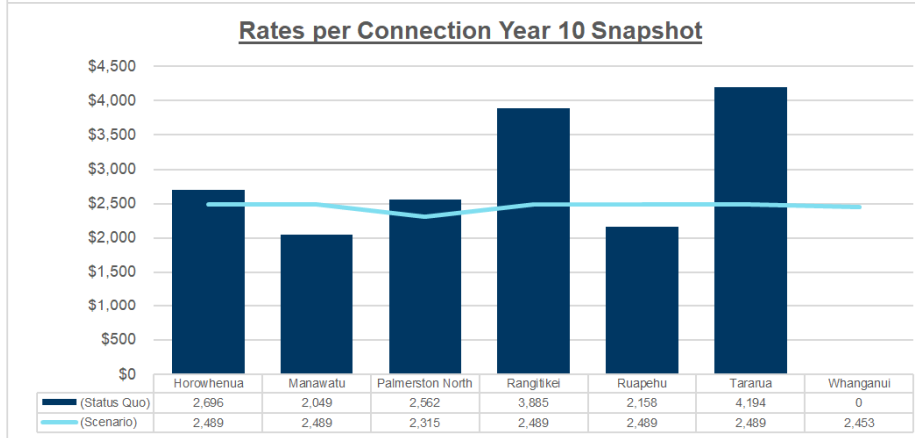
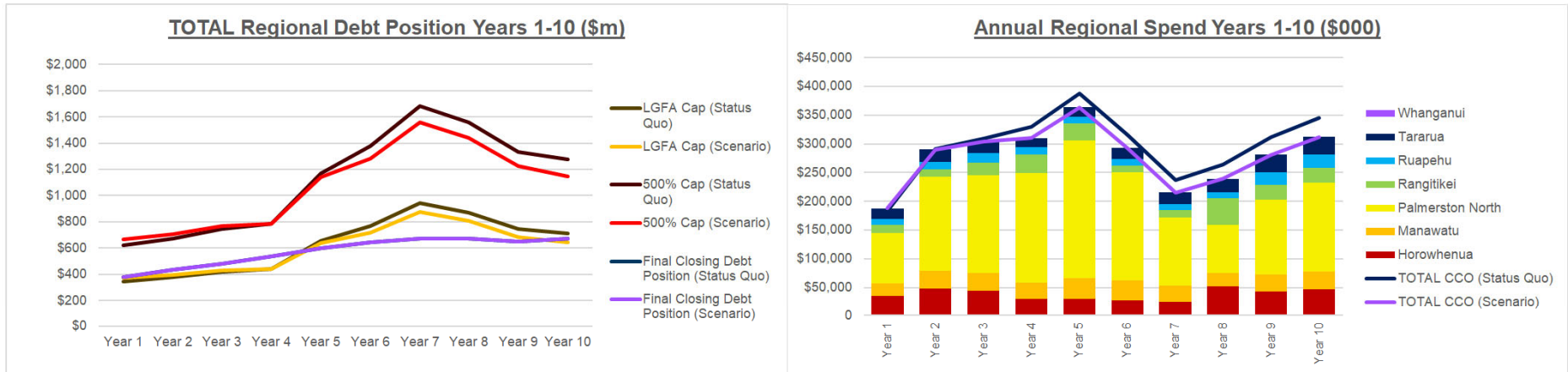
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	414,277	611,569	706,110	706,110	706,110	706,110	706,110
Debt Scenario	414,277	611,569	706,110	706,110	706,110	706,110	706,110
LGFA Status Quo	378,916	660,415	723,076	957,845	1,048,575	1,064,709	1,011,210
LGFA Scenario	408,619	657,324	652,674	872,175	955,089	969,238	919,197
500% Status Quo	676,636	1,179,313	1,291,206	1,710,438	1,872,456	1,901,265	1,805,732
500% Scenario	729,676	1,173,793	1,165,490	1,557,456	1,705,517	1,730,782	1,641,423

Exceeds 500% Debt Cap Exceeds LGFA Cap Within Debt Caps

Scenario 2 – WWTP not in CCO (PNCC Pays) – Whanganui Out



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	OUT
WWTP in CCO?	OUT
Changes made to:	RATES

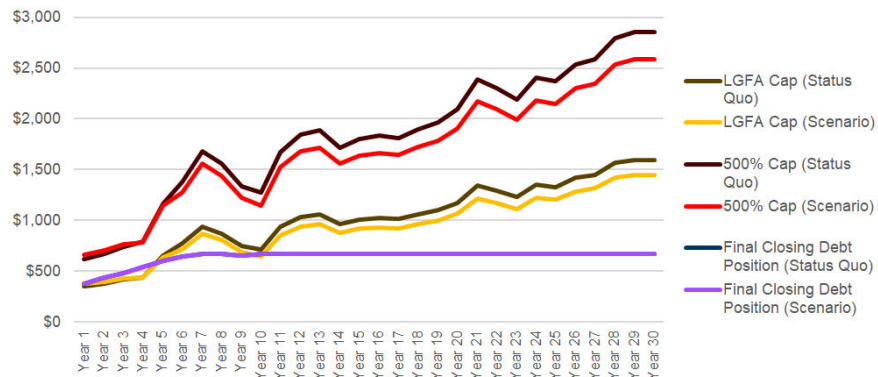
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



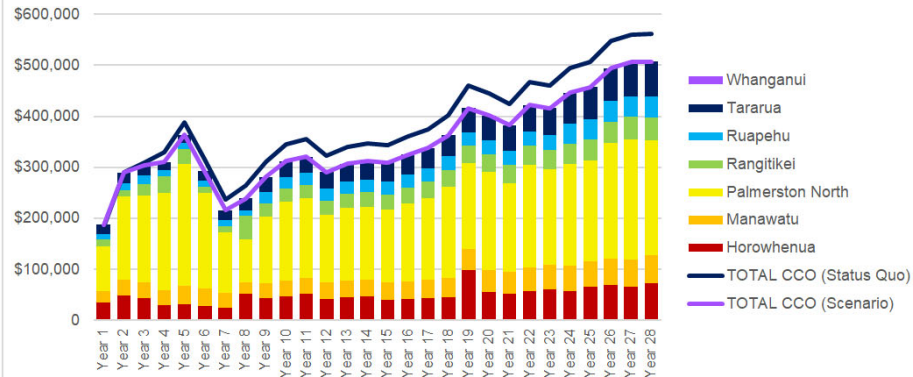
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	376,116	435,172	478,233	539,264	598,881	643,105	672,256	674,317	650,839	673,948
	Scenario	376,116	435,172	478,233	539,264	598,881	643,105	672,256	674,317	650,839	673,948
LGFA	Status Quo	347,165	377,068	416,646	440,826	653,176	770,928	941,164	871,666	747,324	713,800
	Scenario	373,024	396,768	429,754	438,627	640,327	716,291	872,721	805,073	686,238	642,579
500%	Status Quo	619,937	673,336	744,011	787,190	1,166,385	1,376,658	1,680,650	1,556,547	1,334,507	1,274,643
	Scenario	666,115	708,515	767,418	783,262	1,143,440	1,279,091	1,558,431	1,437,630	1,225,425	1,147,463

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

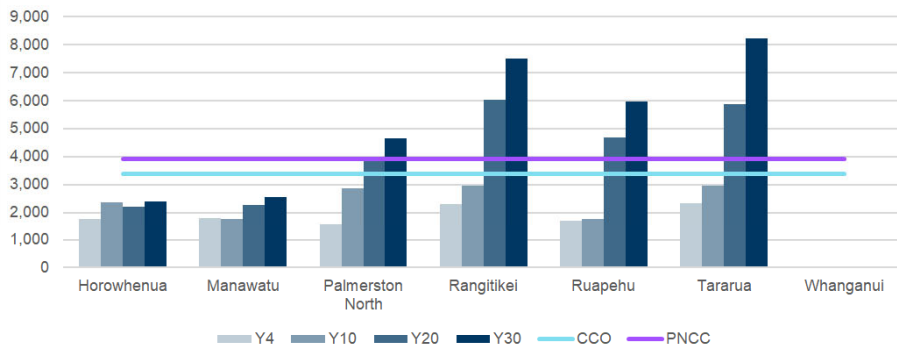
TOTAL Regional Debt Position Years 1-30 (\$m)



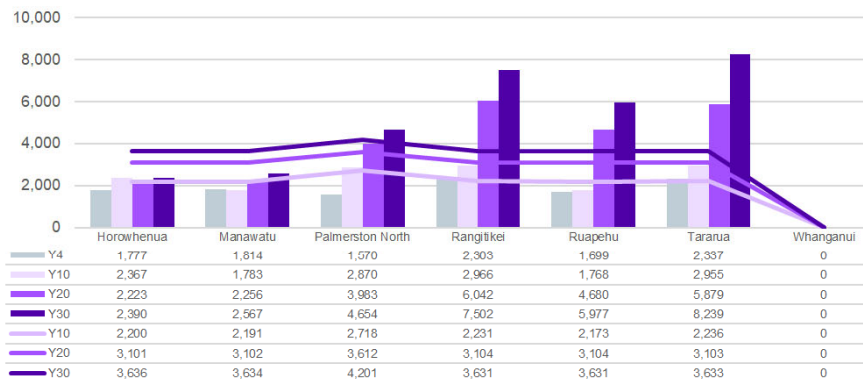
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	OUT
WWTP in CCO?	OUT
Changes made to:	RATES

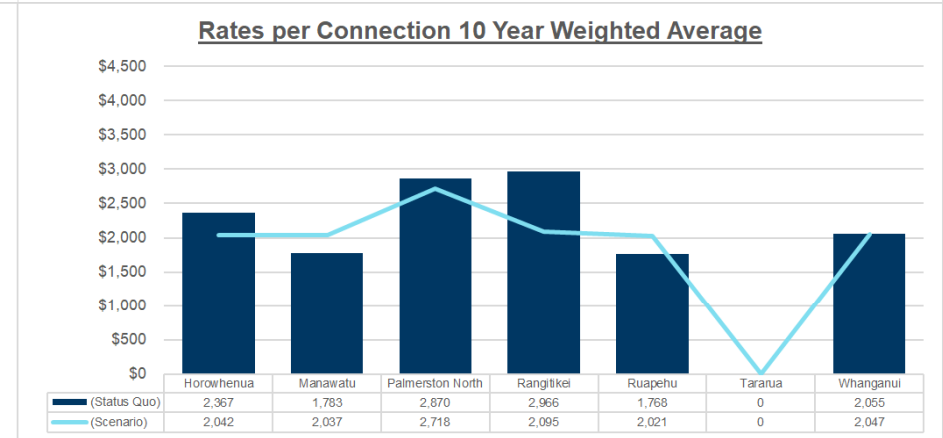
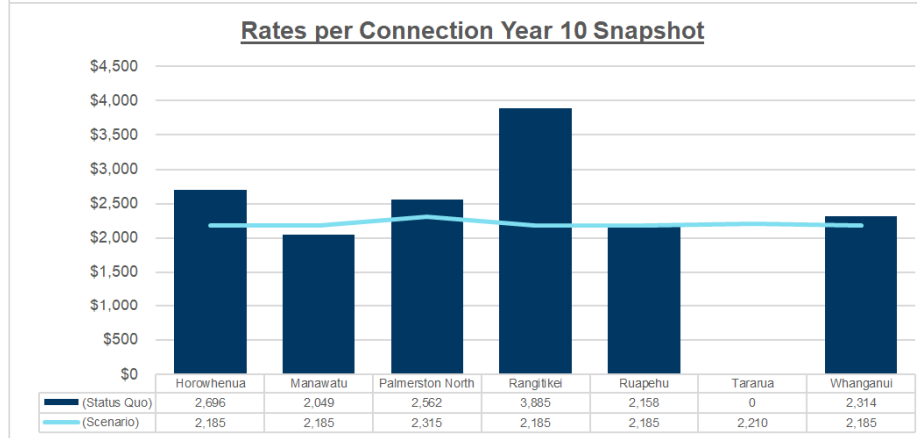
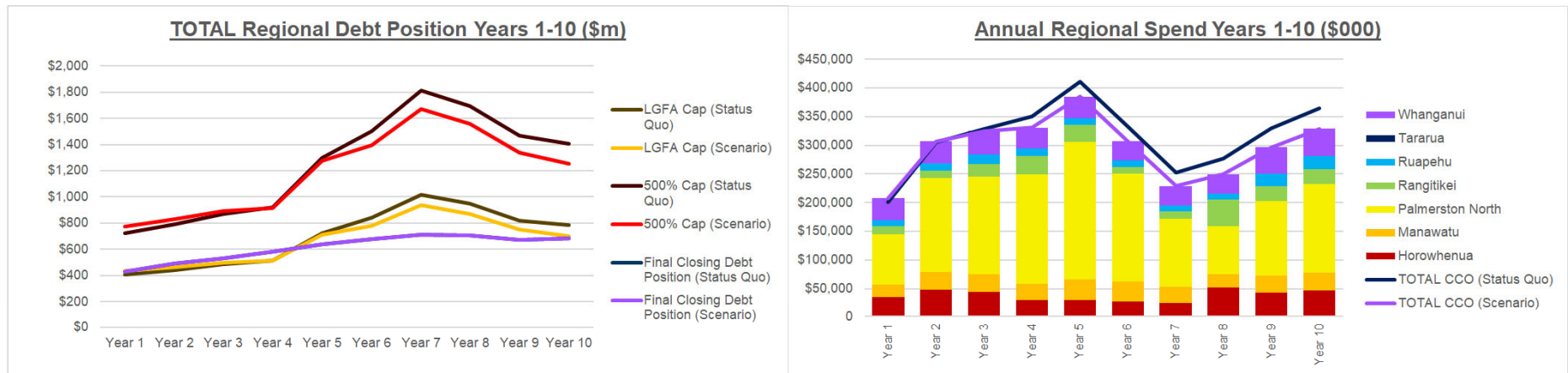
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	376,116	598,881	673,948	673,948	673,948	673,948	673,948
Debt Scenario	376,116	598,881	673,948	673,948	673,948	673,948	673,948
LGFA Status Quo	347,165	653,176	713,800	936,314	1,032,425	1,056,875	962,406
LGFA Scenario	373,024	640,327	642,579	853,066	940,978	962,750	875,325
500% Status Quo	619,937	1,166,385	1,274,643	1,671,989	1,843,616	1,887,276	1,718,582
500% Scenario	666,115	1,143,440	1,147,463	1,523,332	1,680,317	1,719,197	1,563,080

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 3 – WWTP not in CCO (PNCC Pays) – Tararua Out



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	OUT
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

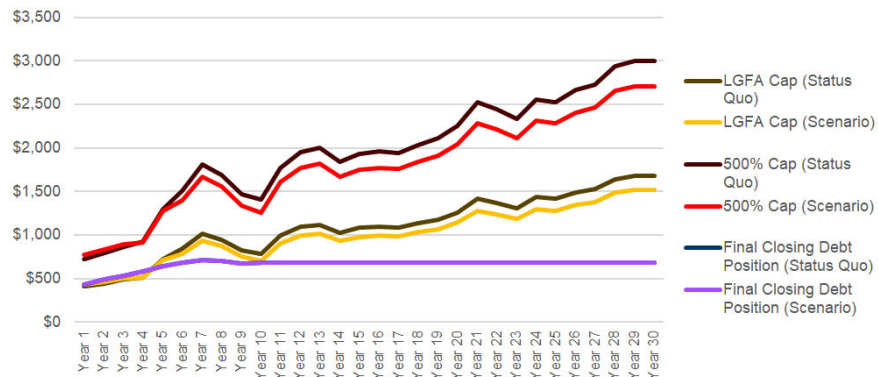
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



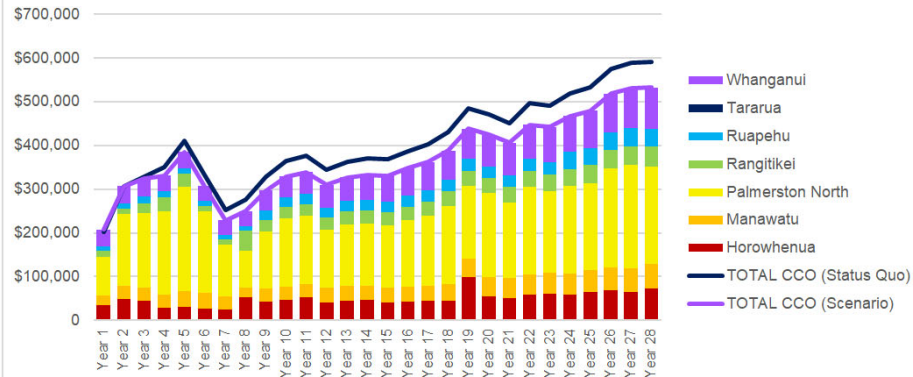
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	429,830	489,175	528,961	581,740	637,396	680,577	709,663	703,444	671,106	683,914
	Scenario	429,830	489,175	528,961	581,740	637,396	680,577	709,663	703,444	671,106	683,914
LGFA	Status Quo	405,832	443,538	486,025	514,558	725,690	842,321	1,014,158	948,077	821,678	785,701
	Scenario	433,157	464,294	500,016	513,809	713,452	779,888	936,280	871,680	749,792	701,970
500%	Status Quo	724,700	792,033	867,902	918,854	1,295,876	1,504,145	1,810,997	1,692,995	1,467,282	1,403,037
	Scenario	773,494	829,096	892,887	917,515	1,274,022	1,392,658	1,671,928	1,556,571	1,338,914	1,253,518

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

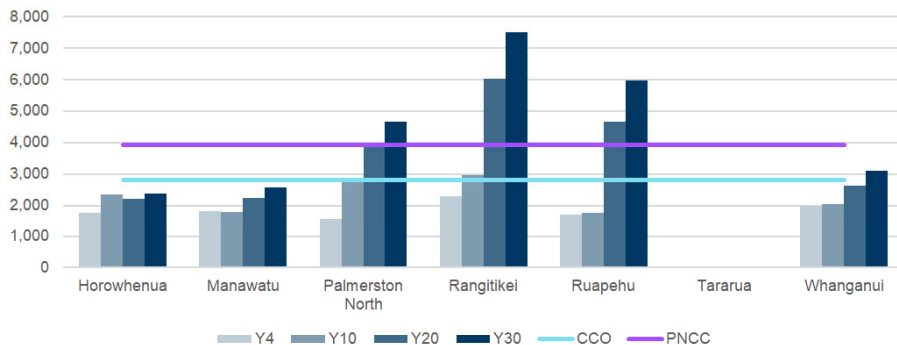
TOTAL Regional Debt Position Years 1-30 (\$m)



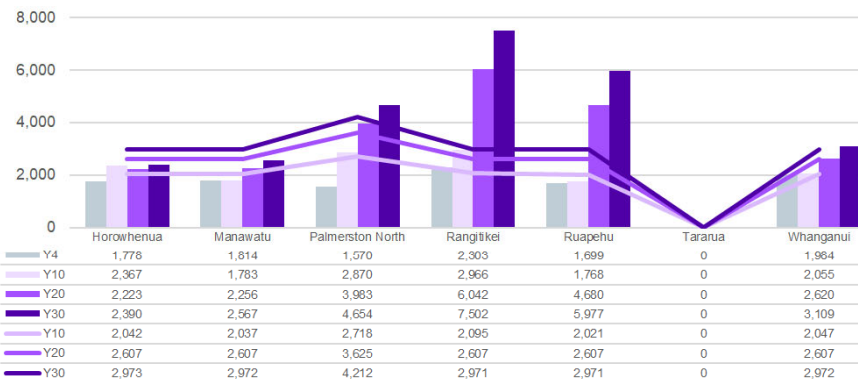
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	OUT
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

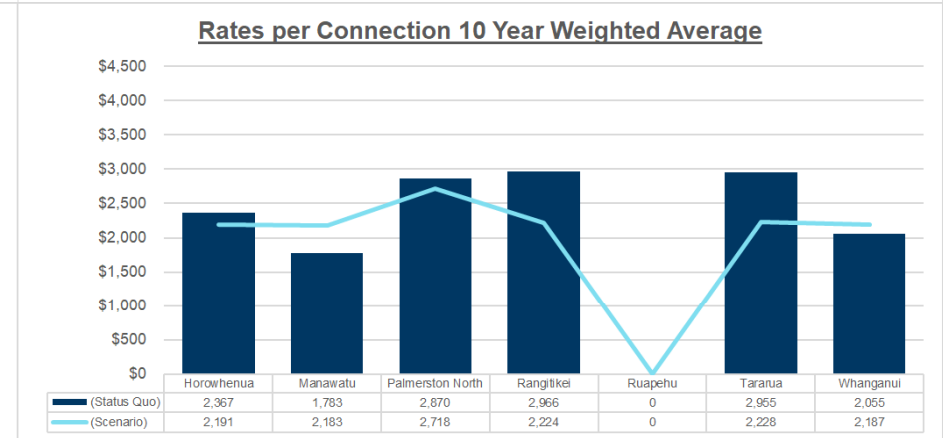
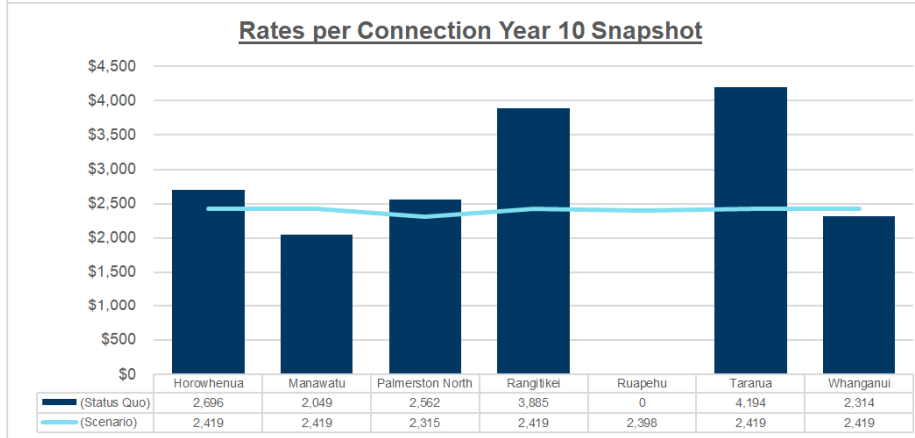
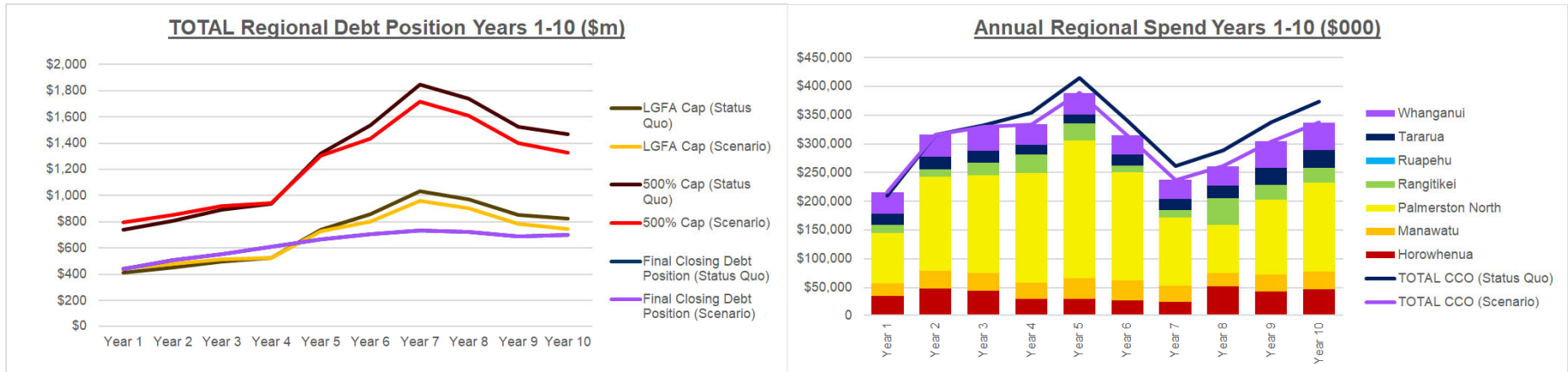
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	429,830	637,396	683,914	683,914	683,914	683,914	683,914
Debt Scenario	429,830	637,396	683,914	683,914	683,914	683,914	683,914
LGFA Status Quo	405,832	725,690	785,701	991,276	1,091,201	1,119,472	1,028,831
LGFA Scenario	433,157	713,452	701,970	900,177	991,556	1,016,729	932,594
500% Status Quo	724,700	1,295,876	1,403,037	1,770,135	1,948,574	1,999,057	1,837,197
500% Scenario	773,494	1,274,022	1,253,518	1,607,459	1,770,636	1,815,588	1,665,346

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

Scenario 4 – WWTP not in CCO (PNCC Pays) – Ruapehu District Council Out



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

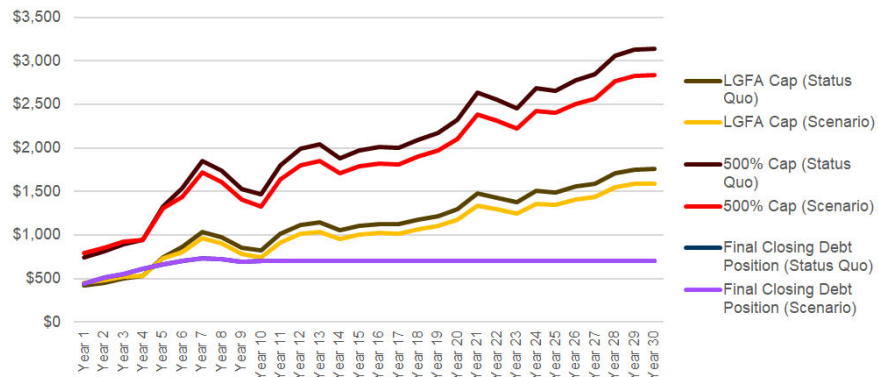
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



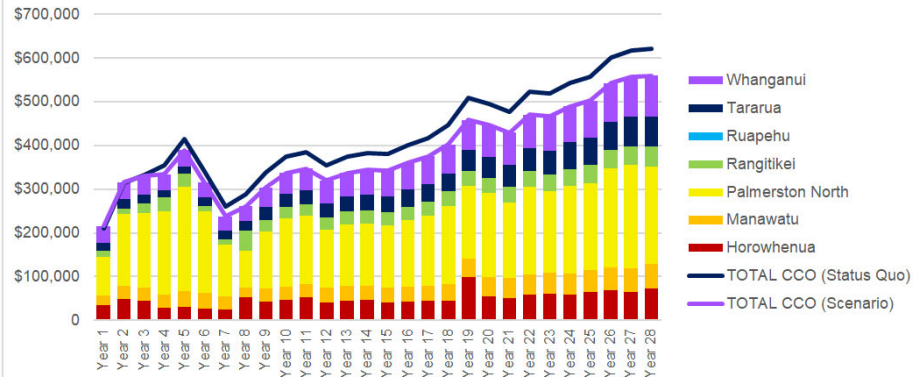
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	440,742	509,732	553,120	611,197	666,466	706,670	732,419	724,105	688,906	699,316
	Scenario	440,742	509,732	553,120	611,197	666,466	706,670	732,419	724,105	688,906	699,316
LGFA	Status Quo	415,154	453,002	498,743	525,782	740,090	860,661	1,034,452	974,015	852,677	822,782
	Scenario	446,458	477,794	516,488	527,949	731,223	802,198	961,074	901,998	784,994	743,734
500%	Status Quo	741,347	808,932	890,612	938,896	1,321,590	1,536,895	1,847,235	1,739,312	1,522,638	1,469,253
	Scenario	797,247	853,204	922,300	942,766	1,305,756	1,432,496	1,716,204	1,610,712	1,401,776	1,328,096

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

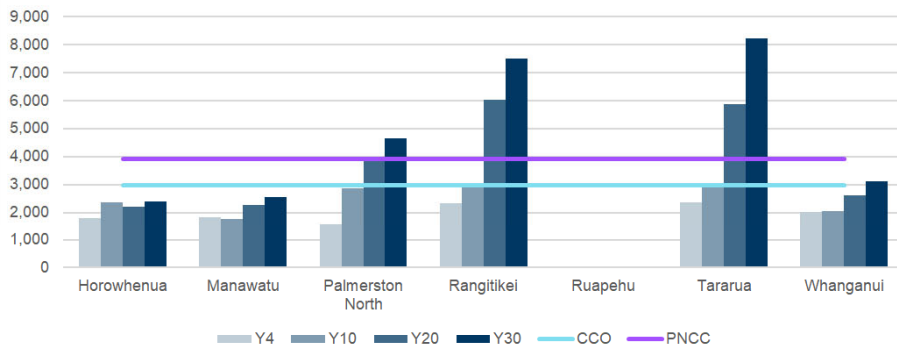
TOTAL Regional Debt Position Years 1-30 (\$m)



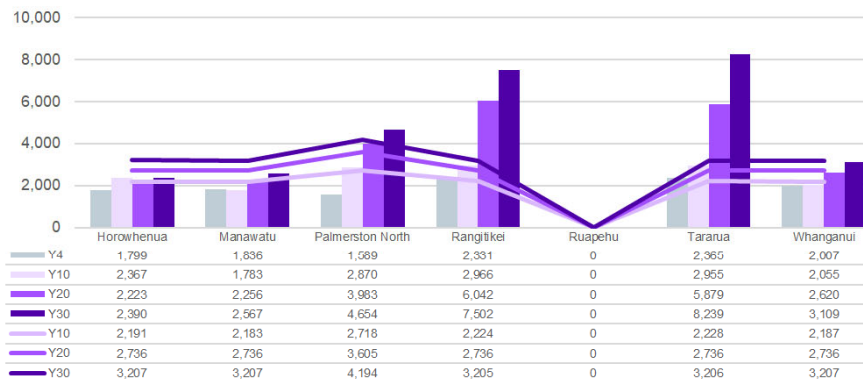
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

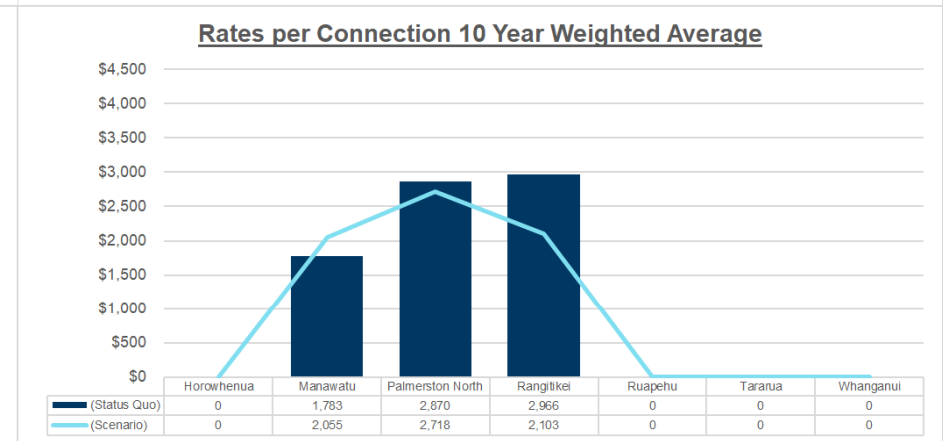
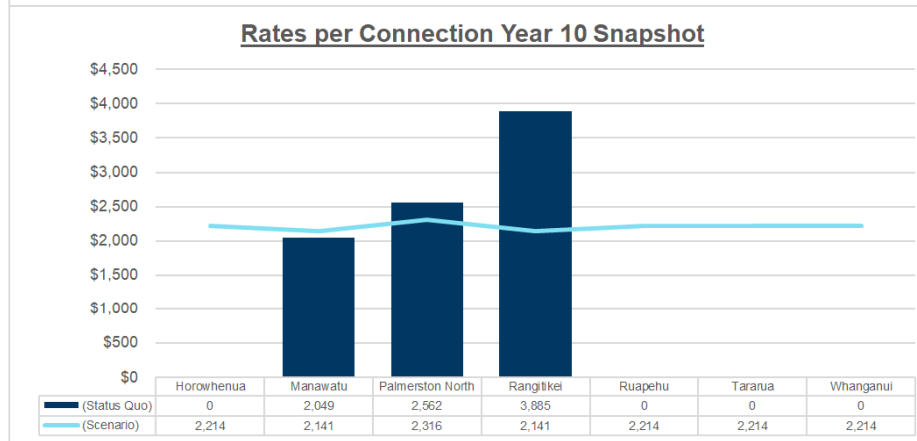
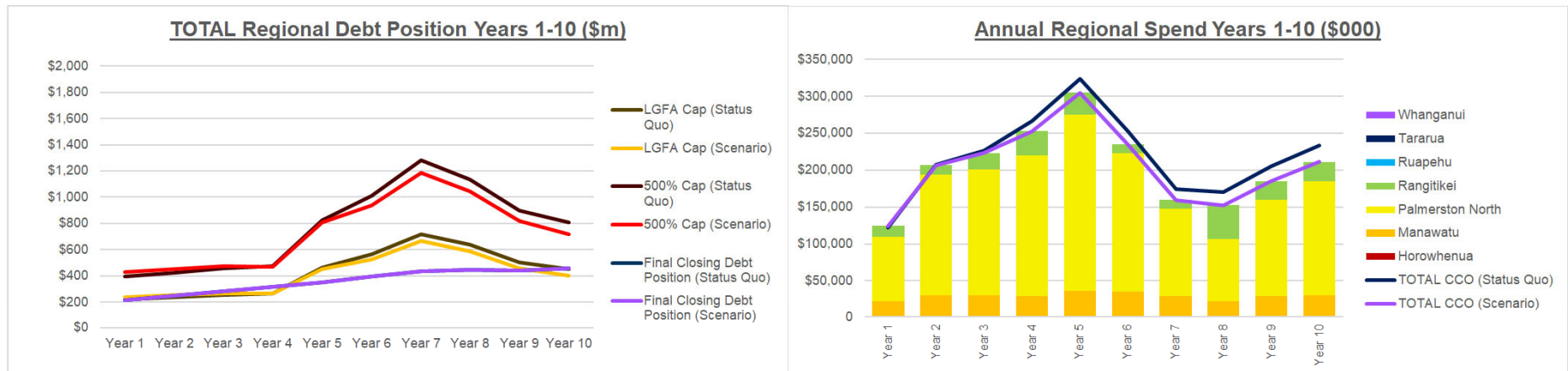
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	440,742	666,466	699,316	699,316	699,316	699,316	699,316
Debt Scenario	440,742	666,466	699,316	699,316	699,316	699,316	699,316
LGFA Status Quo	415,154	740,090	822,782	1,010,463	1,112,157	1,142,250	1,053,485
LGFA Scenario	446,458	731,223	743,734	916,863	1,009,762	1,036,615	954,387
500% Status Quo	741,347	1,321,590	1,469,253	1,804,399	1,985,994	2,039,732	1,881,224
500% Scenario	797,247	1,305,756	1,328,096	1,637,256	1,803,147	1,851,098	1,704,262

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 5 – WWTP not in CCO (PNCC Pays) – Manawatū, Palmerston North, Rangitikei



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	OUT
Whanganui	OUT
WWTP in CCO?	OUT
Changes made to:	RATES

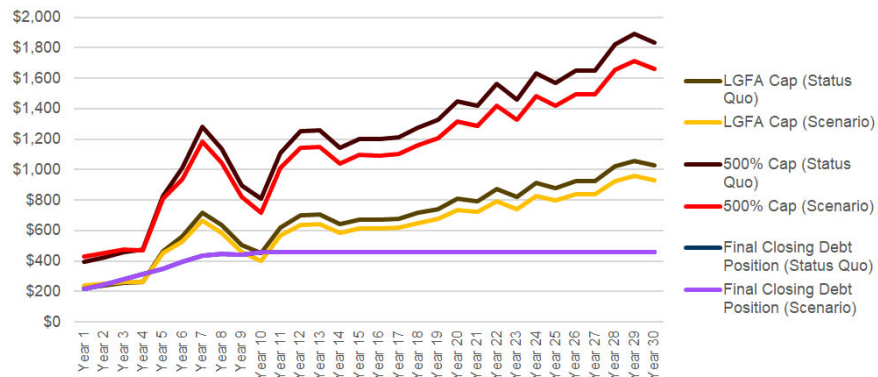
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



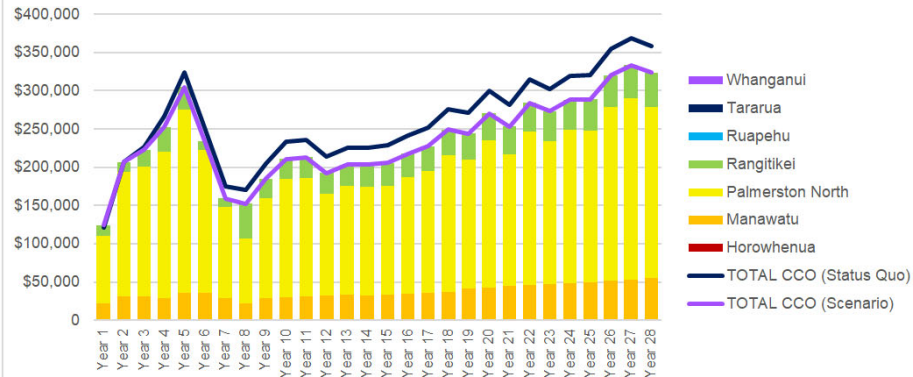
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	217,591	248,378	281,444	314,874	351,891	397,806	433,897	448,456	443,056	459,182
	Scenario	217,591	248,378	281,444	314,874	351,891	397,806	433,897	448,456	443,056	459,182
LGFA	Status Quo	221,268	238,727	256,900	265,313	461,522	564,656	718,886	636,019	502,869	453,512
	Scenario	239,394	251,992	265,239	263,870	452,520	525,312	664,356	585,318	458,560	400,848
500%	Status Quo	395,122	426,298	458,750	473,773	824,147	1,008,315	1,283,725	1,135,749	897,980	809,843
	Scenario	427,489	449,986	473,640	471,197	808,071	938,057	1,186,350	1,045,210	818,857	715,801

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

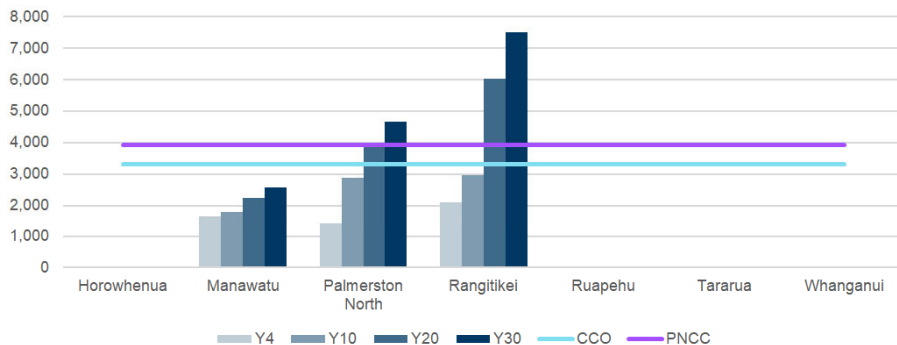
TOTAL Regional Debt Position Years 1-30 (\$m)



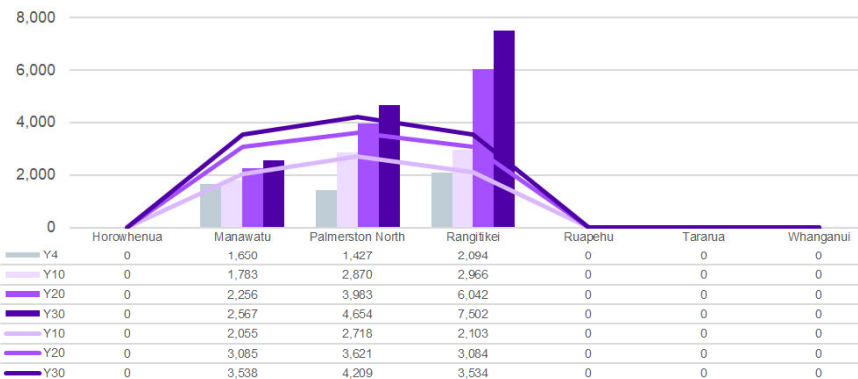
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	OUT
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	OUT
Whanganui	OUT
WWTP in CCO?	OUT
Changes made to:	RATES

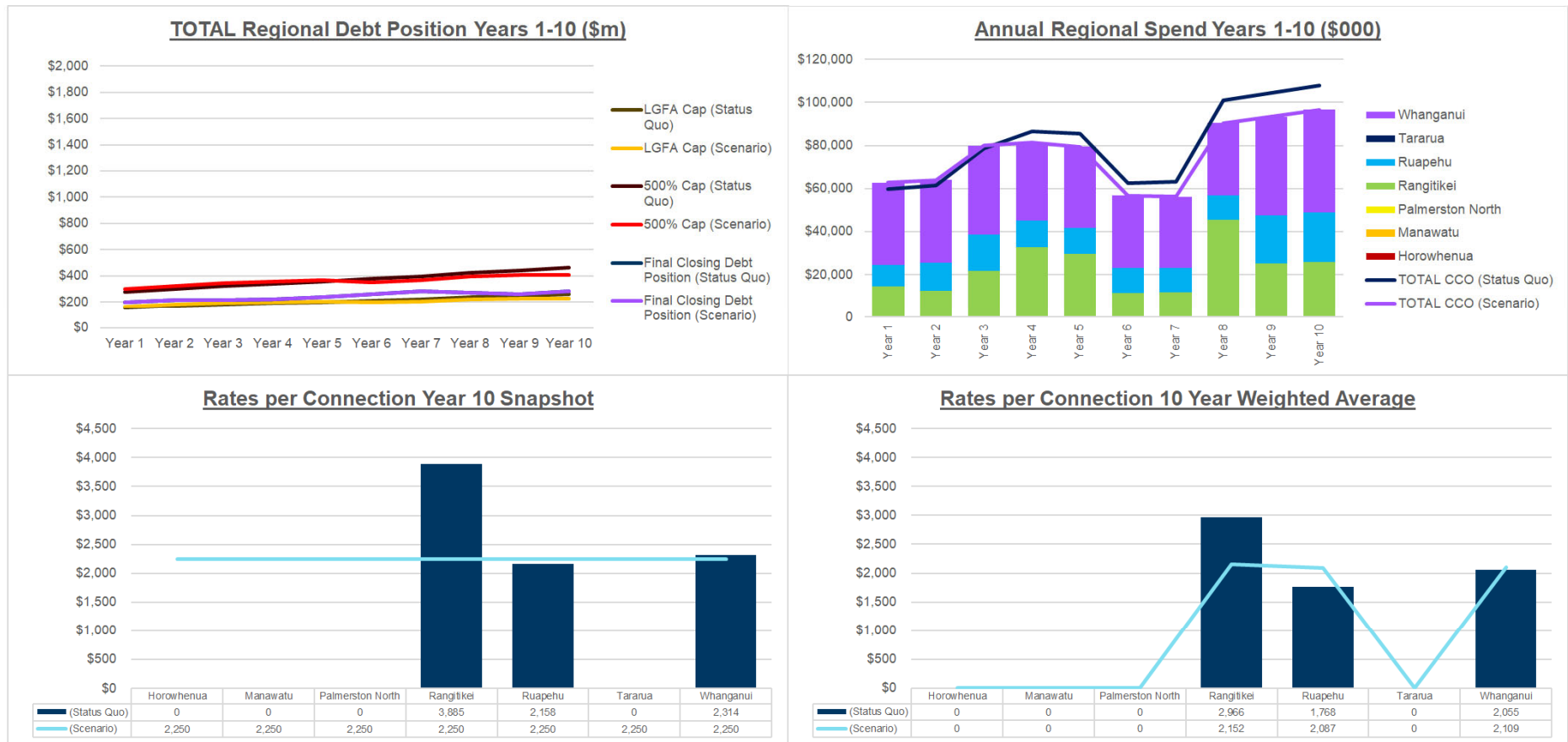
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	217,591	351,891	459,182	459,182	459,182	459,182	459,182
Debt Scenario	217,591	351,891	459,182	459,182	459,182	459,182	459,182
LGFA Status Quo	221,268	461,522	453,512	619,984	699,968	705,137	640,456
LGFA Scenario	239,394	452,520	400,848	506,199	639,500	643,859	583,678
500% Status Quo	395,122	824,147	809,843	1,107,114	1,249,943	1,259,174	1,143,672
500% Scenario	427,489	808,071	715,801	1,011,070	1,142,072	1,149,748	1,042,282

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

Scenario 6a – WWTP not in CCO (PNCC Pays) – Part A: Rangitikei, Ruapehu, Whanganui



Horowhenua	OUT
Manawatu	OUT
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Taranua	OUT
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

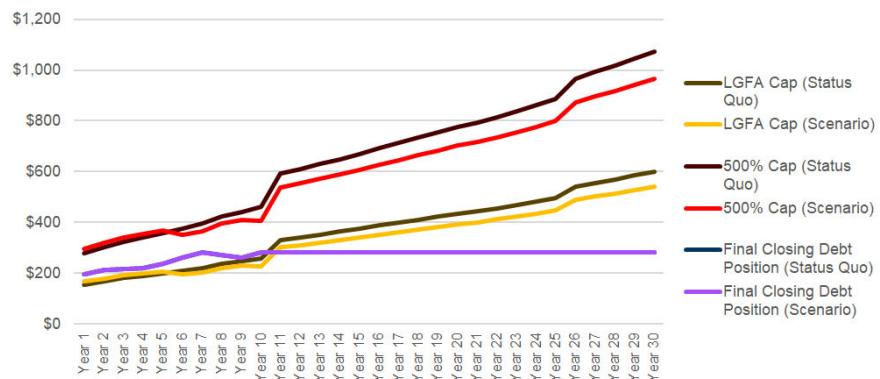
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



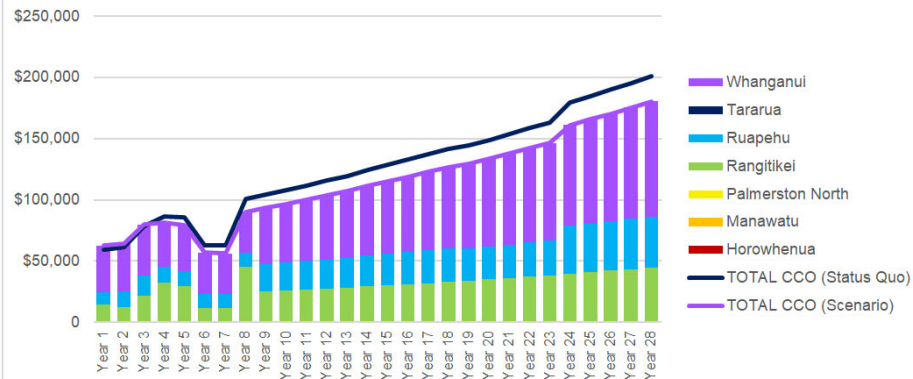
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	197,220	213,684	217,785	220,888	238,578	261,784	281,478	272,950	260,489	282,785
	Scenario	197,220	213,684	217,785	220,888	238,578	261,784	281,478	272,950	260,489	282,785
LGFA	Status Quo	155,229	168,666	181,828	190,501	200,299	211,089	221,453	236,635	247,262	258,275
	Scenario	166,494	179,293	191,790	199,410	205,451	197,082	204,348	220,943	229,163	227,971
500%	Status Quo	277,194	301,190	324,692	340,181	357,677	376,944	395,452	422,563	441,540	461,206
	Scenario	297,310	320,165	342,482	356,090	366,877	351,933	364,908	394,542	409,219	407,091

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

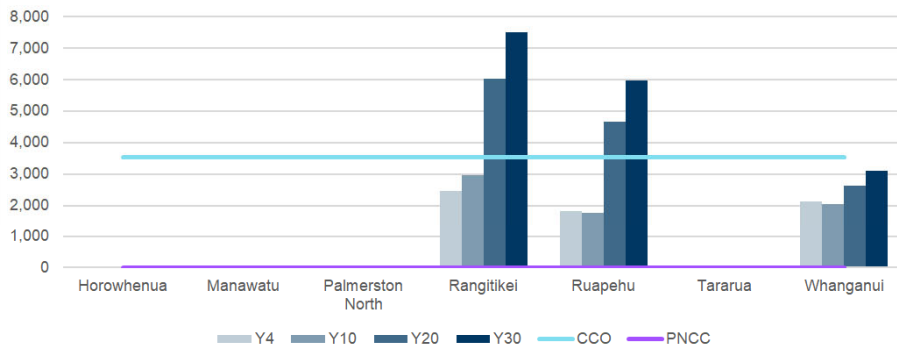
TOTAL Regional Debt Position Years 1-30 (\$m)



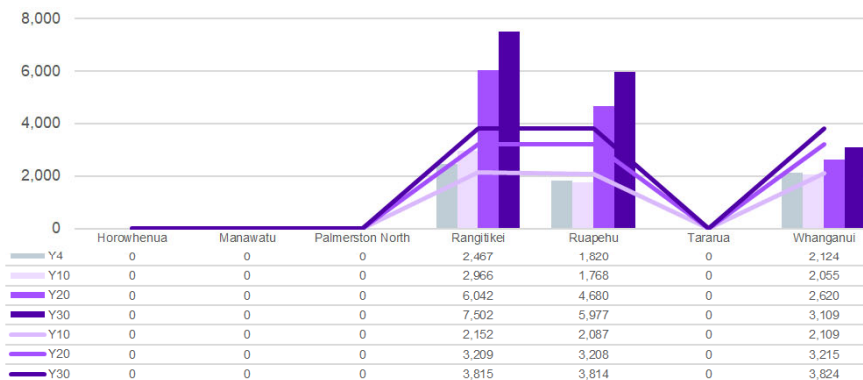
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	OUT
Manawatu	OUT
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Tararua	OUT
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

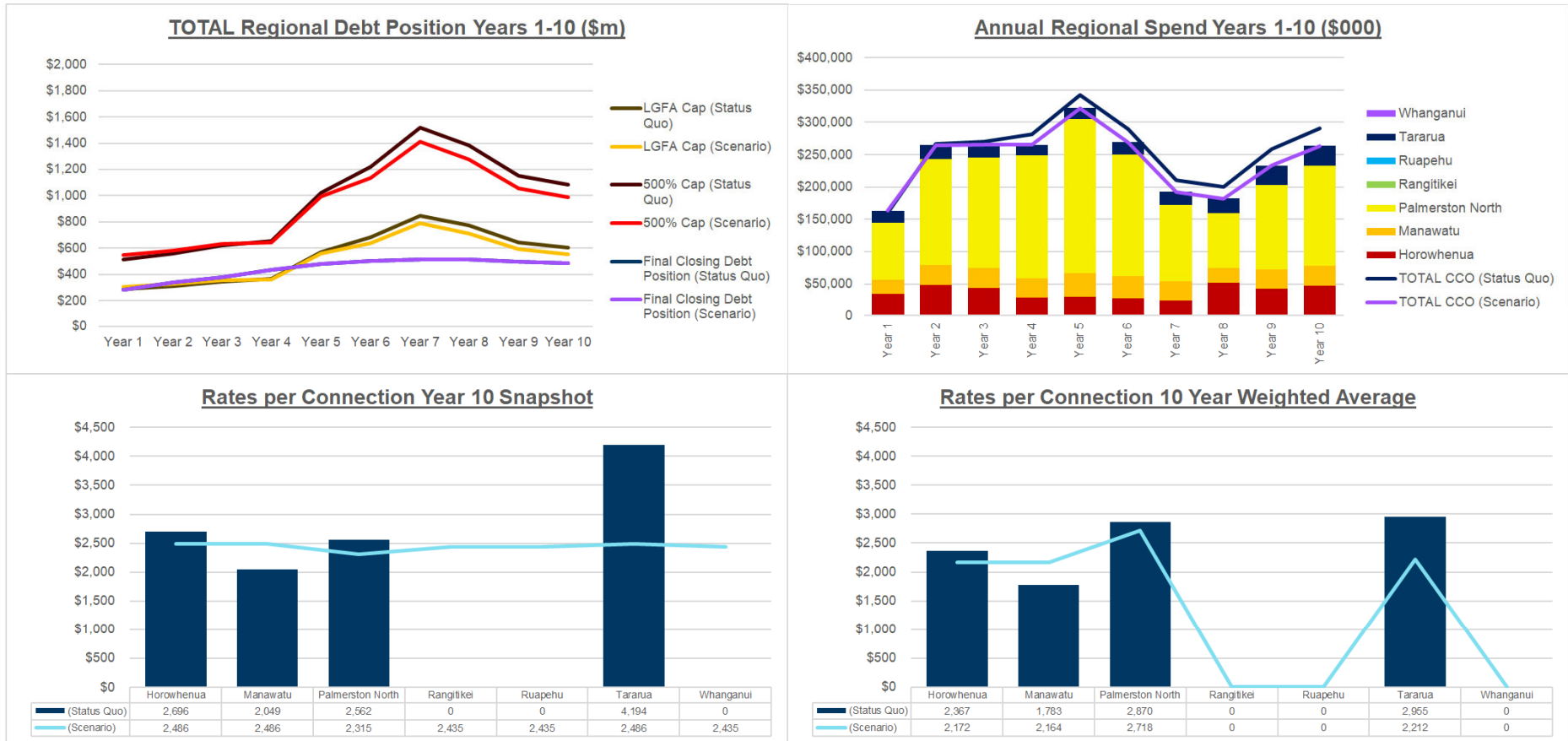
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	197,220	238,578	282,785	282,785	282,785	282,785	282,785
Debt Scenario	197,220	238,578	282,785	282,785	282,785	282,785	282,785
LGFA Status Quo	155,229	200,299	258,275	331,990	342,260	352,734	363,410
LGFA Scenario	166,494	205,451	227,971	301,178	310,377	319,754	329,309
500% Status Quo	277,194	357,677	461,206	592,839	611,179	629,882	648,947
500% Scenario	297,310	366,877	407,091	537,819	554,244	570,989	588,053

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 6b – WWTP not in CCO (PNCC Pays) – Part B: Horowhenua, Manawatū, Palmerston North, Tararua



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	OUT
Ruapehu	OUT
Tararua	IN
Whanganui	OUT
WWTP in CCO?	OUT
Changes made to:	RATES

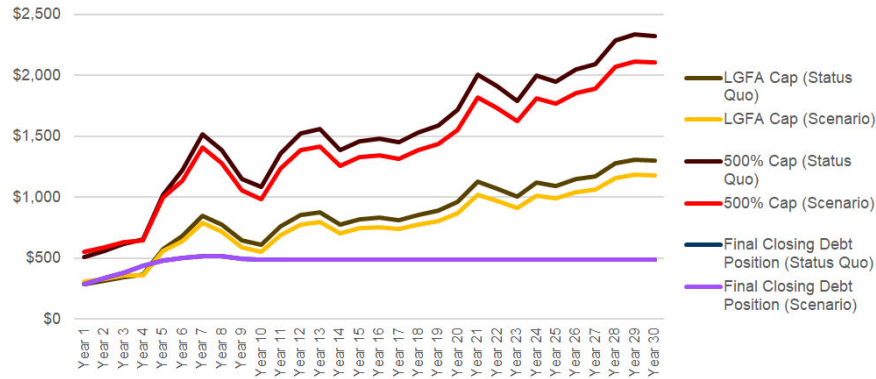
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



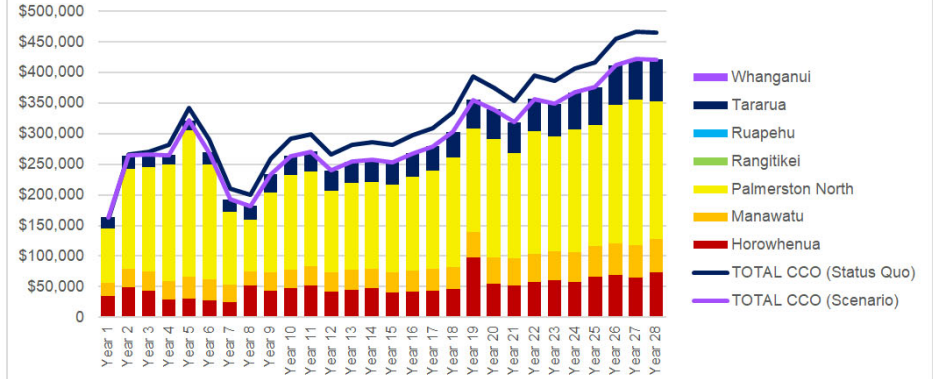
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	283,904	337,569	378,053	437,084	482,228	503,260	512,805	515,925	495,373	485,250
	Scenario	283,904	337,569	378,053	437,084	482,228	503,260	512,805	515,925	495,373	485,250
LGFA	Status Quo	286,704	312,217	346,506	365,801	572,317	684,064	849,236	774,913	644,884	605,674
	Scenario	307,605	327,074	355,077	359,512	557,961	636,692	789,441	714,550	590,975	552,209
500%	Status Quo	511,972	557,531	618,760	653,217	1,021,995	1,221,543	1,516,493	1,383,773	1,151,579	1,081,560
	Scenario	549,294	584,060	634,066	641,986	996,360	1,136,950	1,409,715	1,275,983	1,055,312	986,088

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

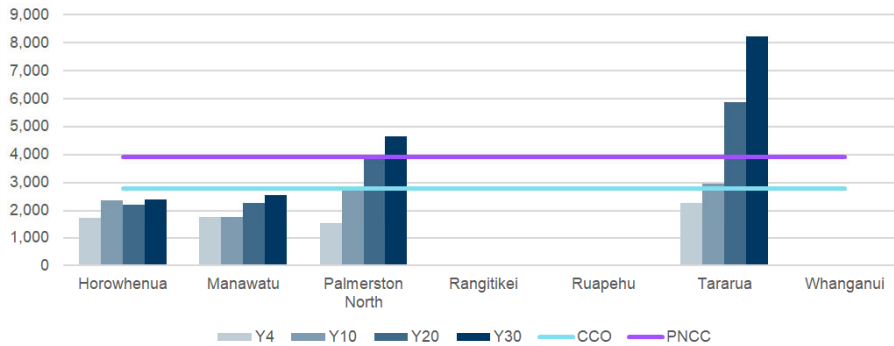
TOTAL Regional Debt Position Years 1-30 (\$m)



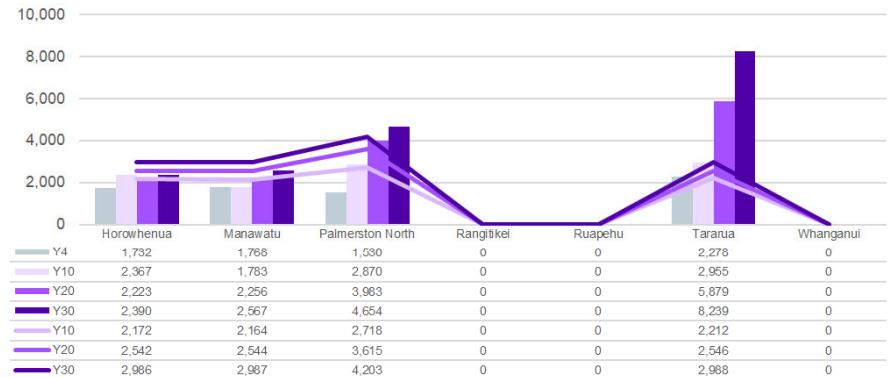
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	OUT
Ruapehu	OUT
Tararua	IN
Whanganui	OUT
WWTP in CCO?	OUT
Changes made to:	RATES

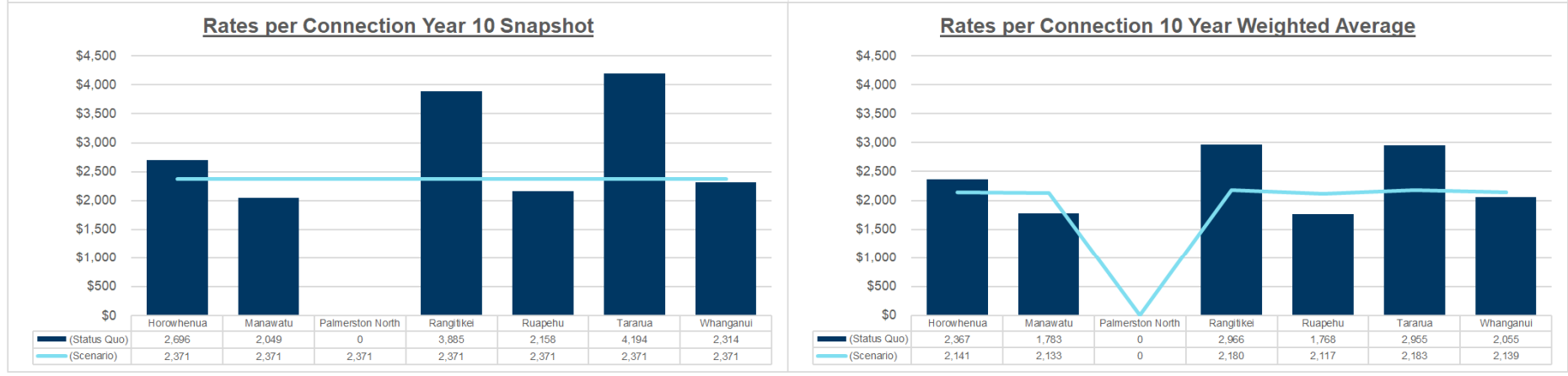
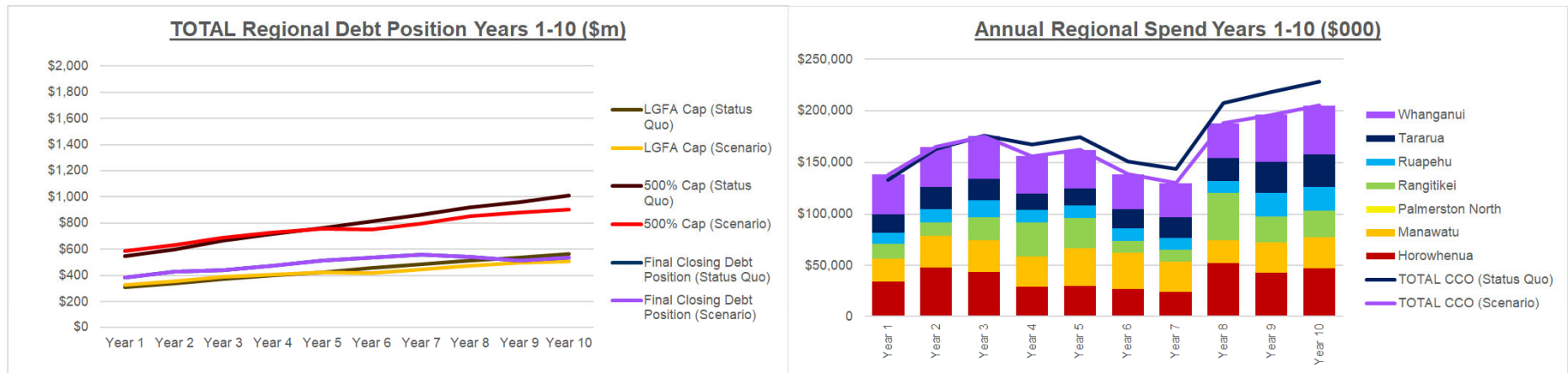
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	283,904	482,228	485,250	485,250	485,250	485,250	485,250
Debt Scenario	283,904	482,228	485,250	485,250	485,250	485,250	485,250
LGFA Status Quo	286,704	572,317	605,674	759,982	852,537	873,322	775,081
LGFA Scenario	307,605	557,961	552,209	691,045	775,797	794,296	703,476
500% Status Quo	511,972	1,021,995	1,081,560	1,357,110	1,522,387	1,559,504	1,384,074
500% Scenario	549,294	996,360	986,088	1,234,009	1,385,351	1,418,387	1,256,206

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 7 – WWTP not in CCO (PNCC Pays) – Palmerston North City Council Out



Horowhenua	IN
Manawatu	IN
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

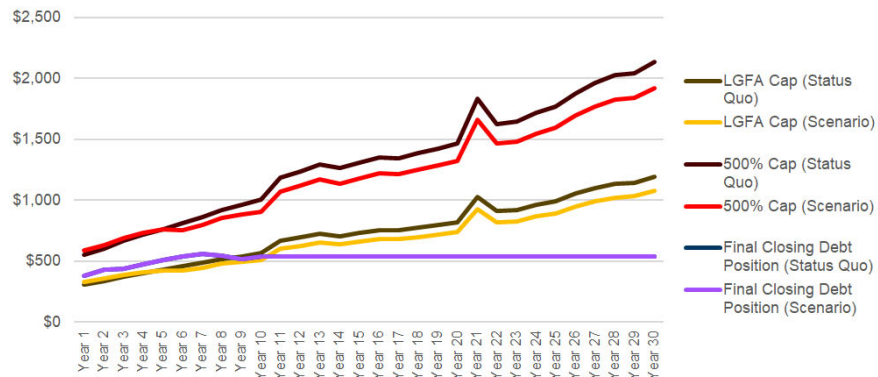
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



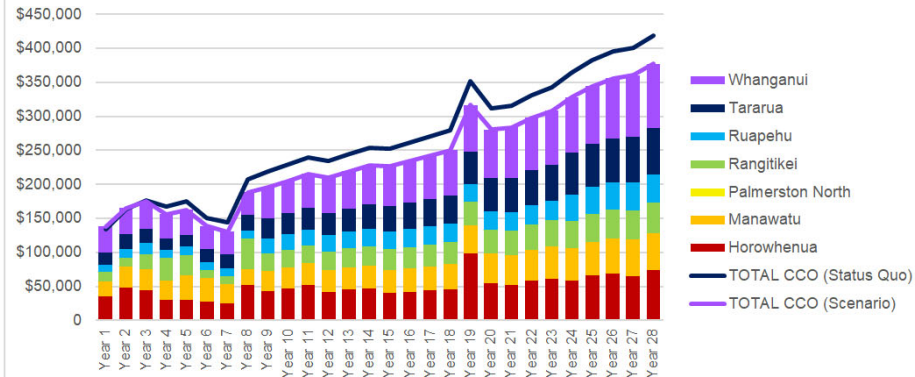
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	381,919	426,849	439,052	472,307	512,091	535,480	556,721	543,545	514,485	539,152
	Scenario	381,919	426,849	439,052	472,307	512,091	535,480	556,721	543,545	514,485	539,152
LGFA	Status Quo	308,506	336,651	373,504	402,573	425,958	455,281	483,702	514,976	537,034	564,696
	Scenario	330,634	355,225	387,490	408,370	424,183	420,474	446,902	476,952	494,564	506,685
500%	Status Quo	550,904	601,162	666,972	718,881	760,639	813,001	863,753	919,599	958,990	1,008,386
	Scenario	590,419	634,330	691,946	729,233	757,470	750,846	798,039	851,700	883,149	904,795

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

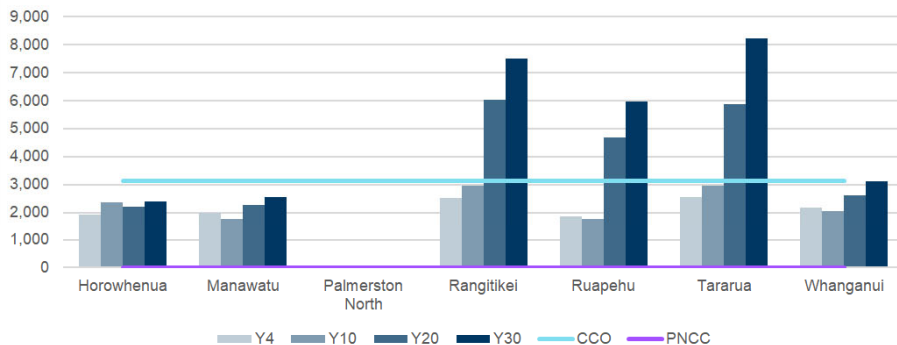
TOTAL Regional Debt Position Years 1-30 (\$m)



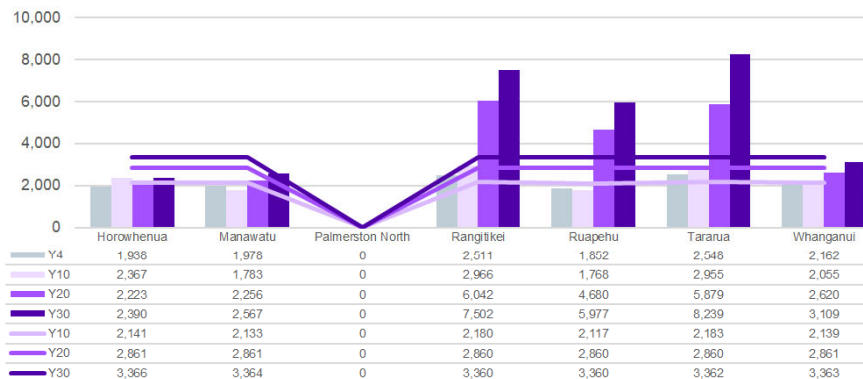
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	OUT
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

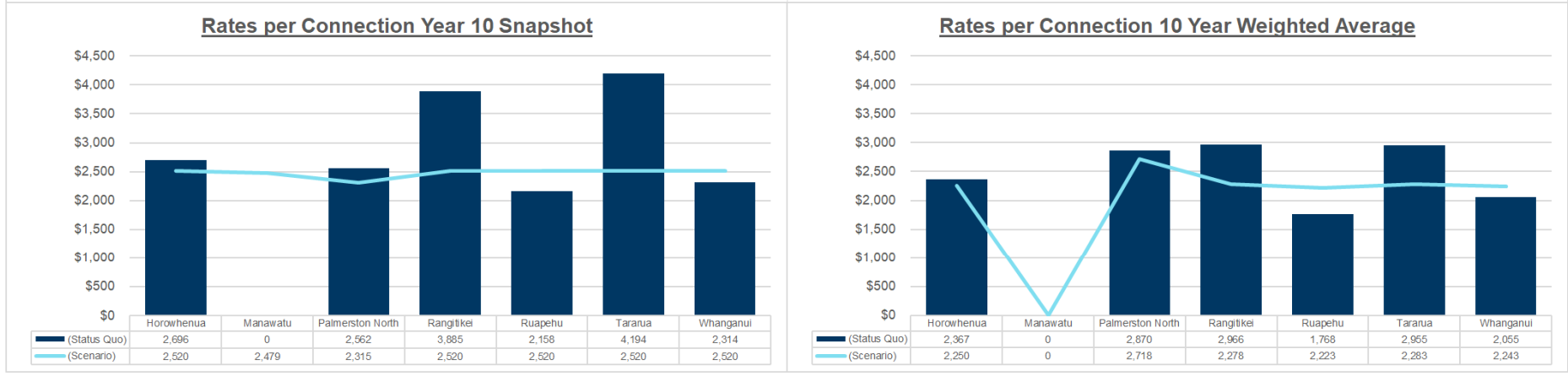
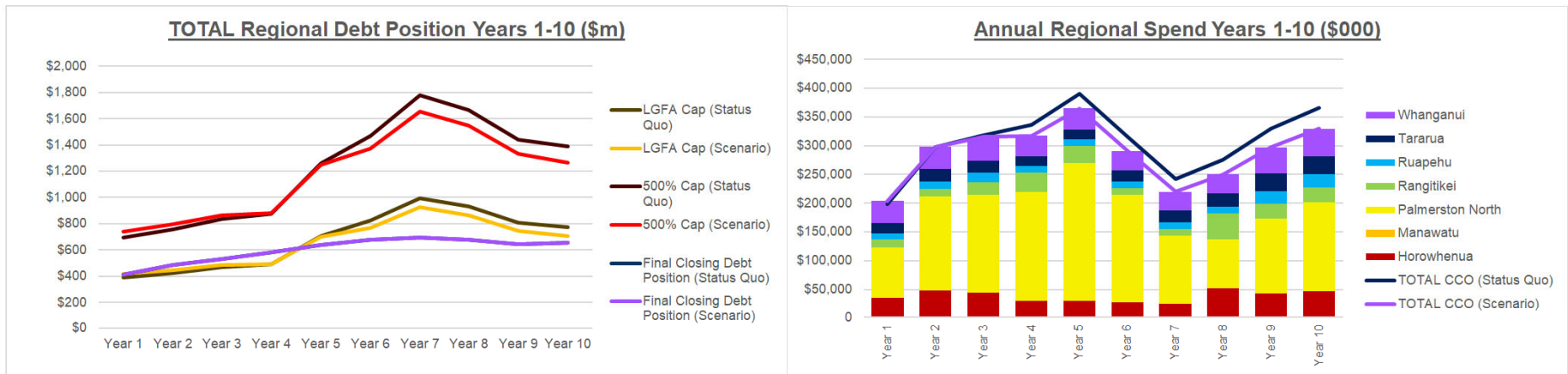
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	381,919	512,091	539,152	539,152	539,152	539,152	539,152
Debt Scenario	381,919	512,091	539,152	539,152	539,152	539,152	539,152
LGFA Status Quo	308,506	425,958	564,696	665,053	692,622	723,589	705,733
LGFA Scenario	330,634	424,183	506,685	600,877	625,678	653,567	636,929
500% Status Quo	550,904	760,639	1,008,386	1,187,595	1,236,824	1,292,123	1,260,237
500% Scenario	590,419	757,470	904,795	1,072,995	1,117,282	1,167,084	1,137,374

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 8 – WWTP not in CCO (PNCC Pays) – Manawatū District Council Out



Horowhenua	IN
Manawatu	OUT
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

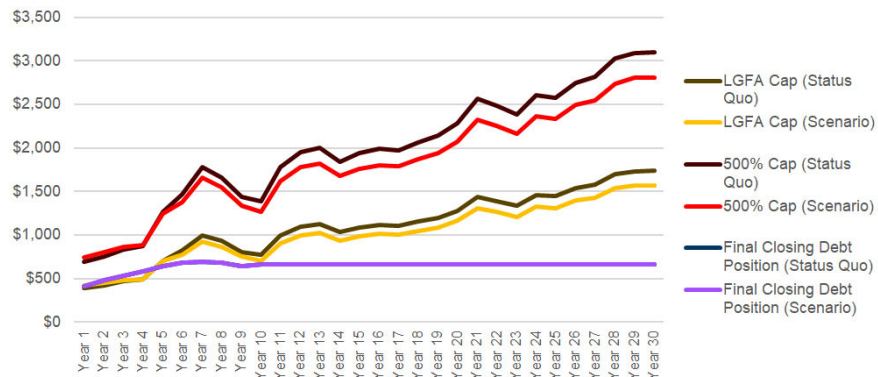
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



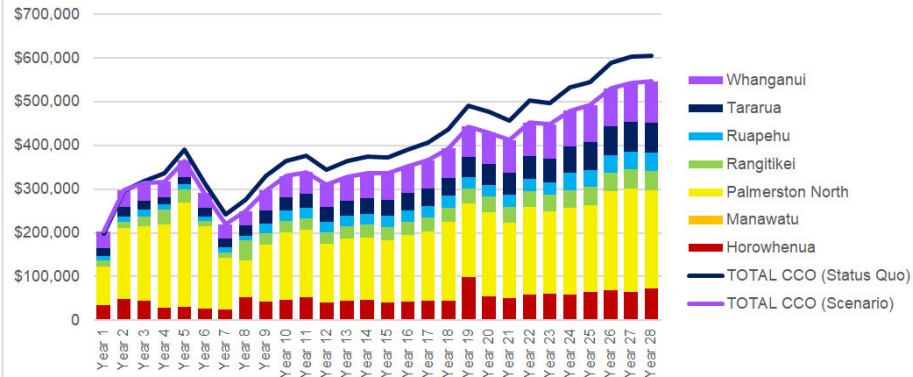
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	414,568	483,361	528,642	584,168	639,942	678,273	695,535	679,371	642,694	657,716
	Scenario	414,568	483,361	528,642	584,168	639,942	678,273	695,535	679,371	642,694	657,716
LGFA	Status Quo	387,774	423,358	466,812	489,224	706,084	822,742	994,482	931,321	807,360	776,649
	Scenario	415,948	446,638	485,303	493,746	700,298	769,786	769,786	865,745	747,271	706,750
500%	Status Quo	692,453	755,997	833,593	873,613	1,260,865	1,469,181	1,775,860	1,663,073	1,441,715	1,386,874
	Scenario	742,765	797,568	866,613	881,689	1,250,532	1,374,617	1,655,153	1,545,974	1,334,413	1,262,054

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

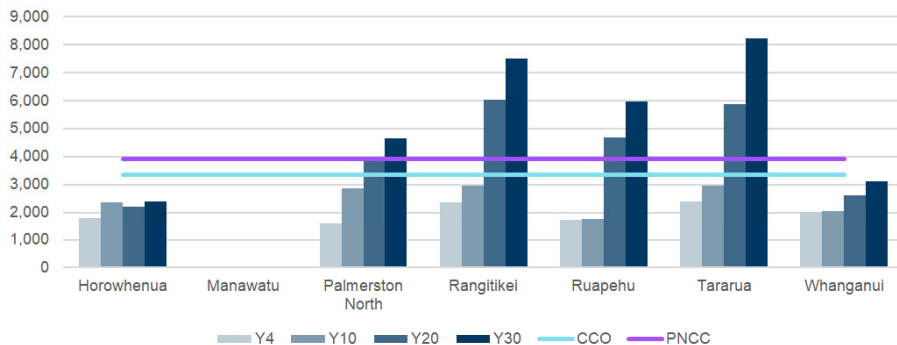
TOTAL Regional Debt Position Years 1-30 (\$m)



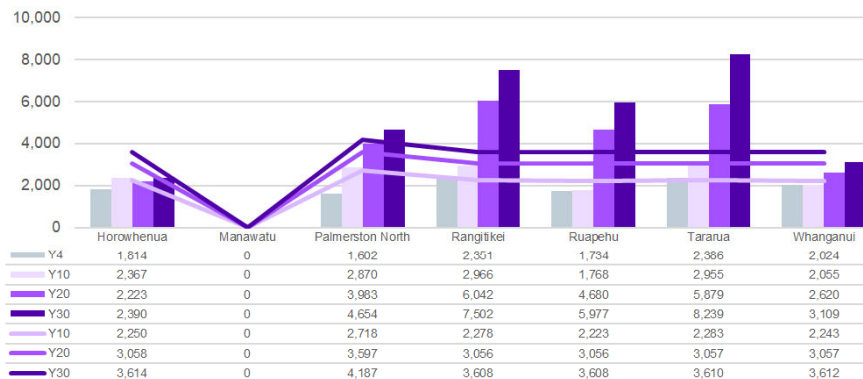
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	OUT
Palmerston North	IN
Rangitikei	IN
Ruapehu	IN
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

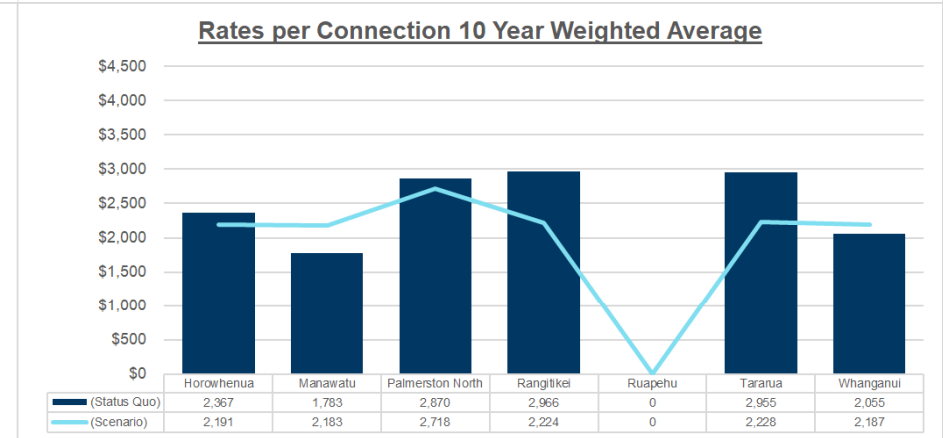
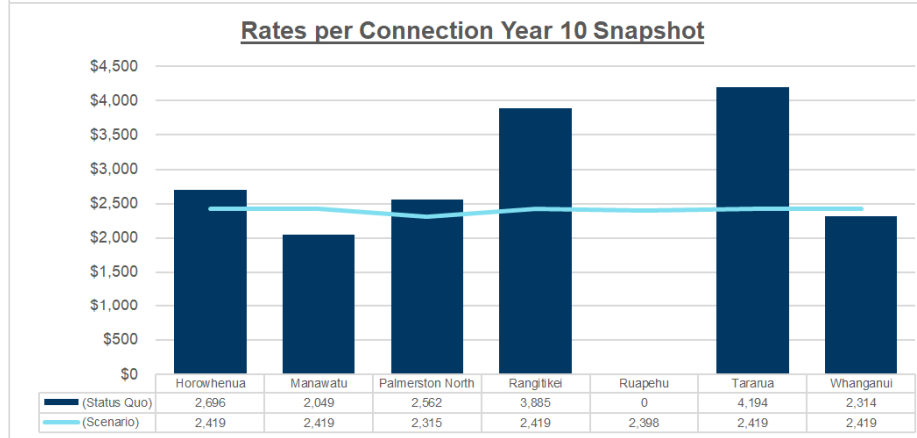
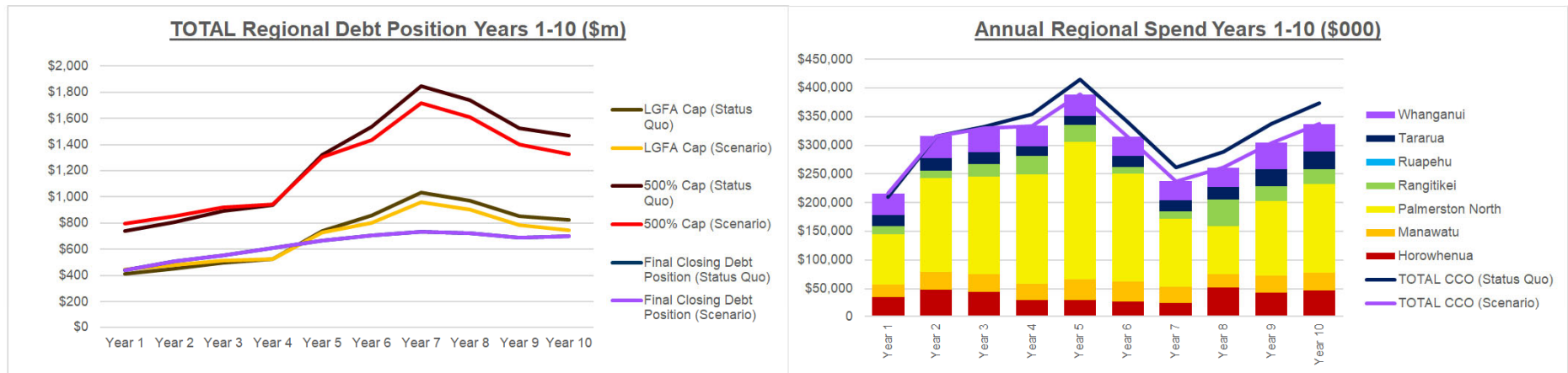
Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	414,568	639,942	657,716	657,716	657,716	657,716	657,716
Debt Scenario	414,568	639,942	657,716	657,716	657,716	657,716	657,716
LGFA Status Quo	387,774	706,084	776,649	993,729	1,094,252	1,123,132	1,033,113
LGFA Scenario	415,948	700,298	706,750	904,048	995,897	1,021,704	938,464
500% Status Quo	692,453	1,260,865	1,386,874	1,774,517	1,954,021	2,005,593	1,844,844
500% Scenario	742,765	1,250,532	1,262,054	1,614,372	1,778,387	1,824,472	1,675,829

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

Scenario 9 – WWTP not in CCO (PNCC Pays) – Rangitikei District Council Out



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

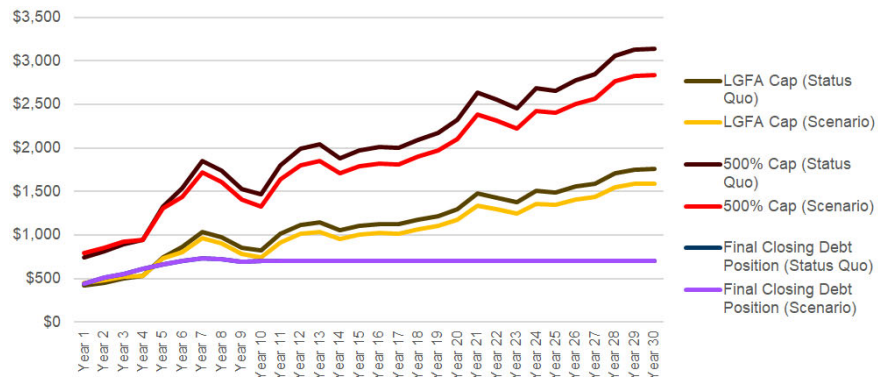
Efficiency Assumptions			
Opex Savings	Mid Point	13%	
Capex Savings	Mid Point	8%	
Transition Costs	Mid Point	13%	
Interest Rate	Mid Point	Wtd Avg	



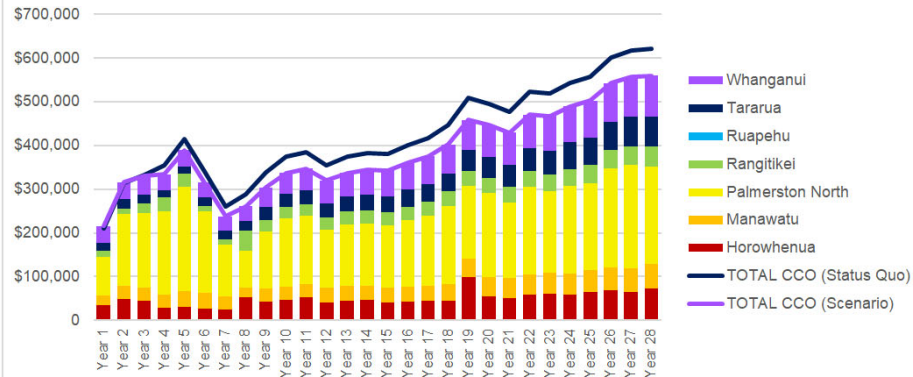
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt	Status Quo	440,742	509,732	553,120	611,197	666,466	706,670	732,419	724,105	688,906	699,316
	Scenario	440,742	509,732	553,120	611,197	666,466	706,670	732,419	724,105	688,906	699,316
LGFA	Status Quo	415,154	453,002	498,743	525,782	740,090	860,661	1,034,452	974,015	852,677	822,782
	Scenario	446,458	477,794	516,488	527,949	731,223	802,198	961,074	901,998	784,994	743,734
500%	Status Quo	741,347	808,932	890,612	938,896	1,321,590	1,536,895	1,847,235	1,739,312	1,522,638	1,469,253
	Scenario	797,247	853,204	922,300	942,766	1,305,756	1,432,496	1,716,204	1,610,712	1,401,776	1,328,096

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 Within Debt Caps

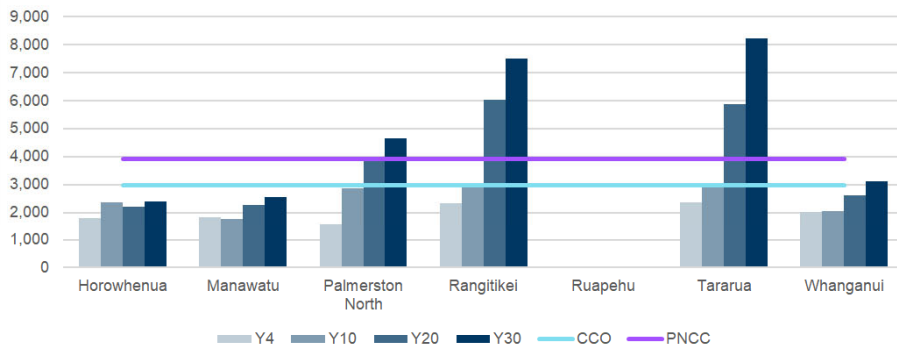
TOTAL Regional Debt Position Years 1-30 (\$m)



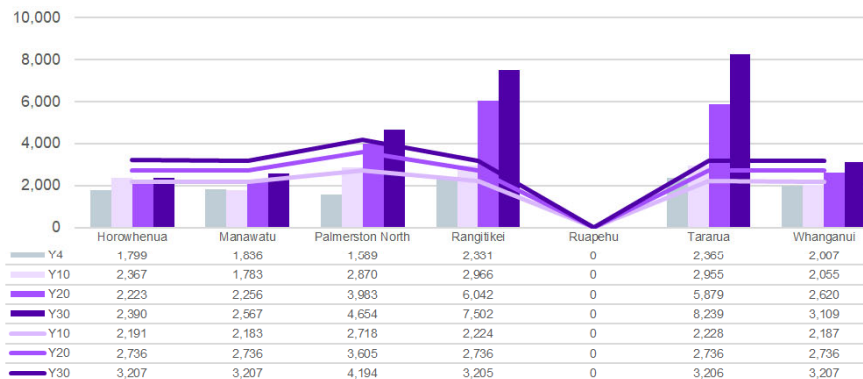
Annual Regional Spend Years 1-30 (\$000)



**Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average
PNCC Pays WWTP**



Rates per Connection Y10, Y20, Y30 with Y11-30 CCO Average



Horowhenua	IN
Manawatu	IN
Palmerston North	IN
Rangitikei	IN
Ruapehu	OUT
Tararua	IN
Whanganui	IN
WWTP in CCO?	OUT
Changes made to:	RATES

Efficiency Assumptions		
Opex Savings	Mid Point	13%
Capex Savings	Mid Point	8%
Transition Costs	Mid Point	13%
Interest Rate	Mid Point	Wtd Avg



	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Debt Status Quo	440,742	666,466	699,316	699,316	699,316	699,316	699,316
Debt Scenario	440,742	666,466	699,316	699,316	699,316	699,316	699,316
LGFA Status Quo	415,154	740,090	822,782	1,010,463	1,112,157	1,142,250	1,053,485
LGFA Scenario	446,458	731,223	743,734	916,863	1,009,762	1,036,615	954,387
500% Status Quo	741,347	1,321,590	1,469,253	1,804,399	1,985,994	2,039,732	1,881,224
500% Scenario	797,247	1,305,756	1,328,096	1,637,256	1,803,147	1,851,098	1,704,262

■ Exceeds 500% Debt Cap
 ■ Exceeds LGFA Cap
 ■ Within Debt Caps

Appendix C

Comparative Rates per Connection Cost

Rates per Connection Cost by Scenario (Councils in/out) (WWTP in/out)

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,141	-226	-10%	2,223	2,864	641	29%	2,390	3,368	978	41%
Manawatu	IN	1,783	2,133	351	20%	2,256	2,863	607	27%	2,567	3,366	798	31%
Palmerston North	IN	2,870	2,718	-152	-5%	3,983	3,609	-375	-9%	4,654	4,198	-456	-10%
Rangitikei	IN	2,966	2,180	-786	-27%	6,042	2,863	-3,179	-53%	7,502	3,362	-4,140	-55%
Ruapehu	IN	1,768	2,117	348	20%	4,680	2,862	-1,818	-39%	5,977	3,362	-2,615	-44%
Taranua	IN	2,955	2,183	-772	-26%	5,879	2,863	-3,016	-51%	8,239	3,364	-4,874	-59%
Whanganui	IN	2,055	2,139	84	4%	2,620	2,863	244	9%	3,109	3,365	257	8%
WWTP in CCO?	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	OUT	1,783	2,112	329	18%	2,256	3,195	939	42%	2,567	3,883	1,316	51%
Manawatu	IN	2,870	2,191	-679	-23%	3,983	3,602	-381	-10%	4,654	4,192	-462	-10%
Palmerston North	IN	2,966	2,155	-811	-27%	6,042	3,189	-2,852	-47%	7,502	3,873	-3,629	-48%
Rangitikei	IN	1,768	2,095	327	18%	4,680	3,189	-1,491	-32%	5,977	3,872	-2,105	-35%
Taranua	IN	2,955	2,159	-796	-27%	5,879	3,192	-2,687	-46%	8,239	3,878	-4,360	-53%
Whanganui	IN	2,055	2,116	62	3%	2,620	3,194	574	22%	3,109	3,882	773	25%
WWTP in CCO?	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,200	-167	-7%	2,223	3,101	878	40%	2,390	3,636	1,246	52%
Manawatu	IN	1,783	2,191	408	23%	2,256	3,102	846	38%	2,567	3,634	1,067	42%
Palmerston North	IN	2,870	2,718	-152	-5%	3,983	3,612	-371	-9%	4,654	4,201	-454	-10%
Rangitikei	IN	2,966	2,231	-735	-25%	6,042	3,104	-2,938	-49%	7,502	3,631	-3,871	-52%
Ruapehu	IN	1,768	2,173	405	23%	4,680	3,104	-1,576	-34%	5,977	3,631	-2,346	-39%
Taranua	IN	2,955	2,236	-719	-24%	5,879	3,103	-2,776	-47%	8,239	3,633	-4,606	-56%
Whanganui	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,042	-325	-14%	2,223	2,607	384	17%	2,390	2,973	583	24%
Manawatu	IN	1,783	2,037	255	14%	2,256	2,607	351	16%	2,567	2,972	405	16%
Palmerston North	IN	2,870	2,718	-152	-5%	3,983	3,625	-358	-9%	4,654	4,212	-442	-10%
Rangitikei	IN	2,966	2,095	-871	-29%	6,042	2,607	-3,434	-57%	7,502	2,971	-4,532	-60%
Ruapehu	IN	1,768	2,021	253	14%	4,680	2,607	-2,073	-44%	5,977	2,971	-3,007	-50%
Taranua	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,191	-176	-7%	2,223	2,736	513	23%	2,390	3,207	817	34%
Manawatu	IN	1,783	2,183	400	22%	2,256	2,736	480	21%	2,567	3,207	639	25%
Palmerston North	IN	2,870	2,718	-152	-5%	3,983	3,605	-379	-10%	4,654	4,194	-460	-10%
Rangitikei	IN	2,966	2,224	-742	-25%	6,042	2,736	-3,306	-55%	7,502	3,205	-4,297	-57%
Ruapehu	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	OUT	1,783	2,055	273	15%	2,256	3,085	829	37%	2,567	3,538	971	38%
Manawatu	IN	2,870	2,718	-151	-5%	3,983	3,621	-362	-9%	4,654	4,209	-446	-10%
Palmerston North	IN	2,966	2,103	-863	-29%	6,042	3,084	-2,958	-49%	7,502	3,534	-3,968	-53%
Rangitikei	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	OUT	2,966	2,152	-814	-27%	6,042	3,209	-2,832	-47%	7,502	3,815	-3,687	-49%
Manawatu	OUT	1,783	2,087	319	18%	4,680	3,208	-1,472	-31%	5,977	3,814	-2,163	-36%
Palmerston North	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,172	-195	-8%	2,223	2,542	319	14%	2,390	2,986	596	25%
Manawatu	IN	1,783	2,164	381	21%	2,256	2,544	288	13%	2,567	2,987	420	16%
Palmerston North	IN	2,870	2,718	-151	-5%	3,983	3,615	-368	-9%	4,654	4,203	-451	-10%
Rangitikei	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,141	-226	-10%	2,223	2,861	638	29%	2,390	3,366	976	41%
Manawatu	IN	1,783	2,133	351	20%	2,256	2,861	605	27%	2,567	3,364	796	31%
Palmerston North	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,250	-117	-5%	2,223	3,058	835	38%	2,390	3,614	1,225	51%
Manawatu	OUT	2,870	2,718	-152	-5%	3,983	3,597	-387	-10%	4,654	4,187	-467	-10%
Palmerston North	IN	2,966	2,278	-688	-23%	6,042	3,056	-2,986	-49%	7,502	3,608	-3,894	-52%
Rangitikei	IN	1,768	2,223	455	26%	4,680	3,056	-1,624	-35%	5,977	3,608	-2,369	-40%
Ruapehu	IN	2,955	2,283	-672	-23%	5,879	3,057	-2,823	-48%	8,239	3,610	-4,629	-56%
Taranua	IN	2,055	2,243	188	9%	2,620	3,057	437	17%	3,109	3,612	503	16%
Whanganui	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,064	-303	-13%	2,223	2,629	406	18%	2,390	3,104	714	30%
Manawatu	IN	1,783	2,058	275	15%	2,256	2,629	373	17%	2,567	3,102	535	21%
Palmerston North	IN	2,870	2,718	-152	-5%	3,983	3,615	-369	-9%	4,654	4,203	-451	-10%
Rangitikei	OUT	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		Wtd Avg					

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,345	-22	-1%	2,223	3,115	892	40%	2,390	3,636	1,246	52%
Manawatu	IN	1,783	2,345	563	32%	2,256	3,115	859	38%	2,567	3,636	1,069	42%
Palmerston North	IN	2,870	2,345	-524	-18%	3,983	3,115	-868	-22%	4,654	3,636	-1,018	-22%
Rangitikei	IN	2,966	2,345	-621	-21%	6,042	3,115	-2,926	-48%	7,502	3,636	-3,866	-52%
Ruapehu	IN	1,768	2,345	577	33%	4,680	3,115	-1,565	-33%	5,977	3,636	-2,341	-39%
Taranua	IN	2,955	2,345	-610	-21%	5,879	3,115	-2,764	-47%	8,239	3,636	-4,603	-56%
Whanganui	IN	2,055	2,345	291	14%	2,620	3,115	496	19%	3,109	3,636	527	17%
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	1,783	2,370	588	33%	2,256	3,361	1,105	49%	2,567	4,006	1,439	56%
Manawatu	IN	2,870	2,370	-499	-17%	3,983	3,361	-623	-16%	4,654	4,006	-648	-14%
Palmerston North	IN	2,966	2,370	-596	-20%	6,042	3,361	-2,681	-44%	7,502	4,006	-3,496	-47%
Rangitikei	IN	1,768	2,370	602	34%	4,680	3,361	-1,319	-28%	5,977	4,006	-1,971	-33%
Ruapehu	IN	2,955	2,370	-585	-20%	5,879	3,361	-2,518	-43%	8,239	4,006	-4,232	-51%
Whanganui	IN	2,055	2,370	316	15%	2,620	3,361	741	28%	3,109	4,006	897	29%
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,429	62	3%	2,223	3,319	1,096	49%	2,390	3,867	1,477	62%
Manawatu	IN	1,783	2,429	647	36%	2,256	3,319	1,063	47%	2,567	3,867	1,299	51%
Palmerston North	IN	2,870	2,429	-440	-15%	3,983	3,319	-664	-17%	4,654	3,867	-788	-17%
Rangitikei	IN	2,966	2,429	-537	-18%	6,042	3,319	-2,722	-45%	7,502	3,867	-3,636	-48%
Ruapehu	IN	1,768	2,429	661	37%	4,680	3,319	-1,361	-29%	5,977	3,867	-2,111	-35%
Taranua	IN	2,955	2,429	-526	-18%	5,879	3,319	-2,560	-44%	8,239	3,867	-4,372	-53%
Whanganui	OUT												
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,297	-70	-3%	2,223	2,973	750	34%	2,390	3,399	1,009	42%
Manawatu	IN	1,783	2,297	515	29%	2,256	2,973	717	32%	2,567	3,399	832	32%
Palmerston North	IN	2,870	2,297	-572	-20%	3,983	2,973	-1,011	-25%	4,654	3,399	-1,255	-27%
Rangitikei	IN	2,966	2,297	-669	-23%	6,042	2,973	-3,069	-51%	7,502	3,399	-4,103	-55%
Ruapehu	IN	1,768	2,297	529	30%	4,680	2,973	-1,707	-36%	5,977	3,399	-2,578	-43%
Taranua	OUT												
Whanganui	IN	2,055	2,297	243	12%	2,620	2,973	353	13%	3,109	3,399	291	9%
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,391	24	1%	2,223	3,047	824	37%	2,390	3,544	1,154	48%
Manawatu	IN	1,783	2,391	608	34%	2,256	3,047	791	35%	2,567	3,544	976	38%
Palmerston North	IN	2,870	2,391	-479	-17%	3,983	3,047	-937	-24%	4,654	3,544	-1,110	-24%
Rangitikei	IN	2,966	2,391	-575	-19%	6,042	3,047	-2,995	-50%	7,502	3,544	-3,958	-53%
Ruapehu	OUT												
Taranua	IN	2,955	2,391	-564	-19%	5,879	3,047	-2,832	-48%	8,239	3,544	-4,695	-57%
Whanganui	IN	2,055	2,391	336	16%	2,620	3,047	427	16%	3,109	3,544	435	14%
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	1,783	2,510	727	41%	2,256	3,445	1,189	53%	2,567	3,984	1,416	55%
Manawatu	IN	2,870	2,510	-359	-13%	3,983	3,445	-538	-14%	4,654	3,984	-670	-14%
Palmerston North	IN	2,966	2,510	-456	-15%	6,042	3,445	-2,596	-43%	7,502	3,984	-3,518	-47%
Rangitikei	OUT												
Ruapehu	OUT												
Taranua	OUT												
Whanganui	OUT												
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	OUT												
Manawatu	OUT												
Palmerston North	OUT												
Rangitikei	IN	2,966	2,113	-853	-29%	6,042	3,213	-2,829	-47%	7,502	3,821	-3,681	-49%
Ruapehu	IN	1,768	2,113	344	19%	4,680	3,213	-1,467	-31%	5,977	3,821	-2,156	-36%
Taranua	OUT												
Whanganui	IN	2,055	2,113	58	3%	2,620	3,213	593	23%	3,109	3,821	712	23%
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,457	90	4%	2,223	3,071	848	38%	2,390	3,555	1,165	49%
Manawatu	IN	1,783	2,457	675	38%	2,256	3,071	815	36%	2,567	3,555	988	38%
Palmerston North	IN	2,870	2,457	-412	-14%	3,983	3,071	-912	-23%	4,654	3,555	-1,099	-24%
Rangitikei	OUT												
Ruapehu	OUT												
Taranua	IN	2,955	2,457	-498	-17%	5,879	3,071	-2,808	-48%	8,239	3,555	-4,683	-57%
Whanganui	OUT												
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,144	-223	-9%	2,223	2,861	638	29%	2,390	3,363	974	41%
Manawatu	IN	1,783	2,144	362	20%	2,256	2,861	605	27%	2,567	3,363	796	31%
Palmerston North	OUT												
Rangitikei	IN	2,966	2,144	-822	-28%	6,042	2,861	-3,181	-53%	7,502	3,363	-4,139	-55%
Ruapehu	IN	1,768	2,144	376	21%	4,680	2,861	-1,820	-39%	5,977	3,363	-2,614	-44%
Taranua	IN	2,955	2,144	-811	-27%	5,879	2,861	-3,019	-51%	8,239	3,363	-4,875	-59%
Whanganui	IN	2,055	2,144	90	4%	2,620	2,861	241	9%	3,109	3,363	255	8%
WWTP in CCO?	IN	Opex Savings		Capex Savings		Transition Costs		Interest Rate		Mid Point			
Changes made to:	RATES	13%		8%		13%		13%		Wtd Avg			

Rates Comparisons		YEAR 10				YEAR 20				YEAR 30			
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.
Horowhenua	IN	2,367	2,435	68	3%	2,223	3,262	1,040	47%	2,390	3,823	1,433	60%
Manawatu	OUT												
Palmerston North	IN	2,870	2,435	-435	-15%	3,983	3,262	-721	-18%	4,654	3,823	-831	-18%
Rangitikei	IN	2,966	2,435	-531	-18%	6,042	3,262	-2,779	-46%	7,502	3,823	-3,679	-49%
Ruapehu	IN	1,768	2,435	666	38%	4,680	3,262	-1,418	-30%	5,977	3,823	-2,154	-36%
Taranua	IN	2,955	2,435	-520	-18%	5,879	3,262	-2,617	-45%	8,239	3,823	-4,415	-54%
Whanganui	IN	2,055	2,435	380	18%	2,620							

Rates per Connection Cost (Conservative, MidPoint, Optimistic)

Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,206	-161	-7%	2,223	2,945	722	32%	2,390	3,459	1,069	45%				
Manawatu	IN	1,783	2,199	416	23%	2,256	2,944	688	31%	2,567	3,457	890	35%				
Palmerston North	IN	2,870	2,795	-74	-3%	3,983	3,708	-275	-7%	4,654	4,312	-342	-7%				
Rangitikei	IN	2,966	2,249	-717	-24%	6,042	2,944	-3,098	-51%	7,502	3,454	-4,048	-54%				
Ruapehu	IN	1,768	2,182	413	23%	4,680	2,943	-1,737	-37%	5,977	3,454	-2,524	-42%				
Taranua	IN	2,955	2,253	-703	-24%	5,879	2,944	-2,935	-50%	8,239	3,456	-4,783	-58%				
Whanganui	IN	2,055	2,206	151	7%	2,620	2,944	325	12%	3,109	3,457	348	11%				
WWTP in CCO?	OUT	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		RATES	11%	6%	17%					Conservative							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,141	-226	-10%	2,223	2,864	641	29%	2,390	3,368	978	41%				
Manawatu	IN	1,783	2,133	351	20%	2,256	2,863	607	27%	2,567	3,368	798	31%				
Palmerston North	IN	2,870	2,718	-152	-5%	3,983	3,609	-375	-9%	4,654	4,198	-456	-10%				
Rangitikei	IN	2,966	2,180	-786	-27%	6,042	2,863	-3,179	-53%	7,502	3,362	-4,140	-55%				
Ruapehu	IN	1,768	2,117	348	20%	4,680	2,862	-1,818	-39%	5,977	3,362	-2,615	-44%				
Taranua	IN	2,955	2,183	-772	-26%	5,879	2,863	-3,016	-51%	8,239	3,364	-4,874	-59%				
Whanganui	IN	2,055	2,139	84	4%	2,620	2,863	244	9%	3,109	3,365	257	8%				
WWTP in CCO?	OUT	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		RATES	13%	8%	13%	Wtd Avg				Mid Point							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,109	-258	-11%	2,223	2,802	580	26%	2,390	3,287	897	38%				
Manawatu	IN	1,783	2,102	319	18%	2,256	2,802	546	24%	2,567	3,286	718	28%				
Palmerston North	IN	2,870	2,669	-201	-7%	3,983	3,528	-456	-11%	4,654	4,096	-558	-12%				
Rangitikei	IN	2,966	2,249	-717	-24%	6,042	2,944	-3,098	-51%	7,502	3,282	-4,220	-56%				
Ruapehu	IN	1,768	2,086	317	18%	4,680	2,802	-1,879	-40%	5,977	3,282	-2,695	-45%				
Taranua	IN	2,955	2,152	-804	-27%	5,879	2,802	-3,077	-52%	8,239	3,284	-4,955	-60%				
Whanganui	IN	2,055	2,107	53	3%	2,620	2,802	183	7%	3,109	3,285	176	6%				
WWTP in CCO?	OUT	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		RATES	16%	10%	10%					Optimistic							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,416	49	2%	2,223	3,203	980	44%	2,390	3,735	1,345	56%				
Manawatu	IN	1,783	2,416	633	36%	2,256	3,203	947	42%	2,567	3,735	1,167	45%				
Palmerston North	IN	2,870	2,416	-454	-16%	3,983	3,203	-781	-20%	4,654	3,735	-919	-20%				
Rangitikei	IN	2,966	2,416	-550	-19%	6,042	3,203	-2,839	-47%	7,502	3,735	-3,767	-50%				
Ruapehu	IN	1,768	2,416	647	37%	4,680	3,203	-1,478	-32%	5,977	3,735	-2,242	-38%				
Taranua	IN	2,955	2,416	-539	-18%	5,879	3,203	-2,677	-46%	8,239	3,735	-4,504	-56%				
Whanganui	IN	2,055	2,416	361	18%	2,620	3,203	583	22%	3,109	3,735	626	20%				
WWTP in CCO?	IN	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		RATES	11%	6%	17%					Conservative							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,345	-22	-1%	2,223	3,115	892	40%	2,390	3,636	1,246	52%				
Manawatu	IN	1,783	2,345	563	32%	2,256	3,115	859	38%	2,567	3,636	1,068	42%				
Palmerston North	IN	2,870	2,345	-524	-18%	3,983	3,115	-868	-22%	4,654	3,636	-1,018	-22%				
Rangitikei	IN	2,966	2,345	-621	-21%	6,042	3,115	-2,926	-48%	7,502	3,636	-3,866	-52%				
Ruapehu	IN	1,768	2,345	577	33%	4,680	3,115	-1,565	-33%	5,977	3,636	-2,341	-39%				
Taranua	IN	2,955	2,345	-610	-21%	5,879	3,115	-2,764	-47%	8,239	3,636	-4,603	-56%				
Whanganui	IN	2,055	2,345	291	14%	2,620	3,115	496	19%	3,109	3,636	527	17%				
WWTP in CCO?	IN	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		RATES	13%	8%	13%	Wtd Avg				Mid Point							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,308	-59	-3%	2,223	3,047	825	37%	2,390	3,549	1,159	48%				
Manawatu	IN	1,783	2,308	525	29%	2,256	3,047	792	35%	2,567	3,549	981	38%				
Palmerston North	IN	2,870	2,308	-562	-20%	3,983	3,047	-936	-23%	4,654	3,549	-1,105	-24%				
Rangitikei	IN	2,966	2,308	-658	-22%	6,042	3,047	-2,994	-50%	7,502	3,549	-3,954	-53%				
Ruapehu	IN	1,768	2,308	539	30%	4,680	3,047	-1,633	-35%	5,977	3,549	-2,429	-41%				
Taranua	IN	2,955	2,308	-647	-22%	5,879	3,047	-2,832	-48%	8,239	3,549	-4,690	-57%				
Whanganui	IN	2,055	2,308	253	12%	2,620	3,047	428	16%	3,109	3,549	440	14%				
WWTP in CCO?	IN	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		RATES	16%	10%	10%					Optimistic							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,215	-152	-6%	2,223	3,158	935	42%	2,390	4,262	1,872	78%				
Manawatu	IN	1,783	2,206	424	24%	2,256	3,152	897	40%	2,567	4,255	1,687	66%				
Palmerston North	IN	2,870	1,505	-1,365	-48%	3,983	2,386	-1,598	-40%	4,654	3,237	-1,417	-30%				
Rangitikei	IN	2,966	2,212	-754	-25%	6,042	3,141	-2,901	-48%	7,502	4,239	-3,263	-43%				
Ruapehu	IN	1,768	2,185	417	24%	4,680	3,140	-1,540	-33%	5,977	4,237	-1,740	-29%				
Taranua	IN	2,955	2,216	-739	-25%	5,879	3,147	-2,732	-46%	8,239	4,247	-3,992	-48%				
Whanganui	IN	2,055	2,201	147	7%	2,620	3,151	531	20%	3,109	4,252	1,144	37%				
WWTP in CCO?	OUT	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		DEBT	11%	6%	17%					Conservative							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,215	-152	-6%	2,223	3,158	935	42%	2,390	4,262	1,872	78%				
Manawatu	IN	1,783	2,206	424	24%	2,256	3,152	897	40%	2,567	4,255	1,687	66%				
Palmerston North	IN	2,870	1,505	-1,365	-48%	3,983	2,386	-1,598	-40%	4,654	3,237	-1,417	-30%				
Rangitikei	IN	2,966	2,212	-754	-25%	6,042	3,141	-2,901	-48%	7,502	4,239	-3,263	-43%				
Ruapehu	IN	1,768	2,185	417	24%	4,680	3,140	-1,540	-33%	5,977	4,237	-1,740	-29%				
Taranua	IN	2,955	2,216	-739	-25%	5,879	3,147	-2,732	-46%	8,239	4,247	-3,992	-48%				
Whanganui	IN	2,055	2,201	147	7%	2,620	3,151	531	20%	3,109	4,252	1,144	37%				
WWTP in CCO?	OUT	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		DEBT	16%	10%	10%					Optimistic							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,206	-161	-7%	2,223	2,945	722	32%	2,390	3,459	1,069	45%				
Manawatu	IN	1,783	2,199	416	23%	2,256	2,944	688	31%	2,567	3,457	890	35%				
Palmerston North	IN	2,870	2,795	-74	-3%	3,983	3,708	-275	-7%	4,654	4,312	-342	-7%				
Rangitikei	IN	2,966	2,249	-717	-24%	6,042	2,944	-3,098	-51%	7,502	3,454	-4,048	-54%				
Ruapehu	IN	1,768	2,182	413	23%	4,680	2,943	-1,737	-37%	5,977	3,454	-2,524	-42%				
Taranua	IN	2,955	2,253	-703	-24%	5,879	2,944	-2,935	-50%	8,239	3,456	-4,783	-58%				
Whanganui	IN	2,055	2,206	151	7%	2,620	2,944	325	12%	3,109	3,457	348	11%				
WWTP in CCO?	OUT	Opex Savings				Capex Savings				Transition Costs				Interest Rate			
Changes made to:		RATES	11%	6%	17%					Conservative							
Rates Comparisons																	
		YEAR 10				YEAR 20				YEAR 30							
Council	IN/OUT	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.	Status	Scenario	Diff.	Perc.				
Horowhenua	IN	2,367	2,141	-226	-10%	2,223	2,864	641	29%	2,390	3,368	978	41%				
Manawatu	IN	1,783	2,133	351	20%	2,256	2,863	607	27%	2,567	3,368	798	31%				

Rates per Connection Cost Comparison by Scenario (Councils in/out) (WWTP in/out)

Rates per Connection Cost with highlights to show minimum cost option per council

	SQ	WWTP OUT										WWTP IN													
		0	1	2	3	4	5	6a	6b	7	8	9	0	1	2	3	4	5	6a	6b	7	8	9		
Y10	Horowhenua	2367	2141	2367	2200	2042	2191	2367	2367	2172	2141	2250	2064	2345	2367	2429	2297	2391	2367	2367	2457	2144	2435	2310	
	Manawatu	1783	2133	2112	2191	2037	2183	2055	1783	2164	2133	1783	2058	2133	2112	2191	2037	2183	2055	1783	2164	2133	1783	2058	
	Palmerston North	2870	2718	2718	2718	2718	2718	2870	2718	2870	2718	2718	2718	2718	2718	2718	2718	2718	2718	2718	2870	2718	2870	2718	
	Rangitikei	2966	2180	2155	2231	2095	2224	2103	2152	2966	2180	2278	2966	2180	2155	2231	2095	2224	2103	2152	2966	2180	2278	2966	
	Ruapehu	1768	2117	2095	2173	2021	1768	1768	2087	1768	2117	2223	2041	2117	2095	2173	2021	1768	1768	2087	1768	2117	2223	2041	
	Tararua	2955	2183	2159	2236	2955	2228	2955	2955	2212	2183	2283	2115	2183	2159	2236	2955	2228	2955	2955	2212	2183	2283	2115	
Whanganui	2055	2139	2116	2055	2047	2187	2055	2109	2055	2139	2243	2066	2139	2116	2055	2047	2187	2055	2109	2055	2139	2243	2066		
Y20	Horowhenua	2223	2864	2223	3101	2607	2736	2223	2223	2542	2861	3058	2629	3115	2223	3319	2973	3047	2223	2223	3071	2861	3262	2981	
	Manawatu	1783	2863	3195	3102	2607	2736	3085	1783	2544	2861	1783	2629	2133	2112	2191	2037	2183	2055	1783	2164	2133	1783	2058	
	Palmerston North	2870	3609	3602	3612	3625	3605	3621	2870	3615	2870	3597	3615	2718	2718	2718	2718	2718	2718	2870	2718	2870	2718	2718	
	Rangitikei	2966	2863	3189	3104	2607	2736	3084	3209	2966	2860	3056	2966	2180	2155	2231	2095	2224	2103	2152	2966	2180	2278	2966	
	Ruapehu	1768	2862	3189	3104	2607	1768	1768	3208	1768	2860	3056	2629	2117	2095	2173	2021	1768	1768	2087	1768	2117	2223	2041	
	Tararua	2955	2863	3192	3103	2955	2736	2955	2955	2546	2860	3057	2629	2183	2159	2236	2955	2228	2955	2955	2212	2183	2283	2115	
Whanganui	2055	2863	3194	2055	2607	2736	2055	3215	2055	2861	3057	2629	2139	2116	2055	2047	2187	2055	2109	2055	2139	2243	2066		
Y30	Horowhenua	2390	3368	2390	3636	2973	3207	2390	2390	2986	3366	3614	3104	3636	2390	3867	3399	3544	2390	2390	3555	3363	3823	3477	
	Manawatu	2567	3366	3883	3634	2972	3207	3538	2567	2987	3364	2567	3102	2133	2112	2191	2037	2183	2055	2567	2164	2133	2567	2058	
	Palmerston North	4654	4198	4192	4201	4212	4194	4209	4654	4203	4654	4187	4203	2718	2718	2718	2718	2718	2718	4654	2718	4654	2718	2718	
	Rangitikei	7502	3362	3873	3631	2971	3205	3534	3815	7502	3360	3608	7502	2180	2155	2231	2095	2224	2103	2152	7502	2180	2278	7502	
	Ruapehu	5977	3362	3872	3631	2971	5977	5977	3814	5977	3360	3608	3099	2117	2095	2173	2021	5977	5977	5977	2087	5977	2117	2223	2041
	Tararua	8239	3364	3878	3633	8239	3206	8239	8239	2988	3362	3610	3101	2183	2159	2236	8239	2228	8239	8239	2212	2183	2283	2115	
Whanganui	3109	3365	3882	3109	2972	3207	3109	3824	3109	3363	3612	3102	2139	2116	3109	2047	2187	3109	2109	3109	2139	2243	2066		

Percentage changes from Status Quo with highlights to show minimum cost option per council

	SQ	WWTP OUT										WWTP IN												
		0	1	2	3	4	5	6a	6b	7	8	9	0	1	2	3	4	5	6a	6b	7	8	9	
Y10	Horowhenua	2367	-10%	0%	-7%	-14%	-7%	0%	0%	-8%	-10%	-5%	-13%	-1%	0%	3%	-3%	1%	0%	0%	4%	-9%	3%	-2%
	Manawatu	1783	20%	18%	23%	14%	22%	15%	0%	21%	20%	0%	15%	20%	18%	23%	14%	22%	15%	0%	21%	20%	0%	15%
	Palmerston North	2870	-5%	-5%	-5%	-5%	-5%	-5%	0%	-5%	0%	-5%	-5%	-5%	-5%	-5%	-5%	-5%	-5%	0%	-5%	0%	-5%	-5%
	Rangitikei	2966	-27%	-27%	-25%	-29%	-25%	-29%	-27%	0%	-27%	-23%	0%	-27%	-27%	-25%	-29%	-25%	-29%	-27%	0%	-27%	-23%	0%
	Ruapehu	1768	20%	18%	23%	14%	0%	0%	18%	0%	20%	26%	15%	20%	18%	23%	14%	0%	0%	18%	0%	20%	26%	15%
	Tararua	2955	-26%	-27%	-24%	0%	-25%	0%	0%	-25%	-26%	-23%	-28%	-26%	-27%	-24%	0%	-25%	0%	0%	-25%	-26%	-23%	-28%
Whanganui	2055	4%	3%	0%	0%	6%	0%	3%	0%	4%	9%	1%	4%	3%	0%	0%	6%	0%	3%	0%	4%	9%	1%	
Y20	Horowhenua	2223	29%	0%	40%	17%	23%	0%	0%	14%	29%	38%	18%	40%	0%	49%	34%	37%	0%	0%	38%	29%	47%	34%
	Manawatu	1783	61%	79%	74%	46%	53%	73%	0%	43%	60%	0%	47%	20%	18%	23%	14%	22%	15%	0%	21%	20%	0%	15%
	Palmerston North	2870	26%	26%	26%	26%	26%	26%	0%	26%	0%	25%	26%	-5%	-5%	-5%	-5%	-5%	-5%	0%	-5%	0%	-5%	-5%
	Rangitikei	2966	-3%	8%	5%	-12%	-8%	4%	8%	0%	-4%	3%	0%	-27%	-27%	-25%	-29%	-25%	-29%	0%	0%	-27%	-23%	0%
	Ruapehu	1768	62%	80%	76%	47%	0%	0%	81%	0%	62%	73%	49%	20%	18%	23%	14%	0%	0%	18%	0%	20%	26%	15%
	Tararua	2955	-3%	8%	5%	0%	-7%	0%	0%	-14%	-3%	3%	-11%	-26%	-27%	-24%	0%	-25%	0%	0%	-25%	-26%	-23%	-28%
Whanganui	2055	39%	55%	0%	27%	33%	0%	56%	0%	39%	49%	28%	4%	3%	0%	0%	6%	0%	3%	0%	4%	9%	1%	
Y30	Horowhenua	2390	41%	0%	52%	24%	34%	0%	0%	25%	41%	51%	30%	52%	0%	62%	42%	48%	0%	0%	49%	41%	60%	46%
	Manawatu	2567	31%	51%	42%	16%	25%	38%	0%	16%	31%	0%	21%	-17%	-18%	-15%	-21%	-15%	-20%	0%	-16%	-17%	0%	-20%
	Palmerston North	4654	-10%	-10%	-10%	-10%	-10%	-10%	0%	-10%	0%	-10%	-10%	-42%	-42%	-42%	-42%	-42%	-42%	0%	-42%	0%	-42%	-42%
	Rangitikei	7502	-55%	-48%	-52%	-60%	-57%	-53%	-49%	0%	-55%	-52%	0%	-71%	-71%	-70%	-72%	-70%	-72%	-71%	0%	-71%	-70%	0%
	Ruapehu	5977	-44%	-35%	-39%	-50%	0%	0%	-36%	0%	-44%	-40%	-48%	-65%	-65%	-64%	-66%	0%	0%	-65%	0%	-65%	-63%	-66%
	Tararua	8239	-59%	-53%	-56%	0%	-61%	0%	0%	-64%	-59%	-56%	-62%	-73%	-74%	-73%	0%	-73%	0%	0%	-73%	-73%	-72%	-74%
Whanganui	3109	8%	25%	0%	-4%	3%	0%	23%	0%	8%	16%	0%	-31%	-32%	0%	-34%	-30%	0%	-32%	0%	-31%	-28%	-34%	