SUPPLEMENT to

New Zealand Gazette

OF THURSDAY, 24 NOVEMBER 1994

WELLINGTON: MONDAY, 28 NOVEMBER 1994 — ISSUE NO. 125

TRANS POWER NEW ZEALAND LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

Trans Power New Zealand Limited

Electricity (Information Disclosure) Regulations 1994

Consolidated Statement of Financial Performance for the 12 months ended 30 June 1994

	Notes	*1994 12 months $000*
Revenue	3	515,196
Operating expenses	4	295,418
Earnings from operations		219,778
Net finance costs	5	100,993
Earnings before tax		118,785
Taxation expense	6	16,768
Earnings after tax		102,017
Retained earnings at the beginning of the period		10,469
Earnings after tax		102,017
Retained earnings available for appropriation		112,486
Transfer to capital redemption reserve		8
Dividends paid	7	112,478
Retained earnings at the end of the period		0

The notes form an integral part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 1994

	Notes	*30 Jun 1994 $000*
Assets Employed		
Current assets	8	123,354
Investments	9	1,505
Fixed assets	10	2,870,405
Total Assets Employed		2,995,264
Funds Employed		
Current liabilities	11	51,923
Long term liability	12	4,400
Debt	13	1,738,933
Total Liabilities		1,795,256
Shareholders' and other equity funds	14	1,200,008
Total Funds Employed		2,995,264

The notes form an integral part of these financial statements.

On behalf of the Board

D. S. Ritchie, Chairman

C. B. Durbin, Director

7 November 1994

Notes to the Financial Statements for the 12 months ended 30 June 1994

1. STATEMENT OF ACCOUNTING POLICIES

General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the Group, with the exception that certain investments have been revalued. Accrual accounting is used to match expenses and revenues. Reliance is placed on the fact that the Group is a going concern.

Special Purpose Financial Statements

These consolidated financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994 (the "Regulations"). As this is the first year that the Regulations have been in effect, comparative information is not required, and therefore no comparative information has been prepared.

For the purposes of the Regulations, only Group financial statements are relevant, and therefore no Parent financial statements have been prepared.

In subsequent years, it is envisaged that special purpose financial statements will not be required as the Group's financial year will be in line with the definition of "financial year" in the Regulations.

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of financial performance and financial position have been consistently applied:

(a) Revenue

Revenue shown in the Statement of Financial Performance comprises the amounts received and receivable by the Group for transmission services and lease revenue. Revenue is stated exclusive of Goods and Services Tax.

(b) Current Assets

Receivables are stated at their estimated net realisable value.

Stocks are valued at the lower of cost, calculated on the weighted average cost basis, or estimated net realisable value.

(c) Investments

Investments are valued at net realisable value. The increase in the value of investments is included in investment income in the Statement of Financial Performance.

(d) Fixed Assets

Fixed assets are valued at the cost at which they were purchased from the Crown as at 1 April 1987, adjusted by subsequent additions at cost, disposals and depreciation.

Capital work in progress is recorded at cost. For major capital works, finance costs are capitalised. Finance costs incurred during the period of time that is required to complete and prepare the fixed asset for its intended use are capitalised as part of the total cost of the major capital works. The finance costs capitalised are based on the actual cost directly attributable to the construction of the asset. Where this is not clearly identifiable, the Group's weighted average cost of capital is used.

Capital expenditure is defined as all expenditure incurred on the creation of a new asset, and any expenditure which results in a significant improvement in the operating capacity of an existing asset.

Revenue expenditure is defined as all expenditure which restores an asset to its original condition and all expenditure incurred in maintaining and operating the assets of the Group.

Assets constructed for the Group are commissioned and transferred from capital work in progress to fixed assets as each facility or operating unit within a facility becomes operational and available for use.

(e) Infrastructure Asset

The infrastructure asset comprises a network of individual asset components.

The Company prepares, annually, an Asset Management Plan which documents the philosophies, standards and practices, whereby the operating capability of the transmission assets is maintained, enhanced and developed.

Operating capability refers to the output or service capacity of a fixed asset and is determined by reference to attributes such as physical output capacity, associated operating costs, and quality of output. These attributes are assessed at a point in time.

The Asset Management Plan also provides indicative levels of asset management expenditure required to preserve the operating capability of the transmission line assets which comprise the infrastructure asset.

These asset management practices result in the extremely long lived infrastructure asset with minimal decline in book values. Having regard to the life and residual values of the infrastructure asset, the Directors consider that the depreciation of the asset is immaterial. Accordingly no depreciation is charged on the infrastructure asset. Where, in the opinion of the Directors, technological change compromises this view of the economic life of certain assets or components of the infrastructure, those assets are excluded from the infrastructure and depreciated over their estimated remaining economic lives.

Expenditure on the infrastructure asset which increases the operating capability of, or which enhances or develops, the Grid will be capitalised.

Expenditure incurred to maintain the operating capability of the infrastructure asset in accordance with the Asset Management Plan is charged as infrastructure maintenance in the Statement of Financial Performance.

If, in any year, the level of infrastructure expenditure is insufficient to preserve the service potential of the infrastructure asset, the net book value of the infrastructure asset is reduced and the profit and loss charged with the amount of this shortfall. Service potential refers to the ability of an asset to provide a satisfactory level of operating capability over a period of time. Expenditure in subsequent years to redress this shortfall is regarded as backlog maintenance and the net book value of the infrastructure asset is increased. Backlog maintenance is expenditure required to bring the infrastructure asset to the requisite level of service potential.

(f) Depreciation

Depreciation of non infrastructure fixed assets is calculated using the straight line method to allocate historical cost over the useful life of the assets, after due allowance for expected residual value. The remaining useful lives of assets are reviewed periodically and where necessary are adjusted. The annual depreciation rates shown below are calculated on a weighted average basis for each classification of asset.

	1994
Freehold buildings	4.6 percent
Substations	4.2 percent
HVDC link	3.5 percent
HVDC leased asset	3.6 percent
Communications	12.4 percent
Minor assets	15.9 percent

(g) Leased Assets

The Group leases certain plant, equipment, land and buildings.

Finance leases, which effectively transfer to the entity substantially all of the risks and benefits incident to ownership of the leased item, are capitalised at the lower of the fair value of the asset and the present value of the minimum lease payments. The leased assets and corresponding liabilities are disclosed separately and the leased assets are depreciated over their economic lives.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated useful life of the improvements.

(h) Principles of Consolidation

The consolidated financial statements are prepared from the audited accounts of the Parent Company, and its subsidiaries, as at 30 June 1994, using the purchase method. All significant transactions between Group companies are eliminated on consolidation.

(i) Taxation

For taxation purposes Trans Power and its subsidiaries are grouped with the Electricity Corporation of New Zealand Limited.

The partial basis of the liability method of accounting for deferred taxation is used.

The taxation charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences, to the extent the timing differences are not, on a cumulative basis, expected to reverse in the foreseeable future.

Future taxation benefits attributable to losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the losses will be utilised.

(j) Foreign Currencies

Unhedged foreign currency transactions are translated at the exchange rate ruling at the transaction date or at a rate approximating this rate.

Foreign monetary assets and liabilities arising from trading transactions are valued at closing rates as at balance date. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance up to settlement date.

Exchange differences and associated costs on hedging transactions undertaken to establish the price of a particular purchase, are deferred and are included in the measurement of the purchase transaction as at transaction date.

(k) Differential Reporting

Trans Power has applied differential reporting exemptions on a partial basis in preparing these financial statements. The Group qualifies under the Framework for Differential Reporting as it has neither public accountability, nor can a distinction be made between the governing body and controlling company, Electricity Corporation of New Zealand Limited. Trans Power has taken advantage of the exemptions applying to FRS 10 Statement of Cash Flows, FRS 31 Disclosure of Information about Financial Instruments, SSAP 22 Related Party Disclosures and SSAP 18 Accounting for Leases and Hire Purchase Contracts.

Changes in Accounting Policies

There have been no changes in accounting policies and, with the exception of infrastructure accounting (see Note 1(e)), all policies have been applied on bases consistent with those used in previous years.

Infrastructure accounting has been adopted, effective from 1 April 1993, with respect to transmission line assets. Under infrastructure accounting, the network of transmission lines is regarded as a single asset.

The introduction of infrastructure accounting is regarded as a change in the application of the accounting policy to depreciate fixed assets. As a result of the asset definition for the infrastructure asset being set at the level of the network of transmission lines, together with the maintenance practices with respect to the network, depreciation is immaterial and is not charged.

The effect of infrastructure accounting is, therefore, that depreciation charges are disregarded as being immaterial, however, in its place expenditure on replacement and refurbishment is charged to the Statement of Financial Performance, rather than being capitalised to the Statement of Financial Position. Any shortfall between the level of expenditure actually incurred and the estimated long run average cost of maintaining the service potential of the infrastructure asset is charged to the Statement of Financial Performance as a loss of service potential and is included under maintenance costs. The impact, of such a shortfall in actual expenditure, upon the carrying value of the asset in the Statement of Financial Position is to reduce the carrying value via a loss of service potential provision.

The Directors believe that this is a more appropriate treatment of the network of components included in the infrastructure asset and more accurately reflects the maintenance practices applied to the transmission line network.

Because the long run average cost of maintaining the service potential of the infrastructure asset approximates the depreciation chargeable under a conventional depreciation approach, the financial effect of this change in application of accounting policy is considered to be nil in the current year and nil in future years. Within Operating Expenses (Note 4), the impact of infrastructure accounting is to lower the level of the depreciation charge by approximately $40 million per annum and to increase the level of maintenance expense by a similar amount.

2. RELATED PARTIES

Trans Power New Zealand Limited is a wholly owned subsidiary of ECNZ. The ultimate shareholder of ECNZ is the Crown.

Trans Power has entered into certain transactions with ECNZ and fellow subsidiaries (Power Securities Limited, Powermark Limited, DesignPower New Zealand Limited), and 100% owned subsidiaries. Details of the subsidiaries are disclosed in Note 9.

The Group earns revenue from ECNZ for transmission services, and incurs charges from fellow subsidiaries for maintenance functions they carry out. Charges are also incurred for administration services and accommodation provided by ECNZ. All Group debt is provided by ECNZ.

The Group also undertakes many transactions with other State Owned Enterprises and Government Departments. These transactions which are conducted on a commercial basis are not considered to fall within the intended scope of Statement of Standard Accounting Practice (SSAP) 22—Related Parties and accordingly no disclosures have been made.

3. REVENUE

	1994 12 months $000
Sales	508,750
Other Revenue	6,446
Total Revenue	515,196

4. OPERATING EXPENSES

	1994 12 months $000
Direct Expenditure	
Operation costs	19,146
Maintenance costs	112,375
Systems costs	5,482
Lease and rental costs	3,912
Indirect Expenditure	
Administration and general costs	46,860
Audit fees	190
Directors' fees	56
Other Expenditure	
Depreciation—owned assets	99,108
Depreciation—leased assets	8,289
Total Operating Expenses	295,418

5. NET FINANCE COSTS

	1994 12 months $000
Interest Expense	108,553
Less capitalised interest	4,435
Less investment income	3,125
Net Finance Costs	100,993

All funding is managed by ECNZ. Interest is capitalised on capital work in progress in accordance with the accounting policy as outlined in Note 1 (d).

6. TAXATION

	1994 12 months $000
Earnings before taxation	118,785
Prima facie tax at 33%	39,199
Tax effect of:	
timing differences not recognised	(20,168)
permanent differences	(3,196)
Tax payable in respect of the current year	15,835
Over provision in prior years	933
Taxation expense	16,768
The income tax charge is represented by:	
Tax payable in the current year	15,890
Deferred tax	(55)
	15,835

Deferred tax liability in respect of timing differences not recognised

	30 Jun 1994 $000
Balance at the beginning of the period	187,844
Deferred tax liability not recognised in this period	20,056
Prior period adjustment	(12,414)
Balance at the end of the period	195,486

These timing differences predominantly relate to depreciation of fixed assets.

Imputation Credit Account

The balance of the Group's Imputation Credit Account is $25,000,000 (1993, nil). Provisional tax payments of $25,000,000 have been made by the Group during the year (1993, nil). There have been no other movements in the Imputation Credit Account.

Due to the transfer of ownership on 1 July 1994, the balance of the Group's Imputation Credit Account has been cancelled.

7. DIVIDENDS

	1994 12 months $000
Interim dividend paid	
—on ordinary shares (paid to ECNZ)	43,033
—on redeemable preference shares (paid to Power Securities Limited)	69,445
Total Dividends Paid and Provided	112,478

8. CURRENT ASSETS

	30 Jun 1994 $000
Cash in bank	4,735
Trade receivables	37,566
Trade receivables ECNZ	15,523
Stocks of materials	33,223
Other receivables	32,084
Prepayments	223
Total Current Assets	123,354

9. INVESTMENTS

	30 Jun 1994 $000
Shares in unlisted companies	1,500
Shares in listed companies	5
Total Investments	1,505

Subsidiaries	*Holding*
Fighting Bay Finance Limited	100%
Haywards Limited	100%
Oteranga Bay Limited	100%
Hororata Enterprises Limited	100%
Whakamaru Holdings Limited	100%
Trans Power Finance Limited	100%
Trans Power Land Holdings Limited	100%

All subsidiaries are direct subsidiaries of Trans Power except for Oteranga Bay Limited and Haywards Limited which are wholly owned by Fighting Bay Finance Limited.

The principal activity of all the subsidiaries is financing. All Group companies have the same balance date.

10. FIXED ASSETS

Infrastructure Asset	*Cost $000*	*Accumulated Depreciation* $000*	*Book Value $000*
Transmission lines	1,218,593	172,659	1,045,934
Less loss of service potential adjustment			(17,580)
	1,218,593	172,659	1,028,354
Non Infra-structure Asset	*Cost $000*	*Accumulated Depreciation $000*	*Book Value $000*
Freehold land	31,652	0	31,652
Freehold buildings	85,605	17,067	68,538
Substations	1,058,788	212,729	846,059
HVDC link	585,883	104,143	481,740
HVDC leased asset	233,176	17,250	215,926
Communications	162,689	42,333	120,356
Minor assets	28,320	15,316	13,004
Capital work in progress	64,776	0	64,776
	2,250,889	408,838	1,842,051
Total Fixed Assets	3,469,482	581,497	2,870,405

* Depreciation on infrastructure assets ceased with effect from 31 March 1993. Thus accumulated depreciation records the amount of depreciation up until 31 March 1993.

	30 Jun 1994 $000
Latest valuation by a Government or registered valuer of land and buildings	84,895

11. CURRENT LIABILITIES

	30 Jun 1994 $000
Bank overdraft	1,421

	30 Jun 1994 $000
Trade creditors	27,215
Trade creditors ECNZ	18,757
Provisions	7,215
Provision for deferred tax	13
Provision for current tax	(2,698)
Total Current Liabilities	51,923
Reconciliation of provision for current tax payable:	
Current period tax payable	15,890
Prior period tax payable	6,412
Provisional tax payments during the year	(25,000)
Total provision for current tax payable	(2,698)

12. LONG TERM LIABILITY

	30 Jun 1994 $000
Balance of the provision at beginning of the period	880
Provided for the period	3,520
Balance of the provision at end of the period	4,400

This provision represents deferred maintenance on the HVDC submarine Cook Strait cables. This maintenance is expected to be undertaken in 1996 and 1997.

13. DEBT

	30 Jun 1994 $000
Debt repayable on demand	1,586,967
Current portion of term debt	151,966
Between 1–2 years	0
Total Debt	1,738,933

Average Interest Rates at Balance Date

	30 Jun 1994 %
Debt repayable on demand	7.45
Current portion of term debt	10.48
Between 1–2 years	n/a

No securities have been given with respect to the Group's indebtedness.

On 1 July 1994 the Group repaid $1,586,967,000 of debt to ECNZ. This debt was replaced by $1,588,000,000 borrowed by Trans Power Finance Limited. These funds were advanced by the Debt Management Office on behalf of the Crown. This borrowing is at current market rates and is repayable within the next 3 years.

14. SHAREHOLDERS' AND OTHER EQUITY FUNDS

	30 Jun 1994 $000
Authorised and Issued Capital	
Balance at the beginning of the period 1,000,000,000 ordinary shares of $1 each	1,000,000
200,000,000 shares of $1 each authorised and issued during the period	200,000
Balance at the end of the period 1,200,000,000 ordinary shares of $1 each	1,200,000
Paid Up Capital	
Balance at the beginning of the period 512,280,000 ordinary shares of $1 each fully paid up	512,280
Call made on 487,720,000 ordinary $1 shares during the period	487,720
Issue of 200,000,000 fully paid ordinary shares of $1 each	200,000
Balance at the end of the period 1,200,000,000 ordinary shares of $1 each fully paid up	1,200,000
Reserves	
Capital redemption reserve	8
Retained earnings	0
Total Shareholders' Funds	**1,200,008**
Other Equity Funds	
Redeemable preference shares	
Balance at the beginning of the period 8,170 redeemable preference shares of $1 each	8
Issued during the period	0
Redeemed during the period 8,170 redeemable preference shares of $1 each	(8)
Balance at the end of the period	0
Redeemable preference share premium	
Balance at the beginning of the period 8,170 shares at $99,999 per share	816,992
Issued during the period	0
Redeemed during the period 8,170 shares at $99,999 per share	(816,992)
Balance at the end of the period	0
Total Other Equity Funds	0
Total Shareholders' and Other Equity Funds	**1,200,008**

On 1 July 1992 8,170 $1.00 redeemable preference shares were allotted to Power Securities Limited, a subsidiary of ECNZ. A premium of $99,999 was paid on each share. The amount of dividend payable in respect of each redeemable preference share was calculated at 8.50 per cent on the $100,000 issue price.

The redeemable preference shares did not confer any right to vote except whilst there was default in payment of a dividend or if there was a failure by the Company to pay the Redeemable Amount when required to.

The redeemable preference shares were repayable at the option of the holders of the shares and ranked in priority to ordinary shares in both dividends and redemption amount. Unless the holder notified the Company that it did not wish redemption to take place, the shares were to be redeemed on the last business day prior to the date on which the Company ceased to be a wholly owned subsidiary of ECNZ.

On 30 June 1994 the redeemable preference shares were redeemed for the full issue price of $100,000 per share.

15. CAPITAL COMMITMENTS

	30 Jun 1994 $000
Capital commitments in respect of contracts for capital expenditure:	
Within one year	23,681
One to two years	2,643

	30 Jun 1994 *$000*
Two to five years	72
Later than five years	0
Total Capital Commitments	26,396

16. OPERATING LEASE COMMITMENTS

Commitments in respect of non-cancellable operating leases payable:

	30 Jun 1994 *$000*
Within one year	2,426
One to two years	2,183
Two to five years	4,376
Later than five years	5,527
Total Operating Lease Commitments	14,512

17. CONTINGENT LIABILITIES

There are no material contingent liabilities for the Group (1993, nil).

18. SEGMENTAL INFORMATION

The Group operates predominantly in one industry, the transmission of bulk electricity. The Group's operations are carried out in New Zealand and are therefore within one geographical segment for reporting purposes.

19. POST BALANCE DATE EVENTS

Separation

On 1 July 1994 the Trans Power Group of companies were sold by ECNZ. The issued capital of Trans Power, together with its subsidiaries, was acquired directly by the Crown. Trans Power was established as a State Owned Enterprise.

Change in Accounting Policy

With effect in the financial year ending 30 June 1995, the Group will change the basis measurement of its fixed assets from historical cost to modified historical cost. The Directors believe that modified historical cost provides more relevant information to the users of the financial statements about the value of the Group's fixed assets.

Disclosure of Financial Performance Measures and Efficiency Performance Measures Pursuant to Regulation 13 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994

1. Financial Performance Measures

(a) Accounting return on total assets, being earnings before interest and tax, divided by average total funds employed:
7.5%

(b) Accounting return on equity, being net profit after tax, divided by average total shareholders' funds:
8.2%

(c) Accounting rate of profit, which shall be calculated in accordance with the following formula:

$$\frac{a - b - c + d}{e}$$

where

a is earnings before interest and tax; and
b is cash tax; and
c is interest tax shield; and
d is revaluations; and
e is average total funds employed, minus half the amount of revaluations.

5.8%

2. Efficiency performance measures

(a) Direct line costs per kilometre, which shall be calculated in accordance with the following formula:

$$\frac{a}{b}$$

where

a is direct expenditure (in dollars); and
b is system length (in kilometres);

$11,007

(b) Indirect line costs per electricity customer, which shall be calculated in accordance with the following formula:

$$\frac{a}{b}$$

where

a is indirect expenditure (in dollars); and
b is total customers.

$961,347

Disclosure of Energy Efficiency Performance Measures and Statistics Pursuant to Regulation 15 Electricity (Information Disclosure) Regulations 1994

1. Energy delivery efficiency performance measures

(a) Load factor 68.95%

Percentage of electrical energy entering the transmission system over maximum demand times hours per year.

(b) Loss ratio 6.09%

Transmission losses over energy entering the system.

(c) Capacity utilisation 66.91%

Maximum demand over total transformer capacity.

2. Statistics

(a) System length, broken down by voltage

Total	**17,629 km**
350 kV (HVDC)	611 km
270 kV (HVDC)	611 km
0 kV (HVDC earth electrode)	31 km
220 kV (HVAC)	8,367 km
110 kV (HVAC)	6,372 km
66/50/33/11 kV	1,637 km

(b) Circuit length of overhead electric lines, broken down into voltage:

Total	**17,549 km**
350 kV (HVDC)	571 km
270 kV (HVDC)	571 km
0 kV (HVDC earth electrode)	31 km
220 kV (HVAC)	8,367 km
110 kV (HVAC)	6,372 km
66/50/33/11 kV	1,637 km

N.B.: HVDC Link submarine power cables measure approximately 80 km.

Broken down by voltage:

350 kV (HVDC) 40 km

270 kV (HVDC) 40 km

(c) Total circuit length of underground electric lines 0 km

(d) Transformer capacity (kilovolt amperes)	$7.92 * 10^6$ kVA
(e) Maximum demand (kilowatts)	$5.30 * 10^6$ kW
(f) Total electricity supplied from the system (kilowatt hours)	$30.08 * 10^9$ kWh
(g) Total electricity conveyed through the system (kilowatt hours)	$32.03 * 10^9$ kWh
(h) Total customers	49

Disclosure of Reliability Performance Measures Pursuant to Regulation 17 Electricity (Information Disclosure) Regulations 1994

1. Total number of unplanned interruptions 224

Resulting from 118 loss of supply incidents

2. Electricity customer interruptions 15.1 system minutes

Comprising 5.6 system minutes due to planned outages and 9.5 system minutes due to unplanned outages.

3. Underlying electricity customer interruptions 10.3 system minutes

Underlying interruptions are those interruptions less than 1 system minute duration. The total comprises 4.3 system minutes for planned interruptions and 6.0 system minutes for unplanned interruptions.

4. Average supply reliability 99.9958%

Measured by the energy supplied divided by the sum of the energy supplied and not supplied.

5. Uneconomic generation due to planned and unplanned transmission system unavailability 0.81%

Uneconomic generation relates to the amount of electricity generated from any source other than the most economic source.

6. Uneconomic generation due to HVDC system unavailability 0.06%

7. Uneconomic generation due to unplanned transmission system unavailability 0.07%

8. Planned interruption restoration performance 76.6%

85% of planned interruptions were restored within 20 minutes of the agreed restoration time.

9. Unplanned interruption response 99.6%

A response to unplanned interruptions, within the customer agreed response time, was achieved in all but one incident.

The information compiled using estimated information includes Part V sections 2,3,4,5,6, and 7.

The methodology used to calculate the estimated information is documented and available from Trans Power upon request.

Electricity (Information Disclosure) Regulations 1994 Regulation 26 (3)

Certification of Financial Statements, Performance Measures, and Statistics Disclosed by Trans Power

We, Douglas Stewart Ritchie and Carole Beatrice Durbin, directors of Trans Power New Zealand Limited (Trans Power) certify that, having made all reasonable enquiry, to the best of our knowledge,

(a) The attached audited financial statements of Trans Power, prepared for the purposes of regulation 5 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and

(b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Trans Power, and having been prepared for the purposes of regulations 13, 14, 15, and 17 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The valuations on which those financial performance measures are based are as at 30 June 1994.

D S Ritchie C B Durbin

7 November 1994

Electricity (Information Disclosure) Regulations 1994 Regulation 25 (2)

Certification by Auditor in Relation to Financial Statements

We have examined the attached financial statements prepared by Trans Power New Zealand Limited and dated 7 November 1994 for the purposes of Regulation 5 of the Electricity (Information Disclosure) Regulations 1994.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements give a true and fair view of the matters to which they relate and have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994.

COOPERS & LYBRAND

7 November 1994

Electricity (Information Disclosure) Regulations 1994 Regulation 25 (3)

Certification of Performance Measures by Auditors

We have examined the attached information, being:

(a) Financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and

(b) Financial components of the efficiency performance measures specified in clause 2 of Part II of the Schedule;

and having been prepared by Trans Power New Zealand Limited and dated 7 November 1994 for the purposes of Regulation 13 of those Regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994.

COOPERS & LYBRAND

7 November 1994

Electricity (Information Disclosure) Regulations 1994 Regulation 25 (4)

Certification by Auditor in Relation to ODV Valuation

We have examined the valuation report prepared by Ernst & Young and dated 19 August 1994 which report contains valuations as at 30 June 1994.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, the valuations contained in the report have been made in accordance with the ODV (Trans Power) Handbook.

COOPERS & LYBRAND

7 November 1994

Explanatory Note

Trans Power New Zealand Limited were assisted by Ernst & Young (''EY''), The State Electricity Commission of Victoria (''SECV'') and Mott Ewbank Preece (''MEP'') in the preparation of the 1994 ODV valuation. We have relied on the technical expertise and review of the valuation by EY, SECV and MEP for the purposes of our examination of the valuation report.

DEPARTMENT OF INTERNAL AFFAIRS
TE TARI TAIWHENUA

PUBLISHED BY AUTHORITY OF DEPARTMENT OF INTERNAL AFFAIRS:
GP PRINT LTD., WELLINGTON, NEW ZEALAND—1994

ISSN 0111-5650
Price $3.10 (incl. GST)
56633f—94A