

New Zealand Gazette

OF THURSDAY, 17 AUGUST 1995

WELLINGTON: FRIDAY, 18 AUGUST 1995 — ISSUE NO. 82

POWER COMPANIES

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

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ALPINE ENERGY LIMITED

ALPINE ENERGY LIMITED

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 1995

	Notes	1995 \$'000
OPERATING REVENUE	2	16,262
LESS		
Operating Costs		10,213
Audit Fees		48
Directors' Fees		110
Depreciation		2,094
Interest		119
Goodwill		141
		<hr/> 12,725 <hr/>
OPERATING PROFIT		3,537
OTHER INCOME		
Interest		705
Electricity Sales Adjustment	3	400
		<hr/> 705 <hr/>
NET PROFIT BEFORE TAXATION		4,642
Provision for Taxation	4	(1,594)
		<hr/> 3,048 <hr/>
NET PROFIT AFTER TAXATION		3,048
RETAINED EARNINGS BROUGHT FORWARD		206
Interim Dividend		(413)
Proposed Final Dividend		(1,616)
		<hr/> (2,029) <hr/>
Total Dividends		<hr/> 206 <hr/>
RETAINED EARNINGS CARRIED FORWARD		<hr/> 1,225 <hr/>

The accompanying notes form part of these financial statements.

ALPINE ENERGY LIMITED

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

BALANCE SHEET

AS AT 31 MARCH 1995

	Notes	1995 \$'000
SHAREHOLDERS' EQUITY		
Issued and Paid Up Capital	5	41,328
Retained Earnings		1,225
		<hr/>
TOTAL SHAREHOLDERS' EQUITY		42,553
		<hr/>
Represented by:		
CURRENT ASSETS		
Cash and Bank Balances		9,248
Accounts Receivable	6	1,406
Inventories		477
		<hr/>
TOTAL CURRENT ASSETS		11,131
Less		
CURRENT LIABILITIES		
Accounts Payable	7	1,645
Provision for Dividend		1,616
Provision for Tax		477
		<hr/>
TOTAL CURRENT LIABILITIES		3,738
		<hr/>
WORKING CAPITAL		7,393
NON-CURRENT ASSETS		
Investments	8	4,666
Goodwill	9	565
Fixed Assets	10	29,929
		<hr/>
		35,160
		<hr/>
NET ASSETS		42,553
		<hr/>

The accompanying notes form part of these financial statements.

ALPINE ENERGY LIMITED**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****1. STATEMENT OF ACCOUNTING POLICIES**

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The Company is principally involved with the reticulation of electrical energy throughout the South Canterbury region. (The energy trading part of the business was sold to United Electricity Limited effective 1 February 1994). Activities referred to in Regulation 6, subclause (3) carried on by the Company, involve less than five percent of the assets of the Company. These financial statements include those activities.

As this is the first year that the Regulations have been in effect, comparative information is not available and therefore no comparative information has been prepared.

The financial statements have been prepared on the basis of historical cost.

(a) Consumer Contributions

Contributions from consumers in relation to the construction of new lines for the network are accounted for as income in the year in which they are received.

(b) Capital and Operating Expenditure

Capital expenditure relates to expenditure incurred in the creation of a new asset and expenditure incurred on existing reticulation system assets to the extent the system is enhanced.

Operating expenditure relates to expenditure which restores an asset closer to its original condition and includes expenditure incurred in maintaining and operating the fixed assets of the Company.

(c) Depreciation

Depreciation is charged in accordance with rates determined by the Inland Revenue Department as follows:

Globo Distribution System	5% on net book value 1/4/87
Buildings	1 to 2.5% of cost
Motor Vehicles	20 to 25% on diminishing value
Distribution Plant & Office Equipment	10 to 50% on diminishing value

Depreciation for taxation purposes recognises that:

- Additions to the distribution system exclude any allocation of indirect costs.
- Only 80% of the book value of the distribution system at 1 April 1987 is depreciable.

(d) Taxation

The taxation charge is the estimated liability payable in respect of the accounting profit for the year, adjusted for non assessable income and non deductible costs and including any adjustments in respect of prior years. Deferred taxation is not recognised as the timing differences are not expected to reverse within the foreseeable future.

(e) Accounts Receivable

Accounts receivable are stated at estimated realisable value after making provision for doubtful debts. Bad debts are written off during the period in which they are identified.

ALPINE ENERGY LIMITED**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995
(CONTINUED)****(f) Inventories**

Inventories held for the extension and replacement of the distribution system are valued at cost determined on a FIFO basis. Provision is made for obsolescence where applicable.

(g) Associate Companies

These are companies in which the Company holds substantial shareholdings and in whose commercial and financial policy decisions it participates.

(h) Goodwill

Goodwill represents the excess balance arising on the issue of shares for the carrying value of net assets transferred from South Canterbury Electric Power Board and Timaru Electricity. Goodwill is amortised on a straight line basis over five years commencing 1 April 1994.

(i) Fixed Assets

Fixed assets are stated at cost less provision for depreciation. The cost of additions to the distribution system includes the cost of direct materials and labour together with an allocation of indirect costs. The fixed assets of South Canterbury Electric Power Board and Timaru Electricity were vested in the Company at their carrying value.

(j) Cash Flows

Terms used in the Statement of Cash Flows are explained as follows:

- Cash means coins and notes, demand deposits and other highly liquid investments.
- Investing activities are those activities relating to the acquisition and disposal of fixed assets and investments.
- Financing activities are those activities which result in changes to the size and composition of the capital structure of the Company. This includes both equity and debt not falling within the definition of cash, and includes dividend payments to shareholders.

(k) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis.

(l) Changes in Accounting Policies

There have been no changes in accounting policies during the year.

ALPINE ENERGY LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 1995
(CONTINUED)

	1995 \$'000
2. OPERATING REVENUE	
Operating revenue comprises:	
Transmission & Distribution Charges	13,223
Contracting Revenue	2,538
Consumer Contributions	334
Rent	89
Miscellaneous	78
	<hr/> 16,262

3. ELECTRICITY SALES ADJUSTMENT

The Company sold its energy trading business to United Electricity on 31 January 1994. Part of the value of the business related to the accrual of unbilled sales as at that date. The figure taken into the Company's financial statements for the period to 31 March 1994 was the best estimate available at that time. In preparing financial statements for the period ended 30 June 1994, United Electricity Limited amended the methodology for estimating the accrual of unbilled sales.

Consequently the estimate for 31 January 1994 was revised, after the Company's financial statements for the period to 31 March 1994 had been finalised and published. The increase in the value of the accrual for unbilled sales (\$400,295) is recorded as income in the current year. This is a non-recurring item.

4. TAXATION

4.1 Taxation Charge

Net Profit before Tax	4,642
Add/(Deduct)	
Non Deductible Costs	219
Deductible Expenditure Provided for in Prior Years	(66)
	<hr/> 4,795
Taxable Income	
Taxation Charge @ 33%	1,582
Prior Year Under Provisions	12
	<hr/> 1,594
Tax Expense	

ALPINE ENERGY LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 1995
(CONTINUED)

4.2 Tax Effect of Timing Differences

Deferred tax is not established in the financial statements as timing differences are not expected to reverse in the foreseeable future. The main timing difference relates to holiday pay accrued for accounting purposes but not deductible. If deferred tax was established there would be a deferred tax asset of \$213,366.

4.3 Imputation Credit Account

	1995 \$'000
Opening Balance	372
Imputation Credits Attached to Dividends Paid in the Year	(440)
Net Income Tax Payments During the Year	1,179
	<hr/>
Closing Balance	1,111

5. SHAREHOLDERS' EQUITY

Authorised, Issued and Paid Up Capital: 41,328,017 Ordinary \$1.00 Shares

6. ACCOUNTS RECEIVABLE

	1995 \$'000
The balance of Accounts Receivable comprises:	
Trade Receivables	703
Accruals, including work in progress	222
Due by Associate Companies	470
Due by Shareholder District Councils	31
Provision for Doubtful Debts	(20)
	<hr/>
	1,406

7. ACCOUNTS PAYABLE

The balance of Accounts Payable comprises:

Trade Payables	930
Balance Date Accruals	635
Due to Associate Companies	70
Due to Shareholder District Councils	10
	<hr/>
	1,645

ALPINE ENERGY LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 1995
(CONTINUED)

8. INVESTMENTS

8.1 Associate Companies

Associate companies include:

	Interest Held	Balance Date	Principal Activity
United Electricity Limited	25%	30 June	Energy Trading
Alpine Gas Limited	50%	31 March	Sale of LPG Gas and Appliances

United Electricity Limited commenced energy trading on the Company's distribution network on 1st February 1994, and Alpine Gas Limited commenced operations on 16th February 1994.

Interest in Associate Companies:1995
\$'000

Shares

- United Electricity Limited	10
- Alpine Gas Limited	5

15

Shareholder Loans

- United Electricity Limited	2,039
- Alpine Gas Limited	155

2,194

Total Interest in Associate Companies

2,209

8.2 Mortgage Advances

38

8.3 Loan Secured by Debenture

2,419

Total Investments

4,666

ALPINE ENERGY LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 1995
(CONTINUED)

9. GOODWILL

Goodwill relates to the excess balance arising on the issue of shares for the carrying value of net assets transferred from:

	\$'000
Timaru Electricity	2,466
South Canterbury Electric Power Board	<u>(1,760)</u>
	706
Written Off During the Year	<u>(141)</u>
Balance at 31 March 1995	<u>565</u>

This goodwill is being written off in equal instalments over a five year period commencing 1st April 1994.

10. FIXED ASSETS

	Cost \$'000	Accumulated Depreciation \$'000	Book Value at 31/3/95 \$'000
10.1 Analysis of Fixed Assets as at 31 March 1995			
Land	118	-	118
Buildings	2,848	639	2,209
Reticulation System	43,854	17,703	26,151
Vehicles & Plant	4,395	2,944	1,451
	<u>51,215</u>	<u>21,286</u>	<u>29,929</u>

10.2 Valuation of Properties

The most recent Government Valuation of land and improvements was undertaken as at 1st September 1993 in Timaru District, 1st September 1994 in Mackenzie District and 1st October 1992 in Waimate District. Latest valuations adjusted for the purchase and disposal of property since these dates are:

Land	\$531,250
Improvements	\$3,376,300

11. CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 31 March 1995.

12. CAPITAL COMMITMENTS

The Company has capital commitments amounting to \$452,648 as at 31 March 1995.

ALPINE ENERGY LIMITED

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 1995
(CONTINUED)

13. FINANCIAL INSTRUMENTS

13.1 Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of bank deposits and accounts receivable. The maximum credit risk is the book value of these financial instruments however, the Company considers the risk of non recovery of these amounts to be minimal.

The Company places its cash and bank deposits with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution.

The Company continually evaluates and monitors the credit quality of its customers.

13.2 Fair Value

The carrying value of cash and liquid deposits, accounts receivable, accounts payable, dividends payable and investments is equivalent to their fair value.

14. RELATED PARTY TRANSACTIONS

All transactions between the Company and its Shareholder District Councils have been conducted on a commercial basis. Charges between the parties are made for services provided as part of the normal trading activities of the Company, and as such have been incorporated into the operating costs and revenues of the Company.

	1995 \$'000
Revenues from Shareholder District Councils - Contracting Activities	725
Payments to Shareholder District Councils - Rates, Rents, Interest	428
- Repayment of Loans	1,539

Trading balances due from and to Shareholder District Councils are shown in notes 6 and 7.

Transactions with Associate Companies include charges to United Electricity Limited for use of the Company's network system, and use of Trans Power's transmission system.

	1995 \$'000
Revenue from Associates	13,164
Payments to Associates	167

Trading balances due from and to Associates, and loans to Associates are shown in notes 6, 7 and 8.

No related party debts have been written off or forgiven during the year.

ALPINE ENERGY LIMITED**FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES****FOR THE YEAR ENDED 31 MARCH 1995**

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	6.84%
(b)	Accounting Return on Equity	5.24%
(c)	Accounting Rate of Profit	5.17%

2. Efficiency Performance Measures

(a)	Direct Line Costs per Kilometre	\$1,985.84
(b)	Indirect Line Costs per Electricity Customer	\$55.05

ALPINE ENERGY LIMITED

ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS

Pursuant to Regulation 15 and Part III of the First Schedule of the Electricity (Information Disclosure) Regulations 1994:

1. Energy Delivery Efficiency Performance Measures and Statistics

(a)	Load Factor	65.26%
(b)	Loss Ratio	5.13%
(c)	Capacity Utilisation	31.35%

2. Statistics

(a)	System Length (km)	Underground (c)	Overhead (b)	Total
	> 11kV	3	301	304
	11kV	152	2,433	2,585
	< 11kV	205	346	551
	Total	360	3,080	3,440
(d)	Transformer Capacity	250,000 kVA		
(e)	Maximum Demand	78,370 kW		
(f)	Electricity Supplied	425 GWH		
(g)	Electricity Conveyed for Unrelated Parties	100 GWH		
(h)	Total Customers at 31/3/95	27,100		

RELIABILITY PERFORMANCE MEASURES

Pursuant to Regulation 16 and Part IV of the First Schedule of the Electricity (Information Disclosure) Regulations 1994:

1. Number of Interruptions:

Class A	4	
Class B	22	
Class C	106	Includes an estimate of .3 U/G
Class D	1	
Total	133	

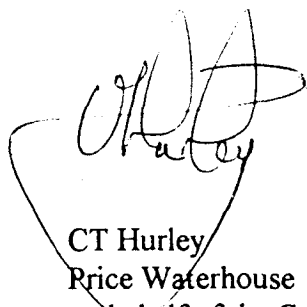
2.	Faults/100km	3.08	
3.	Faults/100km U/G	0.83	Assumes all 11kV
4.	Faults/100km O/H	3.34	Assumes all 11kV

		A	B	C	D	Total
5,6	SAIDI	54	19	66	1	140
7,8	SAIFI	0.19	0.14	1.1	0.03	1.43
9,10	CAIDI	280	129	60	40	98

ALPINE ENERGY LIMITED**CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by Alpine Energy Limited and dated 31 March 1995 for the purposes of regulation 6 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.

A handwritten signature in black ink, appearing to read 'CT Hurley', is written over a large, faint, circular watermark or stamp.

CT Hurley
Price Waterhouse
on behalf of the Controller and Auditor-General
Christchurch

7 August 1995

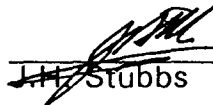
Form 5

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES,
AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower**


We, John Hubert Stubbs and Murray Edwin Nigel Wiig of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge, -

- (a) The attached audited financial statements of Alpine Energy Limited, prepared for the purposes of Regulation 6 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 Alpine Energy Limited, and having been prepared for the purposes of Regulations 13, 14, 15, and 16 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 1st April 1992 and 5th March 1993.



J.H. Stubbs



M.E.N. Wiig

4 August, 1995

**ELECTRICITY
INVERCARGILL
LIMITED**

ELECTRICITY INVERCARGILL LIMITED**LINE BUSINESS****STATEMENT OF ACCOUNTS****FOR THE YEAR ENDED 31 MARCH, 1995****C O N T E N T S**

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DIRECTORY**Board of Directors**

M A Farley *Chairman*
R M Wensley *Deputy Chairman*
N D Boniface
J M Fenton
V J Petrie

Registered Office

Cargill Chambers
128 Spey Street
Invercargill

Postal Address

PO Box 88
Invercargill

Telecommunications

Phone (03) 214-9448
Fax (03) 214-9404

Executive Officer

A E Falconer

Company Secretary

A E Falconer

Auditors

Audit New Zealand

Bankers

Trust Bank Southland Limited

Solicitors

Preston Russell

LINE BUSINESS OPERATING STATEMENT FOR YEAR ENDED 31 MARCH, 1995
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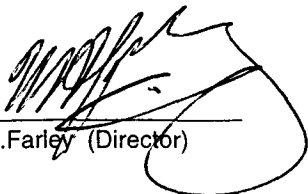
	<u>Note</u>	<u>1995</u>
Revenue		
Use/Transmission Charges		6,440,950
Contracting		312,724
Other Income		<u>226,864</u>
		6,980,538
Expenses		
Staff Expenses	1,094,930	
Materials Used	69,154	
Contractors	864,917	
Motor Vehicles	6,150	
Repairs & Maintenance	13,619	
Occupancy Charges	113,868	
Administration	676,822	
Advertising	75,098	
Audit Fees	32,950	
Bad Debts	5,427	
Directors Fees	<u>93,197</u>	
		<u>3,046,132</u>
Earnings before Interest and Tax		3,934,406
Interest		<u>556,766</u>
Net Profit before Tax		3,377,640
Taxation @ 33%	2	<u>1,114,621</u>
Net Profit after Tax		2,263,019
Dividend	11	<u>900,000</u>
Retained Earnings		\$ 1,363,019

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LINE BUSINESS BALANCE SHEET

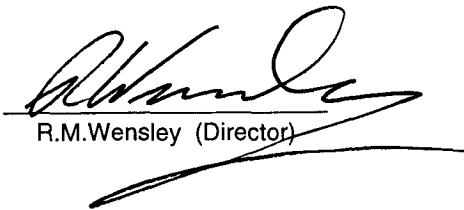
AS AT 31 MARCH, 1995

	<u>Note</u>	<u>1995</u>
Current Assets		
Cash & Investments	6	2,841,149
Receivables		323,734
Inventories		<u>248,317</u>
Total Current Assets		3,413,200
Non-Current Assets		
Capital Work in Progress		640,987
Fixed Assets	5	<u>36,704,320</u>
Total Non-Current Assets		37,345,307
TOTAL ASSETS		\$ 40,758,507 =====
Current Liabilities		
Accounts Payable & Accruals	7	1,947,425
Provision for Dividend		<u>900,000</u>
Total Current Liabilities		2,847,425
Non-Current Liabilities		
Term Liabilities	12	5,243,290
TOTAL LIABILITIES		8,090,715
Owners' Equity		
Paid in Capital	3	13,431,917
Revaluation Reserve	4	17,469,190
Reserves	4	518,653
Retained Earnings		<u>1,248,032</u>
Total Owners' Equity		32,667,792
TOTAL LIABILITIES AND EQUITY		\$ 40,758,507 =====



M.A. Farley (Director)

4 August, 1995



R.M. Wensley (Director)

**NOTES TO AND FORMING PART OF THE LINE BUSINESS
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 1995**

ENTITY STATEMENT: Incorporated on 30 June, 1991, Electricity Invercargill Limited as a Local Authority Trading Enterprise, purchased the electricity distribution undertaking of the Invercargill City Council and commenced trading on 1 July, 1991. United Electricity Limited (in which Electricity Invercargill Limited has a 25% interest) purchased the electricity retailing activities on 1 November, 1993. PowerNet Limited, owned 50/50 with The Power Company, assumed complete responsibility for the day to day management of the Electricity Invercargill Limited network on 1 March, 1994. The Line Business is the consolidation of Electricity Invercargill Limited's share in PowerNet Limited, and Electricity Invercargill Limited.

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

GENERAL ACCOUNTING POLICIES

The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a modified historical cost basis are followed by the Company in the preparation of this report. The reporting requirements set down in the Electricity (Information Disclosure) Regulations 1994 have been complied with. Accrual accounting is used to match expenses and revenues and reliance is placed on the fact that the Company is a going concern.

PARTICULAR ACCOUNTING POLICIES

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

(a) Basis of Consolidation

Electricity Invercargill Limited's 25% interest in United Electricity Limited has been excluded from these accounts. The interest in PowerNet Limited has been accounted for with a line by line consolidation of revenue and expenses and the elimination of all significant inter-company transactions. The company's share of profits and losses in PowerNet Limited is reflected in the Consolidated Operating Statement and Balance Sheet.

(b) Costs and Revenue

Costs and Revenue are those directly attributable to the Line Business of Electricity Invercargill Limited.

(c) Fixed Assets

At 31 March 1995, Network Assets are recorded at optimised deprival value, "Other Assets" at depreciated cost.

(d) Distinction Between Capital and Revenue Expenditure.

Capital expenditure is defined as all expenditure on the creation of a new asset and any expenditure which results in a significant improvement to the original function of an existing asset.

Revenue expenditure is defined as expenditure which maintains an asset in working condition, and expenditure incurred in maintaining the service performance and operation of the Company.

(e) Depreciation

In accordance with Sec 14.(5)(b) of the Electricity (Information Disclosure) Regulations 1994, no depreciation has been written off fixed assets, these having been accounted for on a Renewal Accounting basis.

(f) Receivables:

Receivables are stated at their estimated realisable value.

(g) Income Tax:

The income tax expense charged against the profit for the year is the estimated liability calculated at 33 cents in the dollar in respect of that profit.

(h) Work in Progress:

The cost of work in progress includes the cost of direct material and direct labour used in putting replacement and new systems in their present location and condition.

(i) Goods and Services Tax

These Accounts have been prepared on a GST exclusive basis with the exception of Sundry Debtors and Creditors which are GST inclusive.

CHANGES IN ACCOUNTING POLICIES

These Accounts are prepared using Renewal Accounting methodology and are for the sole purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994. As a consequence these accounts **are not** comparable with the Company's published financial accounts.

Being the first year for reporting under the Electricity (Information Disclosure) Regulations 1994, there are no comparative figures.

1995**NOTE 2. TAXATION**

Net Profit before taxation	\$ 3,377,640
Prima facie tax at 33%	\$ 1,114,621

NOTE 3. SHARE CAPITAL**1995****Authorised Capital**

Ordinary Shares at \$1.00 each

13,431,917**Fully paid up Share Capital****\$ 13,431,917**

=====

NOTE 4. PROVISIONS & RESERVES**1995****Adverse Event Reserve**

Balance at 31 March 1995

\$ 500,000**Capital Reserve**

Balance at 31 March 1995

\$ 18,653**Asset Revaluation Reserve**

Balance at 31 March 1995

\$ 17,469,190**NOTE 5. FIXED ASSETS**

Network Fixed Assets are recorded at Optimised Deprival Value. All "Other Assets" are shown at depreciated cost. PowerNet Limited contracted out all field-work from 1 July, 1995, this will significantly reduce "Other Assets" at 31 March, 1996.

Network Assets

35,529,127

Other Assets

1,175,193**\$ 36,704,320**

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NOTE 6. CASH & INVESTMENTS**1995**

Cash Imprests

100

Cash at Bank

181,049

Short Term Deposits

2,660,000**\$ 2,841,149**

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NOTE 7. ACCOUNTS PAYABLE AND ACCRUALS

Sundry Creditors and Accruals	1,262,667
Goods and Services Tax	40,228
Provision for Taxation	523,527
Provision for Accrued Leave	<u>121,003</u>
	<u>\$ 1,947,425</u>

NOTE 8. COMMITMENTS

At 31 March 1995, Electricity Invercargill Limited's share of commitments contracted by PowerNet Limited is estimated at \$150,000, being:

Completion of Buildings	\$50,000
GIS Mapping System	\$100,000

NOTE 9. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1995.

NOTE 10. FINANCIAL INSTRUMENTS

Credit Risk: Financial instruments which potentially subject the Company to a credit risk consist principally of bank deposits and receivables. Bank deposits are placed with high credit quality financial institutions. Concentrations of credit risk with respect to Receivables relate to PowerNet Limited but are subject to normal terms of trade. Regular monitoring of receivables is undertaken.

Interest Rate Risk: The Company's term liabilities are held by debenture with the Invercargill City Council under a pre-arranged instrument, interest rate risk is managed by funding over a range of maturities. Through agreement and renewable loans, interest expense is being minimised.

Foreign Exchange and Currency Risk: The company is not exposed to foreign exchange or currency risk.

Off-Balance Sheet Financial Instruments: The company does not have any off-balance sheet financial instruments.

Fair Values: The fair value of the on-balance sheet financial instruments are represented by the carrying values.

NOTE 11. DIVIDEND

The Dividend of \$900,000 is a nominal figure to reflect the anticipated position at 31 March, 1995. As the Company's financial year ends on 30 June, no final decision on dividend is made until the annual position is known with certainty.

NOTE 12. LONG TERM LIABILITIES

The following is a detailed list of debt owing under the debenture to the Invercargill City Council at 31 March 1995. The facility to roll-over maturing debt has been confirmed for periods from 1 April 1995 to 1 April 2000.

Loan	Interest Rate %	Amount Payable \$	Amount Due \$	Current Maturity Date	Final Sanction Date
Electricity 1989	13.10	271,844		01/04/1995	01/04/2010
Renewal 80	13.08	37,137		01/06/1995	01/06/2008
Renewal 81	13.08	265,244		01/06/1995	01/06/2008
Invercargill City Council	8.87	2,000,000		30/06/1995	30/06/1995
Bluff Electricity Loan 1990	12.94	313,460		01/08/1995	01/08/2010
Total due for year to 31/03/1996			2,887,685		
Renewal 101	7.05	250,000		15/07/1996	15/07/2011
Renewal 1	14.00	85,325		15/03/1997	04/11/1998
Total due for year to 31/03/1997			335,325		
Renewal 109	5.80	400,000		01/04/1998	01/04/1998
Renewal 111	5.80	100,000		01/04/1998	01/04/1998
Total due for year to 31/03/1999			500,000		
Renewal 109	5.95	500,000		01/04/1999	01/04/1999
Total due for year to 31/03/2000			500,000		
Renewal 114	9.95	450,542		01/05/2000	01/05/2000
Renewal 115	9.95	39,749		01/05/2000	01/05/2000
Renewal 116	9.95	9,709		01/05/2000	01/05/2000
Renewal 125	9.92	270,911		15/10/2000	15/10/2000
Renewal 126	9.92	47,253		15/10/2000	15/10/2000
Renewal 127	9.92	181,836		15/10/2000	15/10/2000
Total due for year to 31/03/2001			1,000,000		
Electricity 1976	10.50	20,280		01/04/2003	01/04/2003
Total due for year to 31/03/2004			20,280		
TOTAL TERM DEBT		<u>\$5,243,290</u>	<u>\$5,243,290</u>		

Summary:

Debt to be retired within 12 months	Short Term	2,887,685
Debt including that to be rolled over	Long Term	2,355,605
Total	(Secured by all assets)	<u>\$5,243,290</u>

NOTE 13. UNITED ELECTRICITY LIMITED

Electricity Invercargill Limited's 25% interest in United Electricity Limited is \$ 1,838,377.00. Being an exclusively Energy Trading activity this amount is excluded from these accounts.

PERFORMANCE MEASURES AND OTHER INFORMATION FOR YEAR ENDED 31 MARCH 1995
--

1. Financial Performance Measures

Accounting return on total assets	9.65%
Accounting return on equity	6.74%
Accounting rate of profit	7.91%

2. Efficiency Performance Measures

Direct Line Costs per Kilometre	\$2,878
Indirect Expenditure per Customer	\$71.19

3. Energy Delivery Efficiency Performance Measures

Load Factor	50%
Loss Ratio	5.8%
Capacity Utilisation	43%

4. Statistics

	<u>33kV</u>	<u>11kV</u>	<u>400V</u>	<u>Total</u>
Length of Overhead Electric Lines in km	0.27	91.38	102.37	194.02km
Length of Underground Electric Lines in km	<u>17.07</u>	<u>116.38</u>	<u>308.49</u>	<u>441.94km</u>
System Length	<u>17.34</u>	<u>207.76</u>	<u>410.86</u>	<u>635.96km</u>
Transformer Capacity				140,451kVA
No of Transformers				428
Maximum Demand				60,128kW
Total Electricity Supplied				274,081,921kWh
The Total Amount of Electricity Conveyed to Parties not in a Prescribed Business Relationship				115,613kWh
Total Customers				17,077

5. Reliability Performance Measures

	<u>33kV</u>	<u>11kV</u>	<u>Total</u>
Faults per 100 Circuit Kilometres			3.8
Faults per 100 Circuit Kilometres Underground	0	4.3	3.7
Faults per 100 Circuit Kilometres Overhead	0	14.2	14.2

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>Total</u>
Interruptions	0	13	24	0	0	0	0	37
SAIDI Number Of Interruptions by class	0	12.90	58.40	0	0	0	0	71.30
SAIFI Number Of Interruptions by class	0	.083	1.05	0	0	0	0	1.133
CAIDI Number Of Interruptions by class	0	155	56	0	0	0	0	63

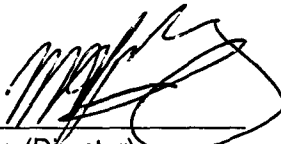
**CERTIFICATION OF FINANCIAL STATEMENTS,
PERFORMANCE MEASURES, AND STATISTICS**

We, Murray Ayling Farley and Ross McGregor Wensley, Directors of Electricity Invercargill Ltd certify that, having made all reasonable enquiry, to the best of our knowledge, -

(a) The attached audited financial statements of Electricity Invercargill Ltd, prepared for the purposes of regulation 6 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

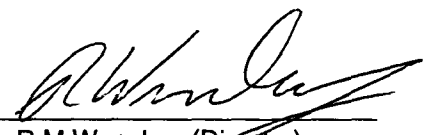
(b) The attached information being financial performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Electricity Invercargill Ltd and having been prepared for the purpose of regulations 13, 14, 15 and 16 of the Electricity (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 31 March, 1995.



 M.A. Farley (Director)
 4 August 1995

 Date




 R.M. Wensley (Director)
 4th August 1995

 Date

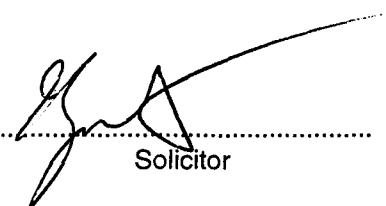
**STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND
INFORMATION SUPPLIED TO SECRETARY OF COMMERCE**

I, Murray Ayling Farley, of 28 Elm Crescent, Invercargill, being a Director of Electricity Invercargill Limited, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public pursuant to the Electricity (Information Disclosure) Regulations 1994.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.



Declared at Invercargill this fourth day of August, 1995.



Solicitor



Audit New Zealand

CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION

I have examined the valuation report prepared by Ernst and Young and dated 20 July 1995 which report contains valuations as at 31 March 1995.

I hereby certify that, having made all reasonable enquiry, to the best of my knowledge, the valuations contained in the report have been made in accordance with the ODV Handbook.

A handwritten signature in black ink, appearing to read 'R B Robertson', written over a diagonal line that extends from the bottom left towards the top right.

R B Robertson
Audit New Zealand
on behalf of the Controller and Auditor-General
4 August 1995
Dunedin, New Zealand



Audit New Zealand


CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

I 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 that Schedule, -

and having been prepared by Electricity Invercargill Limited and dated 4 August 1995 for the purposes of regulation 13 of those regulations.

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


R B Robertson
Audit New Zealand
on behalf of the Controller and Auditor-General
4 August 1995
Dunedin, New Zealand




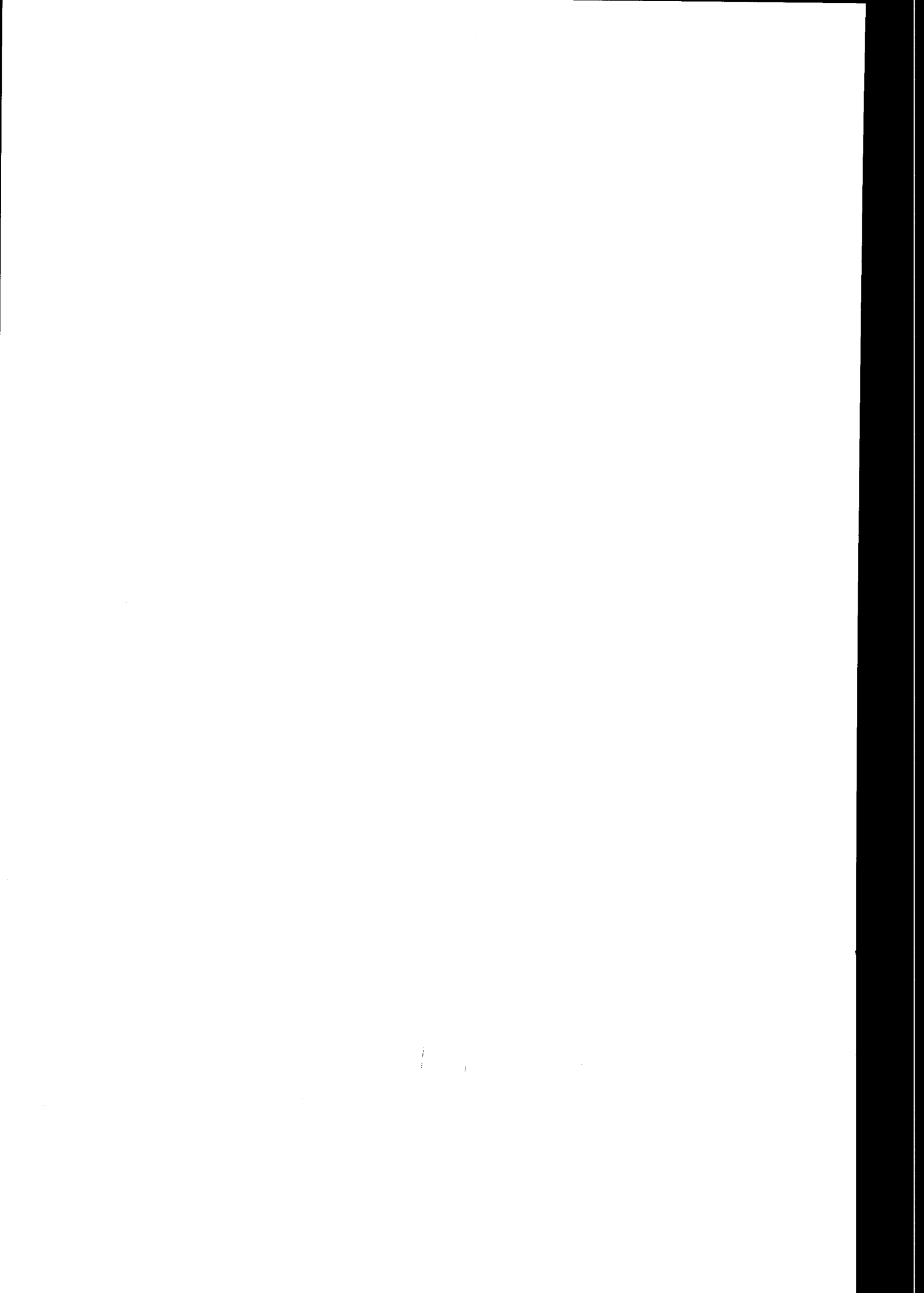
Audit New Zealand

CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

I have examined the attached financial statements prepared by Electricity Invercargill Limited and dated 4 August 1995 for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

I hereby certify that, having made all reasonable enquiry, to the best of my 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.


R B Robertson
Audit New Zealand
on behalf of the Controller and Auditor-General
4 August 1995
Dunedin, New Zealand



MARLBOROUGH ELECTRIC LIMITED



MARLBOROUGH ELECTRIC

Reg. 26(2)

Form 5

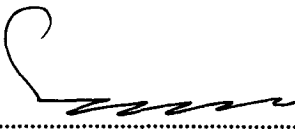
CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER

We, Peter Joseph Radich and Kenneth John Forrest, directors of Marlborough Electric Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-

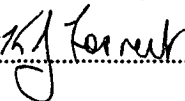
- (a) The attached audited financial statements of Marlborough Electric Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; 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 Marlborough Electric Limited, and having been prepared for the purposes of regulations 13, 14, 15 and 16 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 31 March 1995.

P J Radich


.....

K J Forrest


.....

(Signatures of directors)

(Date)

3 August 1995

MARLBOROUGH ELECTRIC LIMITED

ALFRED STREET, P.O. BOX 144, BLENHEIM, NEW ZEALAND. TELEPHONE 0-3-578 4039. FAX 0-3-578 0771

Price Waterhouse Centre
119 Armagh Street
Christchurch, New Zealand
PO Box 13-250

Telephone 03-379 0040
Fax 03-379 5677

Price Waterhouse



MARLBOROUGH ELECTRIC LIMITED

CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

We have examined the attached financial statements prepared by Marlborough Electric Limited and dated 31 March 1995 for the purposes of regulation 6 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.

CT Hurley
Price Waterhouse
on behalf of the Controller and Auditor-General
Christchurch

3 August 1995

MARLBOROUGH ELECTRIC LIMITED
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

STATEMENTS OF PROFIT AND LOSS

for the year ended 31 March 1995

	NOTES	MONOPOLY BUSINESS (Network)	GENERATION BUSINESS	COMPETITIVE BUSINESS (Energy Trader)	TOTAL BUSINESS
		\$	\$	\$	\$
INCOME					
Electricity Sales		9,707,943	4,286,147	12,457,309	26,451,399
Other Income External		135,846	50,291	3,807,479	3,993,616
Other Income Internal		911,028		1,370,638	2,281,666
Internal Transfers		228,772	(93,300)	(135,472)	0
TOTAL INCOME		10,983,589	4,243,138	17,499,954	32,726,681
EXPENDITURE					
Electricity Purchases from E.C.N.Z.		2,039,386		7,954,129	9,993,515
Electricity Purchases from ME Generation		1,259,162		3,026,985	4,286,147
Operation and Maintenance		3,546,900	271,339	4,110,674	7,928,913
Administration and General	2	1,445,152	136,819	1,197,656	2,779,627
Depreciation	2	1,132,398	544,799	165,580	1,842,777
Interest		648,391	44,443	73,681	766,515
TOTAL EXPENDITURE		10,071,389	997,400	16,528,705	27,597,494
NET PROFIT PRIOR TO TAX		912,200	3,245,738	971,249	5,129,187
Taxation Expenses	4	314,060	1,071,093	316,788	1,701,941
NET PROFIT AFTER TAX		598,140	2,174,645	654,461	3,427,246
Add Opening Balance Retained Earnings		242,933	722,698	130,582	1,096,213
Less Dividend Provision			(1,200,000)		(1,200,000)
CLOSING BALANCE RETAINED EARNINGS		841,073	1,697,343	785,043	3,323,459

The accompanying notes form an integral part of these financial statements.

MARLBOROUGH ELECTRIC LIMITED
FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

BALANCE SHEETS

as at 31 March 1995

	NOTES	MONOPOLY BUSINESS (Network)	GENERATION BUSINESS (Energy Trader)	COMPETITIVE BUSINESS	TOTAL BUSINESS
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and Bank Balances		714,122	918,157	2,312,371	3,944,650
Accounts Receivable	6	230,902	57,914	3,034,116	3,322,932
Inventories	7	1,137,843		689,984	1,827,827
TOTAL CURRENT ASSETS		2,082,867	976,071	6,036,471	9,095,409
CURRENT LIABILITIES					
Creditors and Accruals		1,037,238	(126,382)	1,246,567	2,157,423
Provision for Tax			(24,380)	215,561	191,181
Provision for Dividend			1,200,000		1,200,000
Customer Deposits				246,585	246,585
		1,037,238	1,049,238	1,708,713	3,795,189
WORKING CAPITAL		1,045,629	(73,167)	4,327,758	5,300,220
FIXED ASSETS (at cost)		24,744,760	26,456,183	1,721,664	52,922,607
Less Depreciation		7,413,175	7,612,140	1,048,159	16,073,474
NET FIXED ASSETS	9	17,331,585	18,844,043	673,505	36,849,133
TERM DEBT	8	8,800,000		1,000,000	9,800,000
NET ASSETS		9,577,214	18,770,876	4,001,263	32,349,353
REPRESENTED BY					
Issued and Paid Up Capital	5	8,736,142	16,047,638	3,216,220	28,000,000
Share Premium Reserve			1,025,894		1,025,894
Retained Earnings		841,073	1,697,343	785,043	3,323,459
TOTAL SHAREHOLDERS EQUITY		9,577,215	18,770,875	4,001,263	32,349,35

The accompanying notes form an integral part of these financial statements.

MARLBOROUGH ELECTRIC LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 1995.

1. STATEMENT OF ACCOUNTING POLICIES

A. REPORTING ENTITY

Marlborough Electric Limited is a public company registered under the Companies Act 1955 and established pursuant to the Energy Companies Act 1992.

The Company undertakes the business of electricity acquisition, generation, reticulation and supply, and the retailing of home appliances in the Marlborough region.

These financial statements have been prepared in accordance with the requirements of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

The financial statements comprise separate profit and loss statements and balance sheets for the Monopoly Business (Network Operator), the Generation Business and the Competitive Business (Energy Trading, Appliance Trading and Contracting).

B. MEASUREMENT BASE

The accounting principles recognised as appropriate for the measuring and reporting of financial performance and financial position on an historic cost basis have been followed by the Company in the preparation of these financial statements. Reliance is placed on the fact that the Company is a going concern and accrual accounting is used to match revenue and expenses.

C. ACCOUNTING POLICIES

1. Capital Expenditure

Decisions relating to the expensing or capitalising of reticulation expenditure are made in accordance with the rules provided by the Inland Revenue Department. Expenditure incurred on existing reticulation assets is capitalised to the extent that the system is enhanced. Full depreciation accounting is used.

2. Valuation of Assets.

- * Inventories are valued on the basis of the lower of cost or net realisable value. Cost is calculated on the basis of weighted average cost. Due allowance is made for damaged and obsolete inventory.
- * Work in progress comprises the cost of direct materials and labour together with chargeable overheads.
- * Land is stated at cost.
- * Fixed assets are stated at cost. The fixed assets of the Marlborough Electric Power Board were vested in Marlborough Electric Limited on 1 May 1993 at their then current carrying value.
- * Accounts receivable are stated at the amount they are expected to realise.
- * Capital contributions are credited against the value of the reticulation assets.

3. Depreciation rates used are:

Generation system:	Powerhouses and buildings	1 % on cost price
	Dams, headworks etc.	1 % on cost price
	Transmission lines	5 % on diminishing value
	Generating equipment and plant	10 % on diminishing value
Other assets:	Buildings (concrete)	1 % on cost price
	Buildings (wooden)	2 % on cost price
	Reticulation system (global)	5 % on cost price
	Reticulation system (from 1.4.87)	5 % on diminishing value
	Substation equipment	7.5 % on diminishing value
	Metering equipment	10 % on diminishing value
	Plant	10 % on diminishing value
	Motor vehicles, office, communications and test equipment	20 % on diminishing value

Note: These rates apply to the larger portion of Marlborough Electric's assets. Assets purchased after 31 March 1993 have been depreciated in accord with the new determinations issued by the Inland Revenue Department.

4. Electricity Sales

Sales are derived from amounts billed to customers within the financial year and adjustment is made for meters not read at the beginning and end of the year.

5. Taxation.

The taxation charge is the estimated liability payable in respect of the accounting profit for the year adjusted for non assessable income and non deductible costs and including any adjustments in respect of prior years.

Deferred taxation is not recognised as the timing differences are not expected to reverse within the foreseeable future.

D. CHANGES IN ACCOUNTING POLICIES

All policies have been applied on bases consistent with those used in the previous period.

2. NET PROFIT BEFORE TAXATION

	NETWORK YEAR ENDED 31 MARCH 1995	GENERATION YEAR ENDED 31 MARCH 1995	ENERGY YEAR ENDED 31 MARCH 1995	TOTAL BUSINESS YEAR ENDED 31 MARCH 1995
The net profit before taxation has been determined after:				
Charging as expense	\$	\$	\$	\$
Audit Fees Paid to Principal Auditor	14,500	1,000	8,000	23,500
Fees Paid for Other Services				
Provided by the Principal Auditor.	13,338			13,338
Directors Fees	49,089	3,699	18,355	71,143
Depreciation	1,132,398	544,799	165,580	1,842,777
Interest on Term Loans	648,391	44,443	73,681	766,515
Crediting				
Interest on Investments	58,092	50,291	87,996	196,379

3. GENERATION OPERATIONS

Marlborough Electric's own generation provided 69 GWh (1994 54 GWh)

4. TAXATION

	NETWORK YEAR ENDED 31 MARCH 1995	GENERATION YEAR ENDED 31 MARCH 1995	ENERGY YEAR ENDED 31 MARCH 1995	TOTAL BUSINESS YEAR ENDED 31 MARCH 1995
4.1 Taxation Charge				
Net Profit before tax	912,200	3,245,738	971,249	5,129,187
Add/(deduct)				
Non Deductible Costs	20,476		4,816	25,292
Non Assessable Income	1,544		(16,105)	(14,561)
<hr/>				
Taxable Income	934,220	3,245,738	959,960	5,139,918
Taxation Charge @ 33%	308,292	1,071,093	316,788	1,696,173
Prior Year under Provision	5,768			5,768
Tax Expense	314,060	1,071,093	316,788	1,701,941

4.2 Tax Effect of Timing Differences

Deferred tax is not established in the financial statements as timing differences are not expected to reverse in the foreseeable future. The main timing difference relates to holiday pay accrued for accounting purposes but not deductible.

5. SHAREHOLDERS EQUITY

5.1 Marlborough Electric's shares are held by the Trustees to the Marlborough Electric Power Trust.

5.2 Share Capital				\$
Authorised	28,000,000	ordinary shares of \$1 each		28,000,000
Issued and Paid up	28,000,000	ordinary shares of \$1 each		28,000,000
	NETWORK	GENERATION	ENERGY	TOTAL BUSINESS
Issued and Paid Up	8,736,142	16,047,638	3,216,220	28,000,000

6. ACCOUNTS RECEIVABLE

	NETWORK AS AT 31 MARCH	GENERATION AS AT 31 MARCH	ENERGY AS AT 31 MARCH	TOTAL BUSINESS AS AT 31 MARCH
	1995	1995	1995	1995
The balance of Accounts Receivable comprises:				
Electricity and other trade debtors	230,902	57,914	2,064,517	2,353,333
Hire Purchase Debtors			1,035,373	1,035,373
Provision for Doubtful Debts			(65,774)	(65,774)
TOTAL	230,902	57,914	3,034,116	3,322,932

7. INVENTORIES

	NETWORK AS AT 31 MARCH	GENERATION AS AT 31 MARCH	ENERGY AS AT 31 MARCH	TOTAL BUSINESS AS AT 31 MARCH
	1995	1995	1995	1995
	\$	\$	\$	\$
Reticulation Stock	1,137,842			1,137,842
Work in Progress (at cost) 185,604				185,604
Retail Trading stock			504,381	504,381
TOTAL	1,137,842	0	689,985	1,827,827

8. TERM LIABILITIES

	NETWORK AS AT 31 MARCH	GENERATION AS AT 31 MARCH	ENERGY AS AT 31 MARCH	TOTAL BUSINESS AS AT 31 MARCH
Interest Rate	Maturity Date	1995	1995	1995
		\$	\$	\$
1994 Term Debt Facility	30.4.96	8,800,000	1,000,000	9,800,000

No security has been issued in respect of Marlborough Electric's term liabilities.

* Interest Rate Linked to 90 Day Bank Bill Rate (National Bank buy rate).

9. FIXED ASSETS

	NETWORK GENERATION		ENERGY	TOTAL BUSINESS
	AS AT 31 MARCH 1995 \$	AS AT 31 MARCH 1995 \$	AS AT 31 MARCH 1995 \$	AS AT 31 MARCH 1995 \$
9.1 Table of Fixed Assets				
Land	477,677	40,205		517,882
Buildings	3,799,511			3,799,511
Less Accumulated Depreciation	(721,175)			(721,175)
	3,078,336			3,078,336
Generation Assets		26,375,890		26,375,890
Less Accumulated Depreciation		(7,601,056)		(7,601,056)
		18,774,834		18,774,834
Reticulation System	19,106,728			19,106,728
Less Accumulated Depreciation	(5,869,205)			(5,869,205)
	13,237,523			13,237,523
Plant and Equipment	997,535	40,088	817,102	1,854,725
Less Accumulated Depreciation	(587,832)	(11,084)	(461,319)	(1,060,235)
	409,703	29,004	355,783	794,490
Motor Vehicles	363,309		904,563	1,267,872
Less Accumulated Depreciation	(234,963)		(586,841)	(821,804)
	128,346		317,722	446,068
TOTALS	17,331,585	18,844,043	673,505	36,849,133

9.2 Valuation of Properties

The most recent Government valuation of land and improvements was undertaken as at September 1993 and resulted in the following values being ascribed to properties owned by Marlborough Electric. The table has been adjusted for the purchase and disposal of property since September 1993

	Land \$	Improvements \$
Hydro Electric Stations	277,500	15,037,500
Other properties	1,170,400	4,174,800
Total	1,447,900	19,212,300

10. CAPITAL CONTRIBUTIONS

Customer capital contributions totalling \$59,324 were credited against the cost of reticulation assets in the network business during the year. As at 31 March 1995 the accumulated value of such contributions credited to network assets was \$1,847,915.

11. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Marlborough Electric has no contingent liabilities as at 31 March 1995.
Capital commitments for Network extensions as at 31 March 1995 total \$94,862.

12. FINANCIAL INSTRUMENTS

12.1 Fair Value

- (A) Cash : The carrying value of cash and bank balances is equivalent to their fair value.
- (B) Short and Long Term Debt: Interest rates payable by the Company are based on current market interest rates with the effect that carrying amounts are equivalent to fair value.

12.2 Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist *principally* of cash deposits, short term investments and debtors. The maximum credit risk is the book value of these financial instruments however, the Company considers the risk of non recovery of these amounts to be minimal.

The Company places its cash deposits with high credit quality financial institutions. Concentration of credit risk with respect to accounts receivable is limited due to the large number of customers.

The Company holds hire purchase contracts over home appliances sold on the basis of time payment.

13. RELATED PARTIES

Related party transactions involve the advance of short term funds to (and the subsequent repayment from) the Marlborough Electric Power Trust. The Company dividend is also paid to the same Trust.

Price Waterhouse Coopers
119 Armagh Street
Christchurch, New Zealand
PO Box 19-250

Telephone 03-379 0140
Fax 03-379 6677

Price Waterhouse



MARLBOROUGH ELECTRIC LIMITED

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 that Schedule,
- and having been prepared by Marlborough Electric Limited and dated 31 March 1995 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.

CT Hurley
Price Waterhouse
on behalf of the Controller and Auditor-General
Christchurch

3 August 1995



MARLBOROUGH ELECTRIC

PERFORMANCE MEASURES FOR THE LINE BUSINESS PREPARED IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

1. Financial Performance Measures

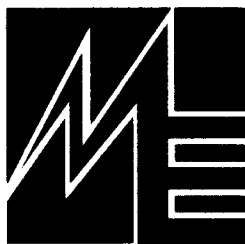
(a)	Accounting Return on Total Assets	1.4%
(b)	Accounting Return on Equity	0.2%
(c)	Accounting Rate of Profit	0.7%

2. Efficiency Performance Measures

(a)	Direct Line Costs per Kilometre	\$1,427.90
(b)	Indirect Line Costs per Customer	\$75.94

(Average System Length 1994/95 - 2,484km)

(Average Customers 1994/95 - 19,031)



MARLBOROUGH ELECTRIC

Energy Delivery Efficiency Performance Measures

(Electricity (Information Disclosure) Regulations 1994 First Schedule Part III 1)

a)	Load Factor	58.248	
	Electricity entering the system (kWh)		260,009,825
	Maximum demand (kW)		50,957
	Hours Per Year		8,760
b)	Loss Ratio	6.533	
	Losses of electricity (kWh)		16,986,908
	Electricity entered the system (kWh)		260,009,825
c)	Capacity Utilisation	31.1	
	Maximum Demand (kW)		50,957
	Transformer Capacity (kVA)		163,712



MARLBOROUGH ELECTRIC

Statistics

(Electricity (Information Disclosure) Regulations 1994 First Schedule Part III 2)

a) System Length Break Down (average for 1994/95)

33kV	257.030 km
11kV	1,895.055 km
6.6kV	51.159 km
LV	<u>280.780 km</u>
Total	<u>2,484.024</u>

b) Circuit Length of Overhead System

33kV	255.830 km
11kV	1,886.573 km
6.6kV	51.159 km
LV	<u>215.538 km</u>
Total	<u>2,409.100</u>

c) Circuit Length of Underground System

33kV	1.200 km
11kV	8.482 km
6.6kV	- km
LV	<u>65.242 km</u>
Total	<u>74.924</u>

d) Transformer Capacity in kVA As At 31 March 1995

163,712 kVA

e) Maximum Demand for 1994/95

50,957 kW

f) Total Electricity Supplied from the System for 1994/95

243,022,917 kWh

g) Total Electricity Conveyed Through the System on behalf of another person.

0 kWh

h) Total Customer Average for 1994/95

19,031 Customers



MARLBOROUGH ELECTRIC

Reliability Performance Measures

(Electricity (Information Disclosure) Regulations 1994 First Schedule Part IV)

1. Number of Interruptions by Class

Class	Description	Interruptions
A	Trans Power Planned	0
B	ME Ltd Planned	68
C	ME Ltd Unplanned	308
D	Trans Power Unplanned	5
E	ECNZ Unplanned	0
F	Other Generation Unplanned	0
G	Other	0
	Total	<u>381</u>

2. The Total Number of Faults Per 100km of Line Over 3.3kV

	14.2	Faults per 100 km
Faults	313	
Prescribed Line	2203.244	

3. The Total Number of Faults Per 100km of Underground Cable Over 3.3kV

	Faults	kM of Cable	Faults per 100kM
33kV	-	1.200	nil
11kV	2	8.482	23.6
Total	2	9.682	20.7

4. The Total Number of Faults Per 100km of Overhead Line Over 3.3kV

	Faults	kM of Cable	Faults per 100kM
33kV	16	255.830	6.3
11kV	295	1,886,573	15.6
6.6kV	-	51.159	nil
Total	311	2,194	14.2

5. The SAIDI For the Total Interruptions
(SAIDI = System Average Interruption Duration Index)

258 Customer/Minutes

6. The SAIDI for the Per Interruption Class

Class	Description	Customer/Minutes
A	Trans Power Planned	-
B	ME Ltd Planned	70
C	ME Ltd Unplanned	129
D	Trans Power Unplanned	59
E	ECNZ Unplanned	-
F	Other Generation Unplanned	-
G	Other	-
	Total	<u>258</u>

7. The SAIFI for the Total Interruptions
(SAIFI = System Average Interruption Frequency Index)

7.12

8. The SAIFI for the Per Interruption Class

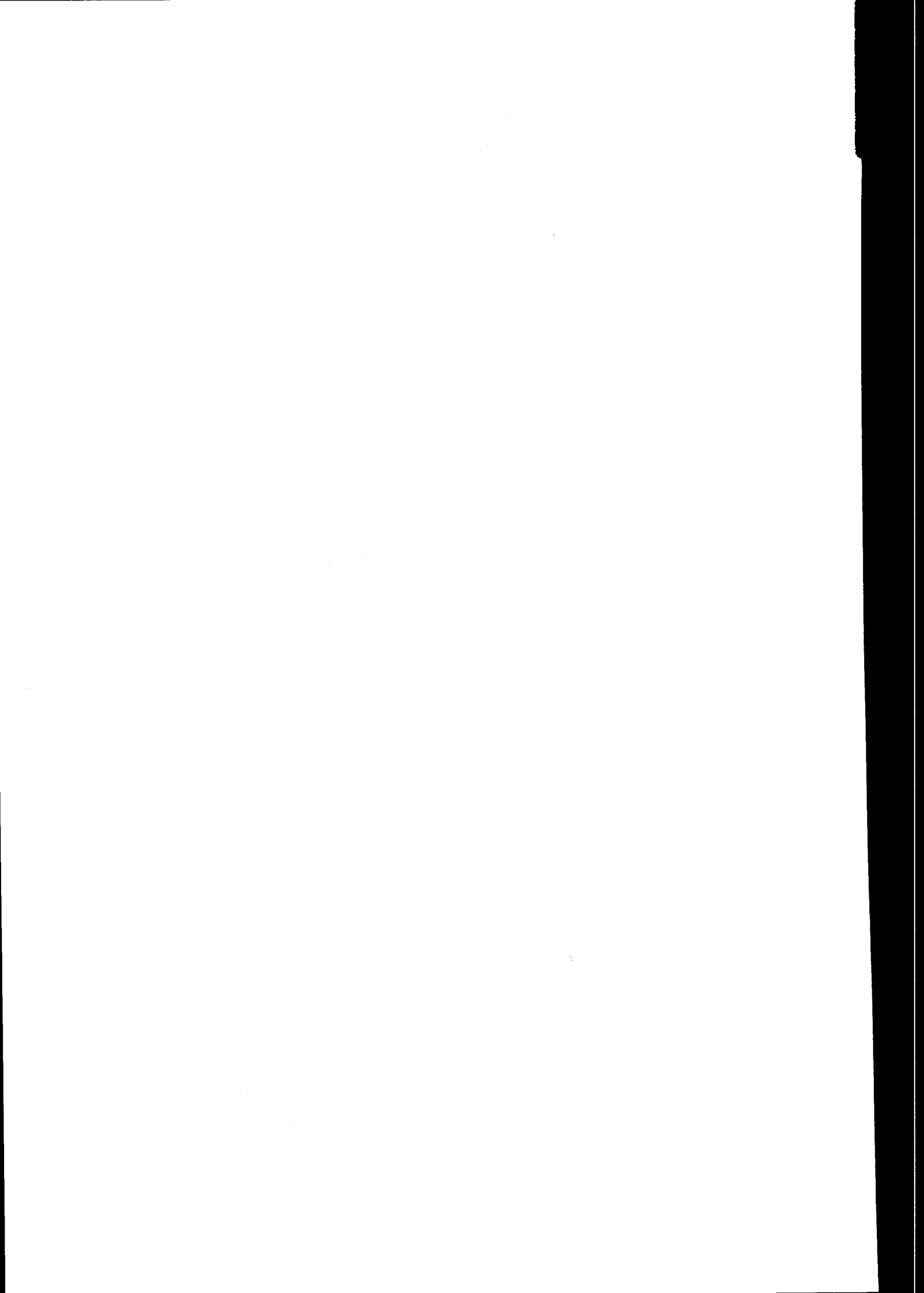
Class	Description	Customer/Minutes
A	Trans Power Planned	-
B	ME Ltd Planned	0.37
C	ME Ltd Unplanned	1.86
D	Trans Power Unplanned	4.88
E	ECNZ Unplanned	-
F	Other Generation Unplanned	-
G	Other	-
	Total	<u>7.12</u>

9. The CAIDI for the Total Interruptions
(Customer Average Interruption Duration Index)

36.28 Customer/Minutes

10. The CAIDI for the Per Interruption class

Class	Description	Customer/Minutes
A	Trans Power Planned	-
B	ME Ltd Planned	187.63
C	ME Ltd Unplanned	69.24
D	Trans Power Unplanned	12.10
E	ECNZ Unplanned	-
F	Other Generation Unplanned	-
G	Other	-



NORTHPOWER LIMITED

**DISCLOSURE OF FINANCIAL STATEMENTS PURSUANT TO REGULATION 6
OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL PERFORMANCE - LINE BUSINESS

For the 12 Months Ended 31 March 1995

	This Year \$
Sales of Electricity	\$ <u>23,099,687</u>
Net Profit before Taxation	5,348,188
Taxation Expense	<u>(1,829,057)</u>
Net Profit After Taxation	3,519,131
Retained Earnings at beginning of year	8,856,445
Transfers from Asset Revaluation Reserve	<u>175,321</u>
Available for Appropriation	12,550,897
Dividends	<u>(1,307,200)</u>
Retained Earnings at end of year	<u>\$11,243,697</u>

NORTHPOWER

STATEMENT OF FINANCIAL POSITION - LINE BUSINESS

As At 31 March 1995

	This Year \$
CORPORATE OWNERSHIP:	
Share Capital	32,600,000
Asset Revaluation Reserve	4,438,742
Retained Earnings	<u>11,243,697</u>
TOTAL CORPORATE OWNERSHIP	<u>\$48,282,439</u>
CURRENT ASSETS:	
Cash and Bank	15,126
Short Term Deposits	1,850,000
Accounts Receivable	2,245,690
Inventory	1,347,348
Tax Refund Due	357,866
Properties for Sale	<u>273,500</u>
TOTAL CURRENT ASSETS	<u>\$6,089,530</u>
CURRENT LIABILITIES:	
Sundry Creditors	(3,393,679)
GST Owed	(29,821)
Provision for Dividend	<u>(1,307,200)</u>
TOTAL CURRENT LIABILITIES	<u>(\$4,730,700)</u>
WORKING CAPITAL	1,358,830
DEFERRED TAXATION	(765,505)
TERM RECEIVABLES	2,193,421
FIXED ASSETS	<u>45,495,693</u>
NET ASSETS	<u>\$48,282,439</u>

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL PERFORMANCE - OTHER BUSINESS

For the 12 Months Ended 31 March 1995

	This Year \$
Sales of Electricity	\$ <u>35,707,347</u>
Net Profit before Taxation	511,409
Taxation Expense	<u>(168,765)</u>
Net Profit After Taxation	342,644
Retained Earnings at beginning of year	—
Retained Earnings at end of year	<u>\$342,644</u>

NORTHPOWER

STATEMENT OF FINANCIAL POSITION - OTHER BUSINESS

As At 31 March 1995

	This Year \$
CORPORATE OWNERSHIP:	
Share Capital	8,249,998
Retained Earnings	<u>342,644</u>
TOTAL CORPORATE OWNERSHIP	<u>\$8,592,642</u>
CURRENT ASSETS:	
Cash and Bank	15,126
Short Term Deposits	2,750,000
Accounts Receivable	3,894,657
Inventory	<u>49,272</u>
TOTAL CURRENT ASSETS	<u>\$6,709,055</u>
CURRENT LIABILITIES:	
Sundry Creditors	(3,020,234)
GST Owed	<u>(29,821)</u>
TOTAL CURRENT LIABILITIES	<u>(\$3,050,055)</u>
WORKING CAPITAL	3,659,000
FIXED ASSETS	<u>4,933,642</u>
NET ASSETS	<u>\$8,592,642</u>

NORTHPOWER LIMITED

STATEMENT OF ACCOUNTING POLICIES

For The 12 Months Ended 31 March 1995

Reporting Entity

Northpower Ltd is a public company formed under the Energy Companies Act 1992 and registered under the Companies Act 1955.

The financial statements have been prepared in accordance with the Financial Reporting Act 1993.

General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of results, cashflows and financial position under the historical cost method, as modified by the revaluation of land and buildings, have been followed in the preparation of these financial statements. Reliance is placed on the fact that the Company is a going concern. Accrual accounting is used to match expenses and revenue.

Special Purpose Financial Statements

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994. 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.

Particular Accounting Policies

The following particular accounting policies, which significantly affect the measurement of profit and of financial position, have been applied:

(i) Sales

Sales shown in the profit and loss account comprise the amounts received and receivable by the Company for goods and services supplied to customers in the ordinary course of business. Sales are stated exclusive of Goods and Services Tax collected from customers.

(ii) Investments

Investments are stated at cost.

(iii) Cost of Fixed Assets

The cost of purchased fixed assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

The cost of assets constructed by the Company includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of production overhead. Costs cease to be capitalised as soon as the asset is ready for productive use.

Land and buildings are valued by independent registered valuers on a three-yearly basis. The basis of the valuation is net current value.

(iv) Depreciation

Depreciation is charged on a straight line basis so as to write off the cost or valuation of the fixed assets to their estimated residual value over their expected economic lives. The estimated economic lives are as follows:-

Distribution system	5-30 years
Buildings	50 years
Motor vehicles	5 years
Plant and equipment	5-10 years

(v) Inventories

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

The cost of stocks is principally determined on a weighted average basis.

The cost of work-in-progress includes materials, and a portion of direct labour and production overhead appropriate to the stage of completion attained.

(vi) Debtors

Debtors are stated at estimated realisable value after providing against debts where collection is doubtful.

(vii) Taxation

The taxation charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences. This is the comprehensive basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation.

Future taxation benefits attributable to losses carried forward, or timing differences, are recognised in the financial statements only where there is virtual certainty of realisation.

(viii) Research and Development Costs

Research and development costs are expensed in the period incurred. Development costs are deferred where future benefits are expected to exceed these costs. Deferred development costs are amortised over future periods on a basis related to expected future revenue.

(ix) Financial Instruments - Credit Risk

Northpower has a potential concentration of credit risk in relation to the small number of customers who represent a significant portion of trading activity.

Northpower has limited its exposure to credit risk in respect of its investments by only investing in institutions with a high credit rating, and limiting the amount that can be invested in any one institution. Northpower believes this policy reduces the risk of any loss which could arise from its investing activities.

(x) GST

These Statements of Account are prepared on a GST exclusive basis.

Changes in Accounting Policies:

There have been no changes in accounting policies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For 12 Months Ended 31 March 1995

	Line Business \$	Other Business \$
1. Net Profit Before Tax	5,348,188	511,409
After Charging:		
Audit Fees	20,100	1,900
Depreciation	2,818,351	145,034
Directors' Fees and Expenses	113,695	10,521
Interest	672	-
Rental and Operating Lease Costs	7,034	526
Research & Development	17,530	26,539
After Crediting:		
Interest Received	226,966	261,442
2. Taxation:		
Profit before Taxation	<u>\$5,348,188</u>	<u>\$511,409</u>
Prima Facia Taxation @ 33%	1,764,902	168,765
Plus Tax effect of permanent differences:		
Use of Money Interest	(3,055)	-
Depreciation on Globo Assets	104,632	-
Legal Fees	602	-
Other Permanent Differences	5,785	-
Entertainment Expenses	<u>467</u>	<u>-</u>
Tax on Profits for Year	1,873,333	168,765
Prior Period Adjustment	<u>(44,276)</u>	<u>-</u>
	<u>\$1,829,057</u>	<u>\$168,765</u>
The Taxation Charge is Represented by:		
Prior Period Adjustment	(44,276)	-
Current Taxation	1,308,251	168,765
Deferred Taxation	<u>565,082</u>	<u>-</u>
	<u>\$1,829,057</u>	<u>\$168,765</u>
Movements in Provision for Deferred Taxation:		
Opening Balance	(231,637)	-
Prior Period Adjustment	31,214	-
Current Movement in Timing Differences	<u>(565,082)</u>	<u>-</u>
	<u>(\$765,505)</u>	<u>\$-</u>
Imputation Credit Account:		
Opening Balance	1,381,682	-
Imputation credits attaching to dividends paid in the year	(334,925)	-
Income tax payments during year	<u>1,498,989</u>	<u>168,765</u>
	<u>\$2,545,746</u>	<u>\$168,765</u>
3. Dividends:		
Dividends - Paid	-	-
- Proposed	<u>1,307,200</u>	<u>-</u>
	<u>\$1,307,200</u>	<u>\$-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Line Business \$	Other Business \$
4. Accounts Receivable		
Electricity and Sundry Debtors	2,084,278	3,827,197
Less Provision for Doubtful Debts	<u>(30,000)</u>	<u>(30,000)</u>
	2,054,278	3,797,197
Term Debtors	-	97,460
Current Portion - Term Receivables	<u>191,412</u>	<u>-</u>
	<u>\$2,245,690</u>	<u>\$3,894,657</u>
5. Fixed Assets:		
Distribution System - Cost	61,976,410	4,199,637
Less Accumulated Depreciation	<u>(25,419,341)</u>	<u>(63,367)</u>
	<u>\$36,557,069</u>	<u>\$4,136,270</u>
Buildings - At Valuation	5,334,521	519,433
Less Accumulated Depreciation	<u>(110,810)</u>	<u>(9,497)</u>
	<u>\$5,223,711</u>	<u>\$509,936</u>
Plant and Equipment - Cost	2,256,397	179,217
Less Accumulated Depreciation	<u>(1,185,862)</u>	<u>(94,213)</u>
	<u>\$1,070,535</u>	<u>\$85,004</u>
Motor Vehicles - Cost	2,732,906	103,822
Less Accumulated Depreciation	<u>(1,701,320)</u>	<u>(38,590)</u>
	<u>\$1,031,586</u>	<u>\$65,232</u>
Land - At Valuation	<u>\$1,612,792</u>	<u>\$137,200</u>
	<u>\$45,495,693</u>	<u>\$4,933,642</u>
- Revalued Land and Buildings are stated at net current values as at 31 March 1994, as determined by Coutts Milburn Ltd, Registered Valuers of Whangarei.		
6. Share Capital:		
Authorised, issued and paid up capital, 40,000,000 ordinary shares of \$1 each, 31 March 1994	\$32,600,000	\$7,400,000
Authorised and issued during the year, 849,998 fully paid shares of \$1 each.	<u>-</u>	<u>849,998</u>
Total Issued and Paid Up Capital	<u>\$32,600,000</u>	<u>\$8,249,998</u>
7. Asset Revaluation:		
Opening Balance	4,614,066	-
Movements for the Year	<u>(175,322)</u>	<u>-</u>
Balance 31 March 1995	<u>\$4,438,744</u>	<u>\$-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

8. Financial Instruments:

Financial Instruments which potentially subject the company to credit risk principally consist of cash bank balances, short term deposit, and accounts receivable.

Northpower does not generally require collateral from customers.

Northpower places its cash and short term deposits with high credit quality financial institutions (A1 or better), and limits the amount of credit exposure to any one institution in accordance with company policy.

The estimated value of Northpower's financial instruments are as follows:-

	Line Business		Other Business	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	\$	\$	\$	\$
Bank Balance	15,126	15,126	15,126	15,126
Short Term Deposit	1,850,000	1,850,000	2,750,000	2,750,000
Receivables	2,245,690	2,245,690	3,894,657	3,894,657

The following methods and assumptions were used to estimate the fair value of each class of financial instrument: bank balances, short term deposits and receivables.

The carrying amount is the fair value for each of these classes of financial instrument.

9. Segment Information:

Northpower Ltd operates predominantly in the electricity supply industry within the Northland area. Northpower is also involved in generation and contracting, but neither activity is considered significant.

10. Contingent Liabilities:

There are no contingent liabilities.

11. Commitments:

Estimated capital commitments contracted for at balance date

Line Business	Other Business
\$	\$
\$600,000	\$2,700,000

The commitments relate to purchases of land, upgrade of generation plant, and building alterations.

12. Related Parties:

The Northpower Electric Power Trust is the sole shareholder. Other than dividend payment, there are no related transactions.

13. Term Receivables:

The Term Receivables are repaid in annual amounts expiring in 2003. Interest of 9.2% is charged on the annual balance owing.

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 : 6.86%.
- (b) Accounting return on equity, being net profit after tax, divided by average total shareholders' funds : 5.06%.
- (c) Accounting rate of profit 5.5%.

2. **Efficiency Performance Measures**

- (a) Direct line cost per kilometre - \$867.
- (b) Indirect line cost per electricity customer - \$55.

**DISCLOSURE OF ENERGY EFFICIENCY PERFORMANCE MEASURES AND
STATISTICS PURSUANT TO REGULATION 15 OF THE
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

1. **Energy delivery efficiency performance measures**

- | | | |
|-----|----------------------|--------|
| (a) | Load factor | 64.54% |
| (b) | Loss ratio | 5.32% |
| (c) | Capacity utilisation | 43.25% |

2. **Statistics**

- | | | |
|-----|---|-------------------|
| (a) | System length, broken down by voltage | |
| | 33 kV | 189.5 km |
| | 11 kV | 3,463.6 km |
| | 400 v | <u>1,535.7 km</u> |
| | Total | <u>5,188.8 km</u> |
| (b) | Circuit length of overhead lines, broken down by voltage | |
| | 33 kV | 177.3 km |
| | 11 kV | 3,402.3 km |
| | 400 v | <u>1,417.5 km</u> |
| | Total | <u>4,997.1 km</u> |
| (c) | Circuit length of underground cables, broken down by voltage | |
| | 33 kV | 12.2 km |
| | 11 kV | 61.3 km |
| | 400 v | <u>118.2 km</u> |
| | Total | <u>191.7 km</u> |
| (d) | Transformer capacity | 305,091 kVa |
| (e) | Maximum demand | 131,923 kW |
| (f) | Total electricity supplied from the system | = 706,215,792 kWh |
| (g) | Total electricity conveyed through the system for other retailers | = Nil |
| (h) | Total customers | 42,557 |

**DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES
PURSUANT TO REGULATION 16 OF THE
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

1.	Total number of interruptions	827
	(a) Planned interruptions by Trans Power	0
	(b) Planned interruptions by Northpower	524
	(c) Unplanned interruptions originating within Northpower system	298
	(d) Unplanned interruption originating with Trans Power system	5
	(e) Unplanned interruptions originating within ECNZ system	0
	(f) Unplanned interruptions originating within other generator's systems	0
	(g) Unplanned interruptions originating from other than above	0
2.	Total number of faults per 100 circuit kilometres of prescribed voltage electric line	8.29
3.	Total number of faults per 100 circuit kilometres of underground prescribed voltage line and per different nominal line voltages:-	
	11 kV underground	4.89
	33 kV underground	Nil
	Total	4.08
4.	Total number of faults per 100 circuit kilometres of overhead prescribed voltage lines and per different nominal line voltages:-	
	11 kV overhead	8.38
	33 kV overhead	8.46
	Total	8.38
5.	The SAIDI for the total of interruptions	238.0 minutes
6.	The SAIDI for the total number of interruptions within each interruption class:-	
	(a) Planned interruptions by Trans Power	0
	(b) Planned interruptions by Northpower	74.29 minutes
	(c) Unplanned interruptions originating within Northpower system	137.32 minutes
	(d) Unplanned interruptions originating within Trans Power system	26.39 minutes
7.	The SAIFI for the total number of interruptions	5.8 interruptions
8.	The SAIFI for the total number of interruptions within each interruption class:-	
	(a) Planned interruptions by Trans Power	0
	(b) Planned interruptions by Northpower	0.88 interruptions
	(c) Unplanned interruptions originating within Northpower's system	3.83 interruptions
	(d) Unplanned interruptions originating within Trans Power system	0.84 interruptions
9.	The CAIDI for the total of all interruptions	41.10 minutes
10.	The CAIDI for the total number of interruptions within each interruption class:-	
	(a) Planned interruptions by Trans Power	0
	(b) Planned interruptions by Northpower	84.35 minutes
	(c) Unplanned interruptions originating within Northpower system	35.90 minutes
	(d) Unplanned interruptions originating within Trans Power system	26.39 minutes

ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**REGULATION 26 (2)**

Certification of Financial Statements, Performance Measures and Statistics Disclosed by Northpower Ltd.

We, Warren William Moyes and Colwell Francis Alston Keen, directors of Northpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:-

- (a) The attached audited financial statements of Northpower Limited, prepared for the purposes of regulation 6 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 Northpower Limited, and having been prepared for the purposes of regulations 13, 14, 15 and 16 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 31 March 1995.



W W Moyes

C F A Keen

20 July 1995.



Audit New Zealand

**CERTIFICATION BY AUDITOR IN RELATION
TO FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by Northpower Limited and dated 20 July 1995 for the purposes of Regulation 6 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.

A handwritten signature in black ink, appearing to read 'T J Shaw', written in a cursive style.

T J Shaw
Audit New Zealand
On behalf of the Controller and Auditor-General

20 July 1995
Whangarei
New Zealand



Audit New Zealand

**CERTIFICATION BY AUDITOR IN RELATION
TO ODV VALUATION**

We have examined the valuation report prepared by Ernst & Young dated May 1995, which report contains valuations as at 31 March 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 Handbook.

A handwritten signature in black ink, appearing to read 'T J Shaw', written in a cursive style.

T J Shaw
Audit New Zealand
On behalf of the Controller and Auditor-General

20 July 1995
Whangarei
New Zealand



Audit New Zealand

**CERTIFICATION OF PERFORMANCE MEASURES
BY AUDITORS**

We have examined the attached information, being:

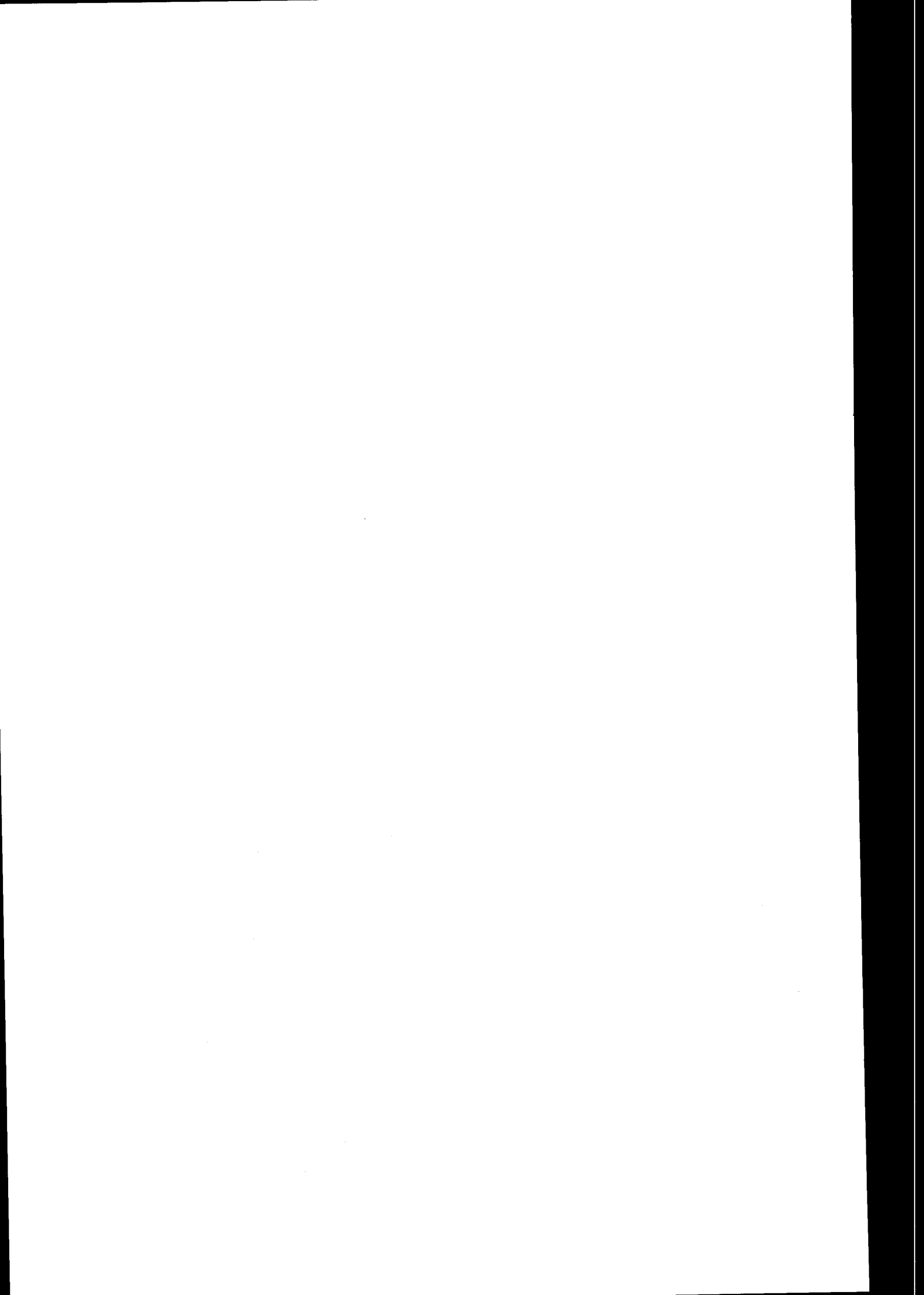
- (a) Financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of that Schedule, -

and having being prepared by Northpower Limited and dated 20 July 1995 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.

T J Shaw
Audit New Zealand
On behalf of the Controller and Auditor-General

20 July 1995
Whangarei
New Zealand



**WAITOMO ENERGY
SERVICES LIMITED**

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

1. Energy Delivery Efficiency Performance Measures

- | | | |
|-----|--|--------|
| (a) | Load factor | 56.25% |
| | Percentage of electrical energy entering the distribution system divided by maximum demand times hours per year. | |
| (b) | Loss ratio | 8.89% |
| | Distribution losses divided by energy entering the system. | |
| (c) | Capacity utilisation | 35.66% |
| | Maximum demand divided by total transformer capacity. | |

2. Statistics

- (a) System length, broken down by voltage

Total lengths:		2,562 km
	33kV	180 km
	22kV	24 km
	11kV	2,220 km
	LV	138 km

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

Total lengths:		2,541 km
	33kV	180 km
	22kV	24 km
	11kV	2,214 km
	LV	123 km

- (c) Circuit length of underground electric lines

Total lengths:		21 km
	33kV	0 km
	22kV	0 km
	11kV	6 km
	LV	15 km

- | | | |
|-----|--|-----------------|
| (d) | Transformer capacity | 78,211 kVA |
| (e) | Maximum demand | 27,890 kW |
| (f) | Total electricity supplied from the system | 125,228,804 kWh |
| (g) | Total electricity conveyed through the system during the financial year on behalf of other persons who are electricity generators or electricity retailers, or both, and not in a prescribed business relationship with the line owner | Zero kWh |
| (h) | Total customers | 8,740 |
| | Total metered installations | 11,674 |

Disclosure of Reliability of Performance Measures
Pursuant to Regulation 16 Electricity (Information Disclosure) Regulations 1994

1. Interruptions (excluding interruptions caused by operation of 11kV transformer fuses and affecting only up to 3 customers)

<u>Class</u>	<u>Number</u>
Total all interruptions	594
A. TransPower - Planned Shutdowns	0
B. Electricity Distributor - Planned Shutdowns	290
C. Electricity Distributor - Unplanned Cuts	300
D. TransPower - Unplanned Cuts	4
E. ECNZ Generator - Unplanned Cuts	0
F. Other Distributor or Generator - Unplanned Cuts	0
G. Other Distributor or Generator - Planned Shutdowns	<u>0</u>

2. Total faults per 100 kilometres: **12.1**

3. Underground faults per 100km

Total all voltages:	33.3
33kV	0
22kV	0
11kV	<u>33.3</u>

4. Overhead faults per 100km

Total all voltages:	12.1
33kV	10.0
22kV	8.3
11kV	<u>12.3</u>

5. System performance indices

<u>Class</u> (As in 1. above)	<u>SAIDI</u> (System Average Interruption Duration Index)	<u>SAIFI</u> (System Average Interruption Frequency Index)	<u>CAIDI</u> (Customer Average Interruption Duration Index)
A.	0	0	-
B.	398.7	1.52	262.33
C.	468.8	7.59	61.77
D.	18.8	0.47	40.04
E.	0	0	-
F.	0	0	-
G.	<u>0</u>	<u>0</u>	<u>-</u>
Total	886.4	9.59	92.43

WAITOMO ENERGY SERVICES LIMITED

**Line Business Activity
Statement of Financial Performance
For Year Ending 31st March 1995**

	<u>Notes</u>	\$ 000
Income		8,223
Transmission costs		(2,505)
Line losses		<u>(629)</u>
		5,089
System costs		1,508
Insurance		87
Indirect costs		846
Interest		158
Depreciation		<u>767</u>
		3,366
Net Profit before Tax & Discount		1,723
Taxation expense	2	<u>568</u>
Net Profit After Tax		<u>1,155</u>
Customer Discount	3	<u>681</u>
Net Profit after Tax and Discount		474
Retained Earnings at Beginning of Year		<u>470</u>
Total Retained Earnings		<u>944</u>

WAITOMO ENERGY SERVICES LIMITED

Line Business Business Activity
Statement of Financial Position
For Year Ending 31st March 1995

	<u>Note</u>	\$ 000
CORPORATE FUNDS		
Share Capital		8,000
Retained Earnings		<u>944</u>
		<u>8,944</u>
Fixed Assets	4	12,187
Current Assets		
Cash		0
Receivables and Prepayments		1,167
Inventory		<u>459</u>
		1,626
Total Assets Employed		13,813
Term Liabilities		
Loans	5	3,000
Deferred Tax	6	<u>606</u>
		3,606
Current Liabilities		
Account Payable		448
General Provisions		252
Customer Discount Provision		<u>563</u>
		1,263
Total Liabilities		<u>4,869</u>
Net Assets Employed		<u>8,944</u>

WAITOMO ENERGY SERVICES LIMITED

Notes to the Financial Statements
For the Year Ending 31st March 1995**NOTE 1: STATEMENT OF ACCOUNTING POLICIES****GENERAL ACCOUNTING POLICIES**

The general accounting policies recognised as appropriate for the measurement and reporting of earning and financial position on an historical cost basis are followed. Accrual accounting is used to match expenses with revenues. Reliance is placed on the fact that the Company is a going concern. The accounts are prepared in accordance with the Companies Act 1955 and 1993 and the Financial Reporting Act 1993.

PARTICULAR ACCOUNTING POLICIES

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

Debtors

Debtors are stated at their estimated realisable value.

Fixed Assets

The Company has five classes of fixed assets:

- Freehold Land
- Freehold Buildings
- Motor Vehicles, Plant and Equipment
- Distribution System

The cost value of assets transferred from the Waitomo Electric Power Board is the book value in the books of the Board as at 31st March 1993. All other assets are initially recorded at actual cost.

Statutory Base

The Company was incorporated under the Companies Act 1955 in accordance with the Energy Companies Act 1992. The assets of the Company were transferred from the Waitomo Electric Power Board in accordance with an Order in Council dated 7th May 1993. All assets were transferred at net book value as at 31st March 1993. Additional disclosures have also been made as required by the Energy Disclosure Information Regulations 1994.

Staff Leave and Gratuity Payments

Provision is made in respect of the Company's liability for annual leave and gratuity payments. At the balance date retiring gratuities have been accrued in respect of all employees with more than 10 years service with the Company and aged 45 years or over. Gratuity payment is paid on the retirement of an employee who has at the time of retirement been currently continuously employed by the Company for a period of at least 10 years.

Depreciation

Depreciation is provided on either a straight line or a diminishing value basis on all fixed assets other than freehold land, at rates calculated to allocate the assets' cost or valuation less estimated residual value, over their estimated useful life.

Major depreciation rates and methods:

Buildings and generation headworks	40-100 years	Straight Line
Distribution system	5% to 10%	Diminishing Value
Distribution system (pre 1987)	20 years	Straight line
Motor vehicles, plant & equipment	10% to 50%	Diminishing Value

Inventory

Stocks are stated at the lower of cost, determined on an average cost basis, or net realisable value.

Capitalisation of Distribution Work

The Company carries out a program of patrolling each of its distribution lines and testing individual poles. Where work is carried out as a result of the program and the cost of the work is five times greater than the normal cost of maintaining the relevant segment of line, the cost is capitalised.

WAITOMO ENERGY SERVICES LIMITED**Notes to the Financial Statements
For the Year Ending 31st March 1995****Taxation**

The income tax charge to the Income Account include both the current year taxation and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to timing differences.

Financial Instruments

The Company has entered into transactions using financial instruments as part of its ongoing business activities. These transactions are accounted for on the basis of the accounting policies set out above. There are no off balance sheet financial instruments.

WAITOMO ENERGY SERVICES LIMITED

**Line Business Activity
Statement of Financial Position
For Year Ending 31st March 1995**

NOTE 2:

	\$
Taxation Expense	
Nominal Profit Before Taxation	1,723,000
Prima Facie Taxation @ 33%	568,000
Add/(Less) Effect of Permanent Tax Diff	414
Plus Prior Period Liability	0
Net Taxation Expense	568,414

NOTE 3:

	\$
Customer Discount	
Discount Declared	1,016,000
Less Taxation Effect	<u>335,000</u>
Net Customer Discount	<u>\$ 681,000</u>

NOTE 4

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Carrying Value</u>
	\$	\$	\$
Land	27,500	0	27,500
Buildings	522,617	14,287	508,330
Distribution System	11,496,967	1,172,679	10,324,288
MV Plant & Equipment	1,220,658	452,290	768,368
Capital Work in Progress	<u>559,005</u>	<u>0</u>	<u>559,005</u>
Total	<u>13,826,747</u>	<u>1,639,256</u>	<u>\$12,187,491</u>

NOTE 5: Loans

	\$
Periods of Repayment:	
Current Portion (due within one year)	-
Perpetual	
The term loans are perpetual subordinated debentures issued to:	<u>3,000,000</u>
- Waitomo Energy Services Customer Trust	<u>3,000,000</u>
\$1,000,000 at a rate of 8.4%	
- Northern King Country Development Trust	
\$2,000,000 at a rate of 5.0%	

NOTE 6: Deferred Taxation

	\$
Represented by the following timing differences:	
- Fixed Assets	864,496
- Accruals & Provisions	(258,517)
	<u>605,979</u>

NOTE 7: Financial Instruments

Credit Risk

The Company has no significant concentrations of credit risk.

WAITOMO ENERGY SERVICES LIMITED**Financial Performance Measures
& Efficiency Performance Measures****1. Financial Performance Measures**

(a)	Accounting return on total assets being earnings before interest and tax, divided by average total funds employed	6.24%
(b)	Accounting return on equity, being net profit after tax, tax, divided by average total shareholders funds	4.74%
(c)	Accounting rate of profit	4.71%

2. Efficiency Performance Measures

(a)	Direct line costs per km	\$ 662
(b)	Indirect costs per customer	\$ 72

WAITOMO ENERGY SERVICES LIMITED

**Electricity and Other Business Activity
Statement of Financial Performance
For Year Ending 31st March 1995**

	<u>Notes</u>	\$
		000
Income		
Electricity		6,770
Other		2,346
Interest (net)		<u>265</u>
		9,381
Electricity Costs		5,079
Cost of Goods & Services Supplied		2,106
Projects		121
Corporate Expenses		633
Depreciation		<u>202</u>
		8,141
Net Profit before Tax and Discount		1,240
Taxation expense	2	<u>421</u>
Net Profit After Tax		<u>819</u>
Customer Discount	3	<u>306</u>
Net Profit after Tax and Discount		513
Retained Earnings at Beginning of Year		<u>417</u>
Total Retained Earnings		<u>930</u>

WAITOMO ENERGY SERVICES LIMITED

Electricity & Other Business Activity
 Statement of Financial Position
 For Year Ending 31st March 1995

	<u>Notes</u>	\$ 000
CORPORATE FUNDS		
Share Capital		8,013
Retained Earnings		<u>930</u>
		<u>8,943</u>
Fixed Assets	4	4,199
Investments		4,408
Current Assets		
Cash		96
Receivables and Prepayments		1,264
Work in Progress		39
Inventory		<u>382</u>
		1,781
Total Assets Employed		10,388
Term Liabilities		
Deferred Tax	5	(171)
Current Liabilities		
Accounts Payable		1,001
General Provisions		362
Customer Discount Provision		<u>253</u>
		1,616
Total Liabilities		<u>1,445</u>
Net Assets Employed		<u>8,943</u>

Notes to the Financial Statements
For the Year Ending 31st March 1995

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

GENERAL ACCOUNTING POLICIES

The general accounting policies recognised as appropriate for the measurement and reporting of earning and financial position on an historical cost basis are followed. Accrual accounting is used to match expenses with revenues. Reliance is placed on the fact that the Company is a going concern. The accounts are prepared in accordance with the Companies Act 1955 and 1993 and the Financial Reporting Act 1993.

PARTICULAR ACCOUNTING POLICIES

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

Debtors

Debtors are stated at their estimated realisable value.

Fixed Assets

The Company has five classes of fixed assets:

- Freehold Land
- Freehold Buildings
- Motor Vehicles, Plant and Equipment
- Generation Plant

The cost value of assets transferred from the Waitomo Electric Power Board is the book value in the books of the Board as at 31st March 1993. All other assets are initially recorded at actual cost.

Statutory Base

The Company was incorporated under the Companies Act 1955 in accordance with the Energy Companies Act 1992. The assets of the Company were transferred from the Waitomo Electric Power Board in accordance with an Order in Council dated 7th May 1993. All assets were transferred at net book value as at 31st March 1993. Additional disclosures have also been made as required by the Energy Disclosure Information Regulations 1994.

Staff Leave and Gratuity Payments

Provision is made in respect of the Company's liability for annual leave and gratuity payments. At the balance date retiring gratuities have been accrued in respect of all employees with more than 10 years service with the Company and aged 45 years or over. Gratuity payment is paid on the retirement of an employee who has at the time of retirement been currently continuously employed by the Company for a period of at least 10 years.

Depreciation

Depreciation is provided on either a straight line or a diminishing value basis on all fixed assets other than freehold land, at rates calculated to allocate the assets' cost or valuation less estimated residual value, over their estimated useful life.

Major depreciation rates and methods:

Buildings and generation headworks	40-100 years	Straight Line
Generation plant	10%	Diminishing Value
Motor vehicles, plant & equipment	10% to 50%	Diminishing Value

Inventory

Stocks are stated at the lower of cost, determined on an average cost basis, or net realisable value.

Investments

Investments are stated at cost, less any share of post acquisition increases/decreases in net assets.

Taxation

The income tax charge to the Income Account include both the current year taxation and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to timing differences.

WAITOMO ENERGY SERVICES LIMITED

**Electricity & Other Business Activity
Statement of Financial Position
For Year Ending 31st March 1995**

NOTE 2: Taxation Expense	\$
Nominal Profit Before Taxation	1,240,216
Prima Facie Taxation @ 33%	410,000
Add/(Less) Effect of Permanent Tax Diff	11,000
Plus Prior Period Liability	<u>0</u>
Net Taxation Expense	421,000

NOTE 3: Customer Discount

Discount Declared	457,000
Less Taxation Effect	<u>151,000</u>
Net Customer Discount	<u>306,000</u>

NOTE 4: Fixed Assets	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Carrying Value</u>
	\$	\$	\$
Land	157,588	0	157,588
Buildings	935,866	25,983	909,883
MV Plant & Equipment	538,572	87,684	450,888
Generation	<u>2,860,926</u>	<u>180,285</u>	<u>2,680,641</u>
Total	<u>4,492,952</u>	<u>293,952</u>	<u>4,199,000</u>

NOTE 5: Deferred Taxation

Represented by the following timing differences:

	\$
Accruals & Provisions	<u>(170,873)</u>

NOTE 6: Contingent Liabilities

The Company has uncalled share capital of

\$	
25,000	Powerbuy Group Ltd
<u>90,000</u>	Task Consultancy Ltd
<u>115,000</u>	

NOTE 7: Financial Instruments**Fair Values**

The fair values of financial instruments are considered to be not materially different from the carrying values shown in the Financial Statements.

Credit Risk

The Company has no significant concentrations of credit risk.

Coopers
& Lybrand

Chartered accountants

telephone 0-9-358 4888
facsimile 0-9-309 5828

PO Box 48
DX 240
Coopers & Lybrand Tower
23-29 Albert Street
Auckland
New Zealand

Whangarei Auckland Manukau City
Hamilton Tauranga New Plymouth
Napier Hastings Palmerston North
Feilding Wellington Johnsonville
Christchurch Dunedin Invercargill

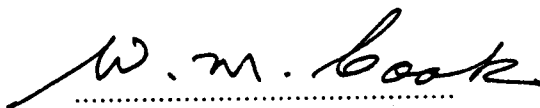
A Member Firm of
Coopers & Lybrand International

The Directors
Waitomo Energy Services Limited
P O Box 281
TE KUITI 2500

**CERTIFICATION BY AUDITOR IN RELATION TO
ODV VALUATION OF WAITOMO ENERGY SERVICES'
LINES BUSINESS**

I have examined the valuation report prepared by Coopers & Lybrand and dated 18 July 1995, which report contains valuations as at 1 April, 1994.

I hereby certify that, having made all reasonable enquiry, to the best of my knowledge, the valuations contained in the report have been made in accordance with the ODV Handbook.



WILLIAM MURRAY COOK

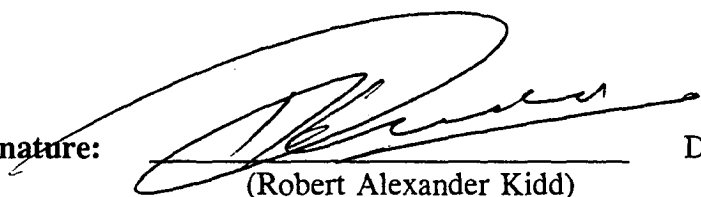
31 JULY 1995

**Certification of Financial Statement, Performance Measures, and Statistics
Disclosed by Line Owners Other than Trans Power**

WE, **Robert Alexander Kidd** and **William Henry Thompson**, Directors of **Waitomo Energy Services Limited**, certify that, having made all reasonable enquiry, to the best of our knowledge, -

- (a) The attached audited financial statements of **Waitomo Energy Services Limited**, prepared for the purposes of Regulation 6 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 **Waitomo Energy Services Limited**, and having been prepared for the purposes of Regulations 13, 14, 15 and 16 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 1st April 1994.

Signature:  Director
(Robert Alexander Kidd)

Signature:  Director
(William Henry Thompson)

Date: 3rd August 1995



Peat Marwick

Chartered Accountants

Waitomo Energy Services Ltd

Certification of Performance Measures by Auditors

I 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 that Schedule,

and having been prepared by Waitomo Energy Services Limited and dated 31 March 1995 for the purposes of Regulation 13 of those regulations.

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

A handwritten signature in cursive script, written over a horizontal line. The signature is partially enclosed by a circular mark on the left side.

KPMG/Peat Marwick

3 August 1995



Peat Marwick

Chartered Accountants

Waitomo Energy Services Ltd

Certification by Auditor in Relation to Financial Statements

I have examined the attached financial statements prepared by Waitomo Energy Services Limited and dated 31 March 1995 for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

I hereby certify that, having made all reasonable enquiry, to the best of my 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.

A handwritten signature in black ink, appearing to be 'M. Jones', written over a horizontal line.

KPMG Peat Marwick

3 August 1995



