

# New Zealand Gazette

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## POWER COMPANIES

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

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**CENTRAL ELECTRIC  
LIMITED**

**CENTRAL ELECTRIC LIMITED****CERTIFICATION TO FINANCIAL STATEMENTS  
PERFORMANCE MEASURES, AND STATISTICS DISCLOSED  
BY CENTRAL ELECTRIC LIMITED****PURSUANT TO REGULATION 26 OF THE ELECTRICITY  
(INFORMATION DISCLOSURE) REGULATIONS 1994**

We, Maxwell Robert Naylor and David Snelling Hill, Directors of Central Electric Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:


- a. The attached audited financial statements of Central 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 Central 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 measurements are based are as at 31 March 1995.



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M R Naylor



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D S Hill

31 July 1995



Peat Marwick

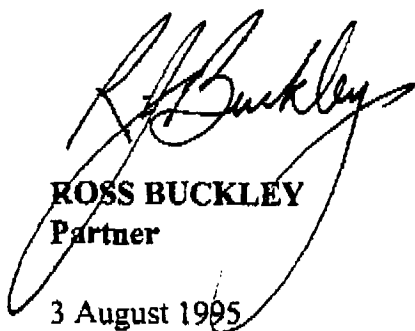
Chartered Accountants

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

**CENTRAL ELECTRIC LIMITED**

I have examined the valuation report prepared by KPMG Peat Marwick and dated 2 August 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 ODV valuations contained in the report have been made in accordance with the ODV Handbook.

A handwritten signature in black ink, appearing to read 'Ross Buckley'. The signature is written in a cursive style and is positioned above the printed name and title.

**ROSS BUCKLEY**  
Partner

3 August 1995



Audit New Zealand

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

I have examined the attached financial statements prepared by Central Electric Limited and dated 31 July 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 read 'P F McLean', written in a cursive style.

P F McLean  
Audit New Zealand  
on behalf of the Controller and Auditor-General  
31 July 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 Central Electric Limited and dated 31 July 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.



P F McLean  
Audit New Zealand  
on behalf of the Controller and Auditor-General  
31 July 1995  
Dunedin, New Zealand

# CENTRAL ELECTRIC LIMITED

## LINE BUSINESS STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 1995

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### GENERAL ACCOUNTING POLICIES

The general policies adopted in the preparation of these financial statements are:

- Unless otherwise stated, the measurement base adopted is historical cost.
- Reliance has been placed on the assumption that the Line Business is a going concern.
- Revenues earned are matched with expenses incurred using accrual accounting.

### 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.

These financial statements relate to the Line Business of Central Electric Limited and incorporate the conveyance of electricity, ownership of works for the conveyance of electricity and the supply of line function services.

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

### SPECIFIC ACCOUNTING POLICIES

#### Revenue

The revenue shown in the Profit and Loss Account includes the line component of power sales, capital contributions, interest and miscellaneous and sundry income.

All revenue is directly attributable to the Line Business except capital contributions and interest which are allocated on the basis of the relative net asset values.

**Expenditure**

The expenditure shown in the Profit and Loss Account is derived as follows:

- National Grid Transmission charges, operating costs, interest and depreciation are directly attributable to the Line Business.
- Overheads relating to Corporate Services are allocated on the basis of the relative net asset values.
- Overheads relating to Engineering Services are allocated on the basis of the relative book values of the Line Business' fixed assets.

**Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. The Company follows the liability method, partial basis, of accounting for deferred taxation.

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

The taxation charge has been allocated on the basis of the Line Business' contribution to the Company's net profit before taxation.

**Accounts Receivable**

Accounts receivable are valued at net realisable value.

Accounts receivable shown in the Balance Sheet are those which are directly attributable to the Line Business.

**Stock**

Stock is valued at cost determined by the last purchase price.

The stock shown in the Balance Sheet is that which is directly attributable to the Line Business.

**Other Current Assets**

The other current assets shown in the Balance Sheet comprise cash and other current assets. These have been allocated on the basis of the relative working capital levels and an equal share basis respectively.

**Current Liabilities**

The current liabilities shown in the Balance Sheet include those which are directly attributable to the Line Business and an allocation of Corporate Services and Engineering Services current liabilities. These have been allocated on an equal share to each activity basis and on the relative net book values of fixed assets respectively.

**Investments**

Investments are recorded at cost.

The investments shown in the Balance Sheet are those which are directly attributable to the Line Business and an allocation based on the relative reserve fund levels.

### **Fixed Assets and Depreciation**

Distribution and substation assets in place prior to 1 April 1987 have been valued in accordance with Inland Revenue Department guidelines prior to that date and subsequently depreciated. All other assets are valued at cost less accumulated depreciation. Depreciation has been charged at the following rates:

	%	
Globo distribution system	5.0	S.L.
Transmission lines and cables	5.0	DV
Distribution lines and cables	5.0	DV
Substation - transformers, switch gear etc	7.5	DV
Substation - other	10.0	DV
Distribution transformers	7.5	DV
Public lighting	7.5	DV
Meters	10.0	DV
Motor Vehicles	20.0	DV
Plant	10.0	DV
Furniture and Fittings	20.0	DV
Office and computer equipment	20.0	DV

Fixed assets shown in the Balance Sheet include those which are directly attributable to the Line Business and an allocation of Corporate Services and Engineering Services fixed assets. The allocation of the fixed assets is based on:

- For Corporate Services, the assets have been allocated on an equal share basis between each activity;
- For Engineering Services, the assets have been allocated on the basis of the relative net book values.

### **Term Liabilities**

The term liabilities shown in the Balance Sheet are those which are directly attributable to the Line Business.

## CENTRAL ELECTRIC LIMITED

## LINE BUSINESS UNIT

## Statement of Financial Performance for the Year ended 31 March 1995

	\$	\$
<b>Income</b>		10,527,959
<b>Less Expenditure:</b>		
National Grid Transmission Charges	2,730,910	
Operating Costs	2,634,663	
Overheads	2,040,087	
		<u>7,405,660</u>
<b>Earnings before Depreciation, Interest and Taxation</b>		<b>3,122,299</b>
<b>Less:</b>		
Depreciation	1,182,522	
Interest	28,495	
		<u>1,211,017</u>
<b>Net Profit before Tax</b>		<b>1,911,282</b>
Less Taxation		<u>596,022</u>
<b>Net Profit after Tax</b>		<b>1,315,260</b>
Less Dividend		<u>23,759</u>
<b>Transferred to Retained Earnings</b>		<b><u>\$1,291,501</u></b>

**CENTRAL ELECTRIC LIMITED****LINE BUSINESS UNIT  
Statement of Financial Position as at 31 March 1995**

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	\$
<b>Shareholders Funds</b>	
Issues and paid up Capital	18,741,812
Share Premium Reserve	1,332,446
Retained Earnings	<u>2,542,218</u>
<b>Total Shareholders funds</b>	<u><u>22,616,476</u></u>
 <b>Represented by:</b>	
Current Assets	3,238,701
<b>Less: Current Liabilities</b>	<u>1,505,316</u>
<b>Working Capital</b>	<b>1,733,385</b>
Investments	1,604,730
Fixed Assets	<u>19,402,261</u>
<b>Total Assets</b>	<b>22,740,376</b>
<b>Less: Term Liabilities</b>	<u>123,900</u>
<b>Net Assets</b>	<u><u>\$22,616,476</u></u>

**LINE BUSINESS NOTES TO THE ACCOUNTS****1. Current Assets**

	\$
Debtors - less provision for doubtful debts	1,312,060
Stock	1,735,538
Cash at Bank	132,734
Other Current Assets	58,369
	<u>58,369</u>
	<u><b>\$3,238,701</b></u>

**2. Current Liabilities**

	\$
Creditors	946,398
Provision for holiday pay	166,220
Provision for staff entitlements	392,698
	<u>392,698</u>
	<u><b>\$1,505,316</b></u>

**3. Fixed Assets**

	Cost	Accum Deprec	Net Book Value
Reticulation	21,375,505	6,950,280	14,425,225
Motor Vehicles	1,562,577	889,644	672,933
Plant	3,924	1,663	2,261
Furniture and Fittings	8,804	6,572	2,232
Computer Equipment	20,100	10,076	10,024
Capital Work in Progress	2,609,459	-	2,609,459
Allocation of Corporate Service Assets	1,710,079	345,912	1,364,167
Allocation of Engineering Services Assets	619,163	303,203	315,960
	<u>27,909,611</u>	<u>8,507,350</u>	<u>19,402,261</u>

# CENTRAL ELECTRIC LIMITED

## FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES

### PURSUANT TO REGULATION 13 AND PART II OF THE FIRST SCHEDULE OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

#### FINANCIAL MEASURES

- |    |  |             |
|----|--|-------------|
| 1. | <b>Accounting Return on Total Assets</b><br>i.e. Earnings before interest and tax as a percentage of average total funds employed  | <b>3.6%</b> |
| 2. | <b>Accounting Return on Equity</b><br>i.e. Net profit after tax as a percentage of average total shareholders' funds   | <b>2.4%</b> |
| 3. | <b>Accounting Rate of Profit</b><br>i.e. According to the following formula<br>Earnings before interest less (Cash tax less Interest tax shield plus revaluations) as a percentage of average total funds less 50% of revaluations | <b>2.4%</b> |

The financial measures have been calculated after making the following adjustments to the figures contained in the attached accounts of the Lines Business in order to comply with the requirement to use ODV as the basis for the Fixed Asset Valuation:

Fixed Assets increased by	\$32,133,171
Shareholders' Funds increased by	\$32,133,171

#### EFFICIENCY PERFORMANCE MEASURES

- |    |   |                   |
|----|---|-------------------|
| 1. | <b>Direct Line Costs per Kilometre</b><br>i.e. Direct expenditure divided by system length (in kilometres)  | <b>\$1,334.07</b> |
|    | \$2,730,910 of Transpower charges have been excluded from this calculation                                  |                   |
| 2. | <b>Indirect Line Costs per Electricity Customer</b><br>i.e. Indirect expenditure divided by total customers | <b>\$118.06</b>   |

# CENTRAL ELECTRIC LIMITED

## ENERGY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS

### PURSUANT TO REGULATION 15 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

#### 1. ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES

a.	<b>Load Factor</b>	<b>59.1%</b>
	Percentage of electrical energy entering the transmission system over maximum demand times hours per year	
b.	<b>Loss Ratio</b>	<b>10.01%</b>
	Transmission losses over energy entering the system	
c.	<b>Capacity utilisation</b>	<b>33.3%</b>
	Maximum demand over transformer capacity	

#### 2. STATISTICS

##### a. b. c. System Length Analysed by Voltage (Kilometres)

Voltage	Overhead	Underground	Total
400V	202.21	154.91	357.12
6.6kV	29.26	0.00	29.26
11kV	1,201.53	43.33	1,244.86
33kV	413.46	2.38	415.84
	1,846.46	200.62	2,047.08

d.	Transformer Capacity	156,660
e.	Maximum Demand	52,170 kw
f.	kwh	269,768,169
g.	To unrelated parties	Nil
h.	Customers	17,280

# CENTRAL ELECTRIC LIMITED

## RELIABILITY PERFORMANCE MEASURES

### PURSUANT TO REGULATION 16 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

#### REG 16 - PART IV

#### Reliability Performance Measures

##### Sect 1

Total Number of Interruptions 313

##### Interruptions by Class

Class	
A	0
B	161
C	149
D	3
E	0
F	0
G	0

##### Sect 2

Total Faults 149  
 Line Length 1617.25  
 Faults per 9.21  
 100km

##### Sect 3

##### Underground Cables

Nominal Voltage	# Faults	Average Length (km)	Faults per 100km
33kV	0	2.38	0.00
11kV	9	43.33	20.77
6.6kV	0	0	0.00
<b>TOTAL</b>	<b>9</b>	<b>45.71</b>	<b>19.69</b>

##### Sect 4

##### Overhead Lines

Nominal Voltage	# Faults	Average Length (km)	Faults per 100km
33kV	11	413.46	2.66
11kV	121	1201.53	10.07
6.6kV	8	29.26	27.34
<b>TOTAL</b>	<b>140</b>	<b>1644.25</b>	<b>8.51</b>

##### Sect 5

##### SAIDI

##### Total Interruptions (all Classes)

Cust-Mins 4936447  
 Customers 17280  
**SAIDI** **285.67**

**Sect 6 SAIDI**

## Interruptions by Class

		Cust-Mins	SAIDI
A	0	0	0.00
B	161	1405904	81.36
C	149	3165420	183.18
D	3	365123	21.13
E	0	0	0.00
F	0	0	0.00
G	0	0	0.00

**Sect 7 SAIFI Total Interruptions (all Classes)**

Cust-Intrrpt	116247
Customers	17280
SAIFI	6.73

**Sect 8 SAIFI**

## interruptions by Class

		Cust-Intrrpt	SAIFI
A	0	0	0.00
B	161	21774	1.26
C	149	80263	4.64
D	3	14210	0.82
E	0	0	0.00
F	0	0	0.00
G	0	0	0.00

**Sect 9 CAIDI Total interruptions (all Classes)**

Cust-Mins	4936447
Cust-Intrrpt	116247
CAIDI	42.47

**Sect 10 CAIDI**

## Interruptions by Class

		Cust-Mins	Cust-Intrrpt	CAIDI
A	0	0	0	0.00
B	161	1405904	21774	64.57
C	149	3165420	80263	39.44
C	3	365123	14210	25.69
E	0	0	0	0.00
F	0	0	0	0.00
G	0	0	0	0.00

# CENTRAL ELECTRIC LIMITED

## ENERGY BUSINESS STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 1995

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### GENERAL ACCOUNTING POLICIES

The general policies adopted in the preparation of these financial statements are:

- Unless otherwise stated, the measurement base adopted is historical cost.
- Reliance has been placed on the assumption that the Line Business is a going concern.
- Revenues earned are matched with expenses incurred using accrual accounting.

### 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.

These financial statements relate to the Energy Business of Central Electric Limited and incorporate the retailing of electricity, the retailing of electrical appliances and the maintenance and installation of electrical appliances, fittings and associated equipment.

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

### SPECIFIC ACCOUNTING POLICIES

#### Revenue

The revenue shown in the Profit and Loss Account includes the electricity unit consumption component of power sales, electrical appliance sales (including the maintenance and installation thereon), capital contributions, interest and miscellaneous and sundry income.

All revenue is directly attributable to the Energy Business except capital contributions and interest which are allocated on the basis of the relative net asset values.

**Expenditure**

The expenditure shown in the Profit and Loss Account is derived as follows:

- Electricity purchases, operating costs, depreciation and the cost of electrical appliance goods sold are directly attributable to the Generation Business.
- Overheads relating to Corporate Services are allocated on the basis of the relative net asset values.
- Overheads relating to Engineering Services are allocated on the basis of the relative book values of the Energy Business' fixed assets.

**Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. The Company follows the liability method, partial basis, of accounting for deferred taxation.

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

The taxation charge has been allocated on the basis of the Energy Business' contribution to the Company's net profit before taxation.

**Accounts Receivable**

Accounts receivable are valued at net realisable value.

Accounts receivable shown in the Balance Sheet are those which are directly attributable to the Line Business.

**Stock**

Stock is valued at the lower of cost and net realisable value. In determining cost, weighted average cost has been used.

The stock shown in the Balance Sheet is that which is directly attributable to the Energy Business.

**Other Current Assets**

The other current assets shown in the Balance Sheet comprise cash and other current assets. These have been allocated on the basis of the relative working capital levels and an equal share basis respectively.

**Current Liabilities**

The current liabilities shown in the Balance Sheet include those which are directly attributable to the Energy Business and an allocation of Corporate Services and Engineering Services current liabilities. These have been allocated on an equal share to each activity basis and on the relative net book values of fixed assets respectively.

**Investments**

Investments are recorded at cost.

The investments shown in the Balance Sheet are those which are directly attributable to the Energy Business and an allocation based on the relative reserve fund levels.

**Fixed Assets and Depreciation**

Fixed assets are valued at cost less accumulated depreciation. Depreciation has been charged at the following rates:

	%	
Motor Vehicles	20.0	DV
Plant	10.0	DV
Furniture and Fittings	20.0	DV
Office and computer equipment	20.0	DV

Fixed assets shown in the Balance Sheet include those which are directly attributable to the Energy Business and an allocation of Corporate Services and Engineering Services fixed assets. The allocation of the fixed assets is based on:

- For Corporate Services, the assets have been allocated on an equal share basis between each activity;
- For Engineering Services, the assets have been allocated on the basis of the relative net book values.

**Term Liabilities**

The term liabilities shown in the Balance Sheet are those which are directly attributable to the Energy Business.

## CENTRAL ELECTRIC LIMITED

## ENERGY BUSINESS UNIT

## Statement of Financial Performance for the Year ended 31 March 1995

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	\$	\$
<b>Income</b>		17,131,200
<b>Less Expenditure:</b>		
Cost of Power Purchases	8,108,275	
cost of Goods Sold	5,343,988	
Operating Costs	2,929,852	
Overheads	405,738	
	<u>                    </u>	<u>16,787,853</u>
<b>Earnings before Depreciation, Interest and Taxation</b>		<b>343,347</b>
<b>Less:</b>		
Depreciation		<u>56,928</u>
<b>Net Profit before Tax</b>		<b>286,419</b>
Less Taxation		<u>89,318</u>
<b>Net Profit after Tax</b>		<b>197,101</b>
Less Dividend		<u>3,591</u>
<b>Transferred to Retained Earnings</b>		<u><u>\$193,510</u></u>

**CENTRAL ELECTRIC LIMITED****ENERGY BUSINESS UNIT****Statement of Financial Position as at 31 March 1995**

---

	\$
<b>Shareholders Funds</b>	
Issued and paid up Capital	5,850,099
Share Premium Reserve	415,912
Retained Earnings	<u>793,532</u>
<b>Total Shareholders funds</b>	<u><u>7,059,543</u></u>
<b>Represented by:</b>	
Current Assets	5,151,183
<b>Less: Current Liabilities</b>	<u>2,244,868</u>
<b>Working Capital</b>	<b>2,906,315</b>
Investments	1,030,904
Fixed Assets	<u>3,122,324</u>
<b>Total Assets</b>	<u><u>7,059,543</u></u>
<b>Net Assets</b>	<u><u>\$7,059,543</u></u>

**ENERGY BUSINESS NOTES TO THE ACCOUNTS****1. Current Assets**

	\$
Debtors - less provision for doubtful debts	2,712,361
Stock	2,226,698
Cash at Bank	95,387
Other Current Assets	116,737
	<u>116,737</u>
	<u><b>\$5,151,183</b></u>

**2. Current Liabilities**

	\$
Creditors	1,505,400
Sundry	66,521
Provision for Discount	74,100
Provision for Holiday Pay	203,109
Provision for Staff Entitlements	395,738
	<u>395,738</u>
	<u><b>\$2,244,868</b></u>

**3. Fixed Assets**

	Cost	Accum Deprec	Net Book Value
Reticulation	73,165	23,790	49,375
Motor Vehicles	618,001	351,855	266,146
Plant	17,858	7,567	10,291
Furniture and Fittings	11,254	8,401	2,853
Office Equipment	3,288	2,225	1,063
Computer Equipment	16,972	8,508	8,464
Capital Work in Progress	54,751		54,751
Allocation of Corporate Services Assets	3,420,157	691,824	2,728,333
Allocation of Engineering Services Assets	2,054	1,006	1,048
	<u>3,420,157</u>	<u>691,824</u>	<u>2,728,333</u>
	<u><b>\$4,217,500</b></u>	<u><b>\$1,095,176</b></u>	<u><b>\$3,122,324</b></u>

# CENTRAL ELECTRIC LIMITED

## GENERATION BUSINESS STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 1995

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### GENERAL ACCOUNTING POLICIES

The general policies adopted in the preparation of these financial statements are:

- Unless otherwise stated, the measurement base adopted is historical cost.
- Reliance has been placed on the assumption that the Line Business is a going concern.
- Revenues earned are matched with expenses incurred using accrual accounting.

### 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.

These financial statements relate to the generation business of Central Electric Limited and incorporate the generation of electricity, by Central Electric Limited, where the capacity is greater than 10MW.

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

### SPECIFIC ACCOUNTING POLICIES

#### Revenue

The revenue shown in the Profit and Loss Account includes power sales of internally generated electricity, capital contributions, interest and miscellaneous and sundry income.

All revenue is directly attributable to the Generation Business except capital contributions and interest which are allocated on the basis of the relative net asset values.

**Expenditure**

The expenditure shown in the Profit and Loss Account is derived as follows:

- Operating costs, interest and depreciation are directly attributable to the Generation Business.
- Overheads relating to Corporate Services are allocated on the basis of the relative and asset values.
- Overheads relating to Engineering Services are allocated on the basis of the relative book values of the Generation Business' fixed assets.

**Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. The Company follows the liability method, partial basis, of accounting for deferred taxation.

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

The taxation charge has been allocated on the basis of the Generation Business' contribution to the Company's net profit before taxation.

**Stock**

Stock is valued at cost determined by the last purchase price.

The stock shown in the Balance Sheet is that which is directly attributable to the Generation Business.

**Other Current Assets**

The other current assets shown in the Balance Sheet comprise cash and other current assets. These have been allocated on the basis of the relative working capital levels and an equal share basis respectively.

**Current Liabilities**

The current liabilities shown in the Balance Sheet include those which are directly attributable to the Generation Business and an allocation of Corporate Services and Engineering Services current liabilities. These have been allocated on an equal share to each activity basis and on the relative net book values of fixed assets respectively.

**Investments**

Investments are recorded at cost.

The investments shown in the Balance Sheet are those which are directly attributable to the Generation Business and an allocation based on the relative reserve fund levels.

**Fixed Assets and Depreciation**

Fixed assets have been valued at cost less accumulated depreciation. Depreciation has been charged at the following rates:

	%	
Dams and associated headworks	1.0	SL
Plant	10.0	DV
Transmission lines	5.0	DV

Investigation work on new hydro electric schemes has been capitalised.

Fixed assets shown in the Balance Sheet include those which are directly attributable to the Generation Business and an allocation of Corporate Services and Engineering Services fixed assets. The allocation of the fixed assets is based on:

- For Corporate Services, the assets have been allocated on an equal share basis between each activity;
- For Engineering Services, the assets have been allocated on the basis of the relative net book values.

**Term Liabilities**

The term liabilities shown in the Balance Sheet are those which are directly attributable to the Generation Business.

**CENTRAL ELECTRIC LIMITED****GENERATION BUSINESS UNIT****Statement of Financial Performance for the Year ended 31 March 1995**

	\$	\$
<b>Income</b>		<b>4,142,493</b>
<b>Less Expenditure:</b>		
Operating Costs	942,655	
Overheads	1,208,310	
	<u>2,150,965</u>	<u>2,150,965</u>
<b>Earnings before Depreciation, Interest and Taxation</b>		<b>1,991,528</b>
<b>Less:</b>		
Depreciation	282,834	
Interest	341,711	
	<u>624,545</u>	<u>624,545</u>
<b>Net Profit before Tax</b>		<b>1,366,983</b>
Less Taxation		<u>426,285</u>
<b>Net Profit after Tax</b>		<b>940,698</b>
Less Dividend		<u>16,978</u>
<b>Transferred to Retained Earnings</b>		<b><u><u>\$923,720</u></u></b>

**CENTRAL ELECTRIC LIMITED****GENERATION BUSINESS UNIT  
Statement of Financial Position as at 31 March 1995**

---

	\$
<b>Shareholders Funds</b>	
Issued and paid up Capital	10,408,089
Share Premium Reserve	739,962
Retained Earnings	<u>1,411,796</u>
<b>Total Shareholders funds</b>	<u><u>12,559,847</u></u>
 <b>Represented by:</b>	
Current Assets	101,316
<b>Less: Current Liabilities</b>	<u>458,094</u>
<b>Working Capital Deficit</b>	<b>(356,778)</b>
Investments	3,451,850
Fixed Assets	<u>12,464,775</u>
<b>Total Assets</b>	<b>15,598,847</b>
<b>Less: Term Liabilities</b>	<u>3,000,000</u>
<b>Net Assets</b>	<u><u>\$12,559,847</u></u>

**GENERATION BUSINESS NOTES TO THE ACCOUNTS****1. Current Assets**

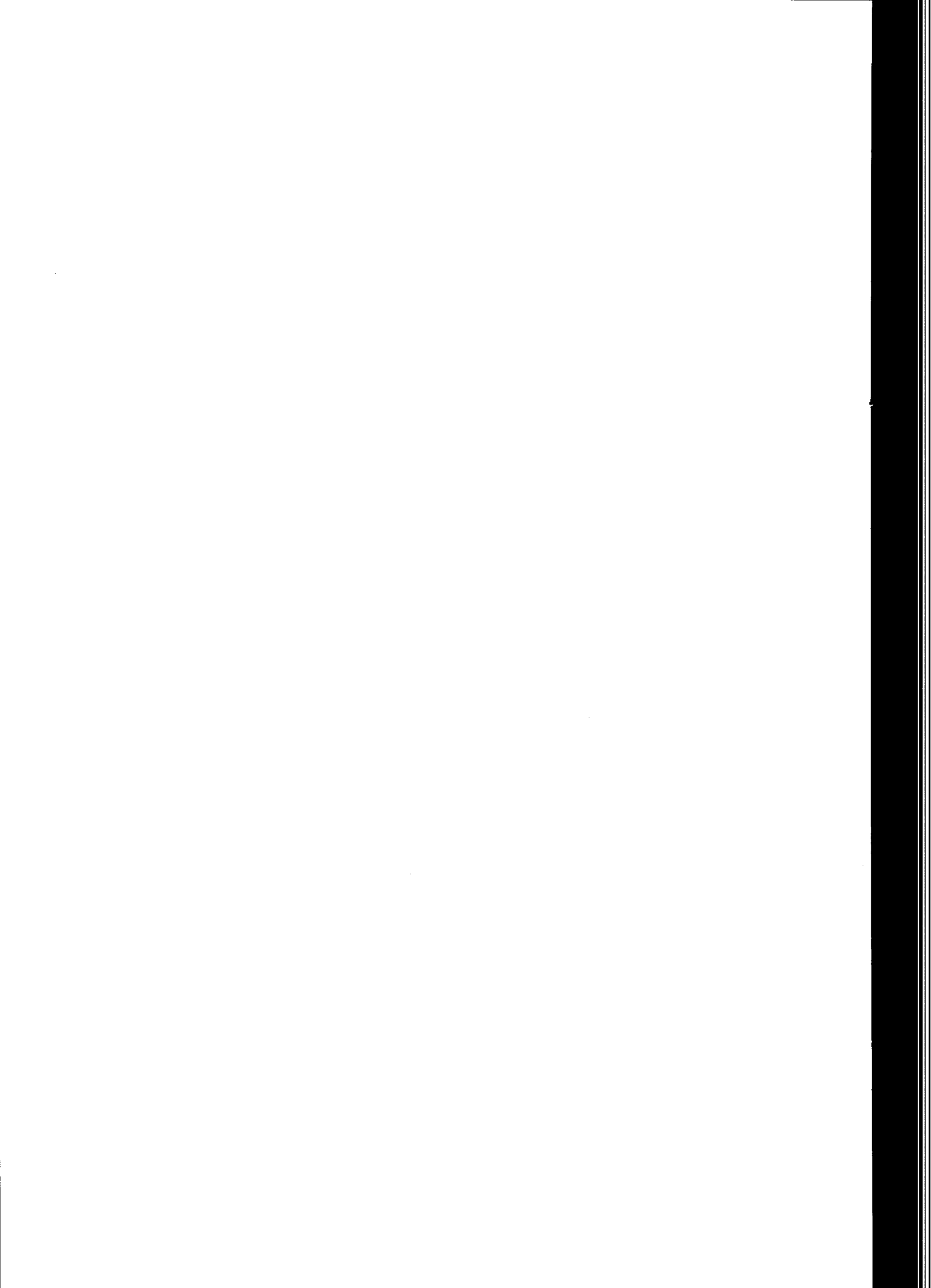
	\$
Stock	17,636
Cash at Bank	25,311
Other Current Assets	58,369
	<hr/>
	<b>\$101,316</b>
	<hr/> <hr/>

**2. Current Liabilities**

	\$
Creditors	192,662
Provision for holiday pay	82,743
Provision for staff entitlements	182,689
	<hr/>
	<b>\$458,094</b>
	<hr/> <hr/>

**3. Fixed Assets**

	Cost	Accum Deprec	Net Book Value
Generation	12,714,436	3,247,425	9,467,011
Plant	8,399	3,559	4,840
Hydro investigation	205,564	-	205,564
Capital Works in Progress	1,216,222	-	1,216,222
Allocation of Corporate Services Assets	1,710,077	345,911	1,364,166
Allocation of Engineering Services Assets	405,587	198,615	206,972
	<hr/>	<hr/>	<hr/>
	<b>\$16,260,285</b>	<b>\$3,795,510</b>	<b>\$12,464,775</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**HAWKE'S BAY POWER  
DISTRIBUTION LIMITED**

**HAWKE'S BAY POWER**

PO Box 555, Hastings

Telephone (06) 878-7119 Fax (06) 876-3009



**HAWKE'S BAY POWER DISTRIBUTION LTD  
1995 INFORMATION DISCLOSURE (GAZETTED)**

	<b>REGULATION</b>
Certification by Directors of Financial Statements, Performance Measures and Statistics	26(2)
Certification by Auditor in Relation to Financial Statements	25(2)
Financial Statements	6(2) and (3)
Certification by Auditor of Performance Measures	25(3)
Financial Performance and Efficiency Performance	13, 14 and First Schedule, Part II
Certification by Auditor in Relation to ODV Valuation	25(4)
Energy Delivery Efficiency Performance	15 and First Schedule, Part III
Reliability Performance	16 and First Schedule, Part IV

**HAWKE'S BAY POWER**

PO Box 555, Hastings

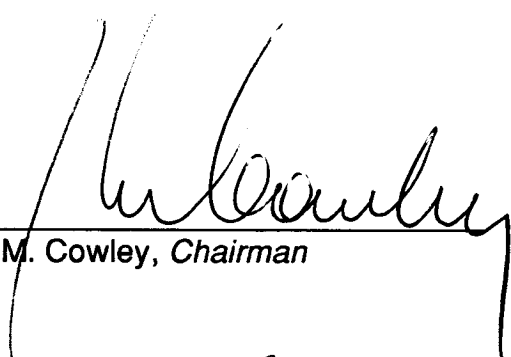
Telephone (06) 878-7119 Fax (06) 876-3009

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

We, Graham Mitchell Cowley and Alan Vernon Berry, directors of Hawke's Bay Power Distribution Ltd certify that, having made all reasonable enquiry, to the best of our knowledge -

- a) The attached audited financial statements of Hawke's Bay Power Distribution 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, efficiency performance measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Hawke's Bay Power Distribution Ltd, 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.

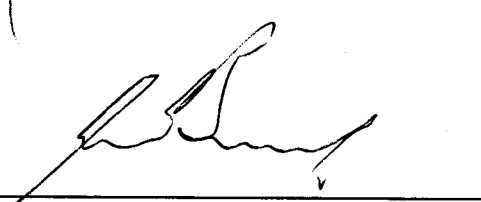
The valuations on which those financial performance measures are based are as at 31 March, 1994.



---

G.M. Cowley, *Chairman*

15 August, 1995



---

A.V. Berry, *Director*

15 August, 1995



Audit New Zealand

### REPORT OF THE AUDIT OFFICE

We have examined the attached financial statements prepared by Hawkes Bay Power Distribution Limited - Lines Business, and Hawkes Bay Power Distribution Ltd - Other Businesses 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 'G. H. Reedy', written in a cursive style.

George H Reedy  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
10 August 1995  
Napier, New Zealand

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**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**

# **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1995**

**IMPORTANT NOTE**

The information disclosed in these financial statements has been prepared solely for the purposes of the Electricity (Information Disclosure) Regulations 1994.

The Regulations require the information to be disclosed in the manner it is presented.

The information should not be used for any other purpose than that intended under the Regulations.

---

**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**
**PROFIT & LOSS STATEMENT**

FOR THE YEAR ENDED 31 MARCH 1995

	Notes	Lines Business \$000	Other Businesses \$000
<b>REVENUE</b>			
Energy		-	36,603
Distribution		13,750	-
Transmission		12,395	-
Other		3,977	5,552
Interest		153	311
		<hr/>	<hr/>
		30,275	42,466
		<hr/>	<hr/>
<b>EXPENSES</b>			
Energy		-	35,799
Transmission		12,785	-
Operations		14,717	5,755
Depreciation		4,747	52
		<hr/>	<hr/>
		32,249	41,606
		<hr/>	<hr/>
<b>NET INCOME (LOSS) BEFORE INTEREST &amp; TAX</b>		(1,974)	860
LESS: Interest Expense		(835)	-
		<hr/>	<hr/>
<b>NET PROFIT (LOSS) BEFORE TAXATION</b>	4	(2,809)	860
Taxation Expense (Benefit)	3	(793)	283
		<hr/>	<hr/>
<b>NET PROFIT (LOSS) AFTER TAXATION</b>		(2,016)	577
Retained Earnings at beginning of period		(616)	745
PLUS: Capital Gain on Sale of Assets		-	-
		<hr/>	<hr/>
<b>RETAINED EARNINGS AT END OF PERIOD</b>		(2,632)	1,322
		<hr/>	<hr/>

The accompanying Statement of Accounting Policies and Notes form part of and are to be read in conjunction with these Financial Statements. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

---

**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**
**BALANCE SHEET**

AS AT 31 MARCH 1995

	Notes	Lines Business \$000	Other Businesses \$000
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital		58,000	6,000
Share Premium Reserve		2,661	-
Retained Earnings		(2,632)	1,322
		<hr/>	<hr/>
		58,029	7,322
		<hr/>	<hr/>
Represented by:			
<b>FIXED ASSETS</b>	5	62,247	208
		<hr/>	<hr/>
<b>OTHER LONG TERM ASSETS</b>			
Future Taxation Benefits	3	563	-
		<hr/>	<hr/>
<b>INVESTMENTS</b>			
Other Investments		8	-
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Cash		1,770	4,600
Receivables and Prepayments	6	3,428	5,167
Inventories		1,870	987
Work in Progress		155	3
Taxation Refund Due		-	105
		<hr/>	<hr/>
		7,223	10,862
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		70,041	11,070
		<hr/>	<hr/>

The accompanying Statement of Accounting Policies and Notes form part of and are to be read in conjunction with these Financial Statements. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

---

**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**
**BALANCE SHEET**

AS AT 31 MARCH 1995

	Notes	Lines Business \$000	Other Businesses \$000
<b>LONG TERM LIABILITIES</b>	7	6,100	-
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accruals		2,740	3,742
Taxation Payable		122	-
Current Portion of Term Liabilities		3,050	-
Future Income Tax Liabilities		-	6
		<hr/>	<hr/>
		5,912	3,748
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		12,012	3,748
		<hr/>	<hr/>
<b>NET ASSETS EMPLOYED</b>		58,029	7,322
		<hr/>	<hr/>

The accompanying Statement of Accounting Policies and Notes form part of and are to be read in conjunction with these Financial Statements. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1995****1 ACCOUNTING ENTITY**

These financial statements have been derived from the consolidated financial statements of Hawke's Bay Power Distribution Limited and Subsidiary as required by Regulation 6(5) of the Electricity (Information Disclosure) Regulations 1994. The statements reflect the financial performance and financial position of the "lines business" and "other businesses" as defined and required by the Regulations for the year ended 31 March 1995.

These financial statements have been prepared in accordance with the Electricity Disclosure Guidelines as issued by the Ministry of Commerce dated 23 June 1994 and are presented solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994. They have not been prepared for the purpose of the Financial Reporting Act 1993, or the Energy Companies Act 1992.

**2 STATEMENT OF ACCOUNTING POLICIES****Measurement System**

The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the Company.

**Particular Accounting Policies**

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

a) **Other Investments**  
Other investments are stated at cost.

b) **Fixed Assets**  
All fixed assets are initially recorded at cost.

Fixed assets are depreciated on the following basis:

Distribution System	
~ Pre 31 March, 1987	4% of cost price
~ Post 1 April, 1987	5 - 10% diminishing value
Buildings	1% of cost price
Motor Vehicles	20% diminishing value
Plant and Equipment	10 - 20% diminishing value

All assets purchased and/or constructed since 16 December, 1991 have been depreciated at the above rates increased by 25%.

c) **Receivables**  
Receivables are stated at their estimated realisable value.

d) **Inventories**  
Inventories are stated at the lower of average cost and net realisable value.

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**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 1995 *(Continued)*

- e) **Work in Progress**  
Work in progress includes the cost of materials and other direct and indirect costs incurred as at balance date.
- f) **Recognition of Income**  
Sales of electricity are determined on the basis of actual and interim amounts billed during the year, together with an accrual for unbilled sales as at balance date.
- g) **Income Tax**  
The income tax expense (benefit) charged against the profit (loss) for the year is the estimated liability (benefit) in respect of that profit (loss) and is calculated after allowance for permanent differences.

The Company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the current period. All policies have been applied on a consistent basis.

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**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 1995 *(Continued)*
**3 INCOME TAX**

	Lines Business \$000	Other Businesses \$000
<b>a) Taxation</b>		
Profit (Loss) before Taxation	(2,809)	860
	<u>          </u>	<u>          </u>
Prima Facie Taxation @ 33%	(926)	283
PLUS: Permanent differences	133	-
	<u>          </u>	<u>          </u>
Taxation Expense (Benefit)	(793)	283
PLUS (LESS): Timing Differences		
Depreciation	47	-
Capitalised Overheads	(59)	-
Other Items	(6)	(4)
	<u>          </u>	<u>          </u>
Current Year Charge (Tax Loss carried forward)	(811)	279
	<u>          </u>	<u>          </u>
Taxation Payable (Refund) brought forward	122	(105)
LESS: Taxation Paid	-	-
PLUS: Payment for Intra Group Tax Offset	-	279
	<u>          </u>	<u>          </u>
<b>Taxation Payable</b>	<b>122</b>	<b>(105)</b>
	<u>          </u>	<u>          </u>
<b>b) Taxation Expense (Benefit) is represented by:</b>		
Current Taxation Payable (Tax loss)	(811)	279
Deferred Taxation Benefit	18	4
	<u>          </u>	<u>          </u>
	(793)	283
	<u>          </u>	<u>          </u>
<b>c) Movement in Future Income Tax Benefits (Liabilities)</b>		
Opening Balance	49	(2)
LESS: Net Movement in Timing Differences	(18)	(4)
PLUS: Tax Loss Carried Forward	811	-
LESS: Payment for Intra Group Tax Offset	(279)	-
	<u>          </u>	<u>          </u>
	563	(6)
	<u>          </u>	<u>          </u>

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**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 1995 *(Continued)*

The subsequent realisation of this income tax benefit is subject to the requirements of the Income Tax Legislation being met.

	<b>Lines Business \$000</b>	<b>Other Businesses \$000</b>	
d) Imputation Credit Account			
Opening Balance	-	345	
Tax Paid	-	-	
	<hr/>	<hr/>	
Closing Balance	-	345	
	<hr/>	<hr/>	
<b>4 NET PROFIT BEFORE TAXATION</b>			
After charging:			
Audit Fees and Expenses	22	11	
Directors Fees and Expenses	87	-	
Loss on Sale of Assets	45	-	
After crediting Interest Revenue:			
Cash Management	153	311	
Recovery of Debt previously written off as bad	14	13	
<b>5 FIXED ASSETS</b>			
	<b>At Cost</b>	<b>Accumulated</b>	<b>Net Carrying</b>
	<b>\$000</b>	<b>Depreciation</b>	<b>Value</b>
		<b>\$000</b>	<b>\$000</b>
<b>Lines Business</b>			
Distribution System	84,422	35,652	48,770
Land	943	-	943
Buildings	9,601	1,084	8,517
Vehicles, Plant & Equipment	10,638	6,788	3,850
Capital Work in Progress	167	-	167
	<hr/>	<hr/>	<hr/>
	105,771	43,524	62,247
	<hr/>	<hr/>	<hr/>
<b>Other Businesses</b>			
Vehicles, Plant and Equipment	348	140	208
	<hr/>	<hr/>	<hr/>

The Optimised Deprival Valuation for the Distribution System assets owned by Hawke's Bay Power Distribution Limited as at 31 March, 1994 independently carried out in accordance with the Electricity (Information Disclosure) Regulations and accompanying handbook and guidelines is \$98,850,000.

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**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 1995 *(Continued)*
**6 RECEIVABLES**

	Lines Business \$000	Other Businesses \$000
Trade Debtors	3,434	5,259
Provision for Doubtful Debtors	(60)	(92)
	<hr/>	<hr/>
	3,374	5,167
Prepayments	54	-
	<hr/>	<hr/>
	3,428	5,167
	<hr/>	<hr/>

**7 LONG TERM LIABILITIES**

	Lines Business \$000	
Due for Repayment		
1995/1996	-	Secured
1996	5,000	Unsecured
1997/98	100	Secured
2003	1,000	Unsecured
	<hr/>	
	6,100	

Interest rates on loans range from 6.0% to 10.5%.

**8 COMMITMENTS & CONTINGENT LIABILITIES**

There were no significant contracted commitments nor any contingent liabilities existing at balance date.



Audit New Zealand

### REPORT OF THE AUDIT OFFICE

We have examined the attached information.

- 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 that Schedule,

and having been prepared by Hawkes Bay Power Distribution 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.

George H Reedy  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
10 August 1995  
Napier, New Zealand

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**HAWKE'S BAY POWER DISTRIBUTION LIMITED****ELECTRICITY (INFORMATION DISCLOSURE)  
REGULATIONS 1994****PART II****Regulation 13**

- ~ Disclosure by line owners of financial and efficiency performance measures.

**Financial Measures**

- |                                     |       |
|-------------------------------------|-------|
| ~ Accounting Return on Total Assets | 1.07% |
| ~ Accounting Return on Equity       | 1.11% |
| ~ Accounting Rate of Profit         | 0.83% |

**Efficiency Measures**

- |  |            |
|--|------------|
| ~ Direct line cost per kilometer               | \$2,243.02 |
| ~ Indirect line costs per electricity customer | \$71.68    |

Coopers  
& Lybrand

chartered accountants

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

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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

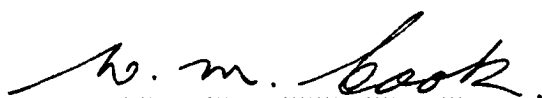
A Member Firm of  
Coopers & Lybrand International

The Directors  
Hawkes Bay Power Limited  
P O Box 555  
HASTINGS 4215

**CERTIFICATION BY AUDITOR IN RELATION TO  
ODV VALUATION OF HAWKES BAY POWER'S  
LINES BUSINESS**

I have examined the valuation report prepared by Worley Consultants Limited and dated 23 June, 1995, which supersedes their report dated 2 May 1995 which has been withdrawn. The report contains valuations as at 31 March, 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

28 JUNE 1995

## ELECTRICITY (Information Disclosure) REGULATIONS 1994

### PART III - Energy Delivery Efficiency Performance Measures and Statistics

#### 1. Energy Delivery Efficiency Performance Measures

- a) Load Factor = 58.29%
- b) Loss Ratio = 5.22%
- c) Capacity Utilisation = 29.02%

#### 2. Statistics

- a) System length - 3532km
- b) Overhead 2619km Total
  - 33kV 227 km
  - 11kV 1756 km
  - LV 636 km
- c) Underground 913km Total
  - 33kV 17 km
  - 11kV 303 km
  - LV 593 km
- d) Transformer capacity = 495,850kVA
- e) Maximum Demand = 143,916kW
- f) Total electricity supplied from system 696,245,703kWh
- g) NIL
- h) Customers 53931

### PART IV Reliability Performance Measures

	Unplanned (Class C)	Planned (Class B)
1) Total Interruptions	287	400
33kV Overhead	12	0
33kV Underground	0	0
11kV Overhead	234	343
11kV Underground	41	57
2) Total Faults per 100km of line = 8.13		
3) Faults per 100km of Underground Line = 4.5		
33kV =	0	
11kV =	13.5	
4) Faults per 100km of Overhead Line = 8.93		
33kV =	5.29	
11kV =	13.32	

**SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)**

5)	Total Interruptions	172min/per year
6)	i) Unplanned Interruption (Class B)	122.4min/per year
	ii) Planned Interruptions (Class C)	49.6min/per year

**SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)**

7)	Total Interruptions	3.08 per year
8)	i) Unplanned Interruptions (Class B)	2.55 per year
	ii) Planned Interruptions (Class C)	0.53 per year

**CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)**

9)	Total Interruptions	55.8min/int
10)	i) Unplanned Interruptions Class C	48 min/int
	ii) Planned Interruptions Class B	93.6min/int

# **SOUTHPOWER LIMITED**

# SOUTHPOWER LIMITED

The following public disclosures are made by Southpower Limited ("*Southpower*") in accordance with the Electricity (Information Disclosure) Regulations 1994.

The disclosures cover the period from 1 April 1994 to 31 March 1995.

## Regulation 6 - Financial Statement disclosure by line owners

### PROFIT AND LOSS STATEMENT

Year ended 31 March 1995

	Line Business \$000's	Other Electricity Businesses \$000's
Sales of line services/energy	104,320	109,623
Revenue profit/(loss) on sale of fixed assets	-	55
Capital profit on sale of fixed assets	36	332
Other revenue	5,614	52,369
	<hr/> 109,970	<hr/> 162,379
Purchases of transmission/energy	35,914	107,262
Depreciation	9,322	3,097
Other expenses	37,107	45,736
	<hr/> 82,343	<hr/> 156,095
Earnings from operations	27,627	6,284
Interest revenue	686	5
Interest expense - MCN's	(6,101)	-
Interest expense - other	(21)	-
	<hr/> (5,436)	<hr/> 5
<b>NET PROFIT BEFORE TAX</b>	<b>22,191</b>	<b>6,289</b>
Taxation	9,517	2,526
<b>NET PROFIT AFTER TAX</b>	<b><u>12,674</u></b>	<b><u>3,763</u></b>

**BALANCE SHEET**

As at 31 March 1995

	Notes	Line Business \$000's	Other Electricity Businesses \$000's
<b>ASSETS</b>			
<b>Current Assets</b>			
Bank and short term deposits		1,909	3
Accounts receivable		8,412	18,829
Accounts receivable - internal		10	3,748
Inventories		637	6,532
		<u>10,968</u>	<u>29,112</u>
<b>Non-Current Assets</b>			
Other long-term investments		60	-
Fixed assets	(1)	<u>301,695</u>	<u>28,101</u>
		301,755	28,101
<b>TOTAL ASSETS</b>		<u><b>312,723</b></u>	<u><b>57,213</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accruals		10,001	16,286
Accounts payable - internal		3,748	10
Income tax		1,670	443
Debt due within one year		259	-
Provision for dividend		3,478	1,033
		<u>19,156</u>	<u>17,772</u>
<b>SHAREHOLDERS' EQUITY</b>			
Mandatory Convertible Notes	(2)	76,000	-
Ordinary shares	(2)	57,427	22,573
Share premium reserve	(2)	28,713	11,287
Retained earnings	(2)	14,199	5,581
Revaluation reserve	(2)	117,228	-
		<u>293,567</u>	<u>39,441</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>312,723</b></u>	<u><b>57,213</b></u>

## Statement of Accounting Policies

### Reporting Entity

Southpower Limited is a company registered under the Companies Act 1955.

### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of profit and loss and the balance sheet on an historical cost basis are followed, with the exception that certain fixed assets have been revalued.

### 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 ("*Regulations*"). As this is the first year that the Regulations have been in effect, no comparative information has been prepared.

Allocations of costs, revenues, assets and liabilities have been made in accordance with the avoided cost principle.

This approach defines the line business as Southpower's core business, and makes an assessment of the costs, revenues, assets and liabilities that would be avoided by the line business if all non-core business were to cease operation. The costs, revenues, assets and liabilities that would be avoided are allocated to those non-core business. Costs, revenues, assets and liabilities that would not be avoided are allocated to the line business.

A description of this process is also contained within Southpower's publicly-available "*Disclosure of Methodologies for Allocation of Costs, Revenues, Assets and Liabilities*", as required by Regulation 19.

### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the profit and loss and the balance sheet are applied:

(a) Electricity and line services sales

Sales recognise actual amounts billed during the financial year, together with an adjustment for the value of unread meters, both at the beginning and end of the financial year.

(b) Capital contributions

Capital contributions which are refundable to customers are treated as current liabilities until refunded. Non-refundable contributions are credited to income when received.

## (c) Depreciation

Depreciation has been provided on fixed assets using the straight line method at rates which amortise the cost or valuation, less estimated residual value, over their economic lives.

The main bases are periods not exceeding:

Distribution System:	
Electricity distribution system	40 years
Meters and load control equipment	15 years
Buildings	50 years
Cars and vans	5 years
Trucks	7 years
Plant and equipment	10 years
Computer equipment and software	3 years

## (d) 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 those costs. Deferred development costs are amortised over future periods in relation to expected future revenue.

## (e) Distinction between capital and revenue expenditure

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

Constructed assets are included in fixed assets as each becomes operational and available for use.

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

## (f) Current assets

Accounts receivable are valued at their expected realisable value. All known bad debts are written off during the financial year. Hire purchase debtors exclude unearned interest (calculated using the "Rule of 78" method).

Stocks are valued at the lower of cost (FIFO or weighted average) and net realisable value, with additional allowances for obsolescence where necessary.

Chargeable work in progress includes direct materials and labour and an allocation of overheads that directly relate to the contract.

(g) Fixed assets

All fixed assets are initially recorded at cost.

Southpower's fixed assets were acquired from the Southpower Joint Venture based on independent valuations performed for the Joint Venture as at 31 March 1993.

The Company's distribution system is revalued on a cyclic basis at least once every three years to net current value, using discounted cash flows, which are not in excess of recoverable value.

Land and buildings are revalued on a systematic basis to their net current market value at least once every three years.

(h) Income tax

The income tax expense charged to the Profit and Loss Statement includes both the current year expense and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting is applied on a partial basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

(i) Internal sales

Due to the separation of the other electricity businesses from the line business, internal sales have been reported as actual sales and purchases, instead of being eliminated.

### **Changes in Accounting Policies**

There have been no changes in accounting policies as this is the first year that they have been prepared for this purpose.

### **Notes to the Accounts**

Both the Profit and Loss Statement and Balance Sheet are reconcilable to Southpower's published Annual Report after adjusting for the revenues, costs, assets and liabilities attributable to the business units that are not covered by the disclosure requirements of these Regulations.

## 1. Fixed assets

	<b>Line Business \$000's</b>	<b>Other Electricity Businesses \$000's</b>
Cost/revalued	311,572	33,368
Less accumulated depreciation	<u>9,877</u>	<u>5,267</u>
<b>Net book value at 31 March 1995</b>	<b><u>301,695</u></b>	<b><u>28,101</u></b>

## 2. Shareholders' equity

The mandatory convertible notes have been assigned to the line business, as the line business assets were the primary assets acquired on corporatisation.

The revaluation reserve relates to a revaluation performed on line business assets, and so has been assigned to the line business.

Following these steps, ordinary shares, the share premium reserve and retained earnings have been allocated pro rata amongst the business units.

**Regulation 13 - Disclosure by line owners of financial and efficiency performance measures**

- |    |     |   |      |
|----|-----|---|------|
| 1. | (a) | Accounting return on total assets, being earnings before interest and tax, divided by average total funds employed: | 8.6% |
|    | (b) | Accounting return on equity, being net profit after tax, divided by average total ordinary shareholder funds:       | 5.7% |
|    | (c) | Accounting rate of profit:  | 6.8% |

Note: As the line business's opening balance sheet has not previously been determined, the returns calculated in (a), (b) and (c) above are based on the line business's closing balance sheet positions only, adjusted for the ODV valuation.

- |    |     |   |          |
|----|-----|---|----------|
| 2. | (a) | Direct line costs per kilometre:              | \$985.55 |
|    | (b) | Indirect line costs per electricity customer: | \$140.65 |

Where applicable, the above information has been calculated in accordance with Regulation 14.

Note that no information from previous years is included, as required by Regulation 13 (3), since Southpower was not required to publish such information previously in the Gazette.

## Regulation 15 - Disclosure by line owners of energy delivery efficiency performance measures and statistics

1. (a) Load factor 53.5%
- (b) Loss ratio 4.7%
- (c) Capacity utilisation 36.1%

2. (a) Sum of overhead and underground line circuit lengths:

Description	Average (km)
66kV	115
33kV	322
11kV	4,672
230/400V	2,668
230V Outside Lighting	1,712
Communications	959
Totals	10,448

- (b) Overhead line circuit lengths:

Description	Average (km)
66kV	57
33kV	310
11kV	2,949
230/400V	1,537
230V Outside Lighting	1,001
Totals	5,854

- (c) Underground line (cable) circuit lengths:

Description	Average (km)
66kV	58
33kV	12
11kV	1,723
230/400V	1,131
230V Outside Lighting	711
Communications	959
Totals	4,594

- |     |   |                   |
|-----|---|-------------------|
| (d) | Transformer capacity:   | 1,497,615 kVA     |
| (e) | Maximum demand:   | 540,532 kW        |
| (f) | Total electricity supplied from the system:                               | 2,416,028,145 kWh |
| (g) | Total electricity delivered for independent retailers:                    | 9,857,580 kWh     |
| (h) | Total number of customers (ie: currently occupied metered installations): |                   |

Average for the year	150,437
----------------------	---------

Note that no information from previous years is included, as required by regulation 15 (2), since Southpower was not required to publish such information previously in the Gazette.

## Regulation 16 - Disclosure by line owners (other than Trans Power) of reliability performance measures

1. Total number of interruptions:

Network or Generation Owner	Disclosure Regulation Class	Classification of Interruptions	Number of Interruptions
Southpower	B	Planned Shutdowns	467
	C	Unplanned Cuts	725
Trans Power	A	Planned Shutdowns	11
	D	Unplanned Cuts	8
<b>TOTAL</b>			1,211

Disclosure Regulation classes E, F and G do not apply to Southpower, and consequently results are all zero.

2. Total number of faults per 100 circuit-km of prescribed voltage electric line:

Line or Cable Voltage	Number of Faults per 100km
All	13.7

3. Total number of faults per 100 circuit-km of underground prescribed voltage electric line:

Cable Voltage	Number of Faults per 100km
66kV	0.0
33kV	8.1
11kV	3.1
All	3.0

4. Total number of faults per 100 circuit-km of overhead prescribed voltage electric line:

Line Voltage	Number of Faults per 100km
66kV	1.8
33kV	7.4
11kV	21.0
All	19.4

## 5-10. SAIDI, SAIFI and CAIDI by interruption class and in total:

Network or Generation Owner	Disclosure Regulation Class	Classification of Interruptions	SAIDI	SAIFI	CAIDI
			(Minutes per Connected-Customer)	(Interruptions per Connected Customer)	(Minutes per Customer Interrupted)
Southpower	B	Planned Shutdowns	28.2	0.148	190.5
	C	Unplanned Cuts	73.5	1.255	58.6
		Subtotal	101.7	1.403	72.5
Trans Power	A	Planned Shutdowns	0.2	0.006	25.6
	D	Unplanned Cuts	1.6	0.054	29.9
		Subtotal	1.8	0.061	29.5
<b>TOTAL</b>			<b>103.5</b>	<b>1.464</b>	<b>70.7</b>

Disclosure Regulation classes E, F and G do not apply to Southpower, and consequently results are all zero.

Note that these are Southpower's overall reliability performance indices. Refer to Southpower's 1994/95 Annual Report for the results by urban and rural areas.

Note that no information from previous years is included, as required by Regulation 16 (3), since Southpower was not required to publish such information previously in the Gazette.

**Regulation 20 - Disclosure of information relating to transactions between persons in a prescribed business relationship**

During the year ended 31 March 1995, goods and services were provided to Southpower's line business by other business units which are in a prescribed business relationship as defined by the regulations. These goods and services have been provided on a commercial arms length basis at a total cost to the line owner of \$27,427,311.

Southpower's line business provided goods and services to other business units which are in a prescribed business relationship as defined by the regulations. These goods and services have been provided on a commercial arms length basis and the total income recovered by the line owner for these goods and services was \$114,947.

**Regulation 25 (2) - Certification by Auditor in Relation to Financial Statements**

I have examined the attached financial statements prepared by Southpower Limited and dated 15 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.

J L Palmer  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
15 August 1995

**Regulation 25 (3) - 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 Southpower Limited and dated 15 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) Regulations 1994.

J L Palmer  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
15 August 1995

**Regulation 26 (2) - Certification of Financial Statements, Performance Measures and statistics disclosed by line owners other than Trans Power**

We, Kerry G Nolan and Christopher S Laurie, directors of Southpower Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) the attached audited financial statements of Southpower 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 Southpower 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.

K G Nolan

C S Laurie

15 August 1995

# WAITAKI POWER LIMITED

# WAITAKI POWER LTD

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 1995

	NETWORK	OTHER	TOTAL
<b>INCOME</b>			
Sales Revenue	6,257,701	10,255,187	16,512,888
Investment		281,965	281,965
Other	294,568	120,552	415,120
	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	<b>\$ 6,552,269</b>	<b>\$ 10,657,704</b>	<b>\$ 17,209,973</b>
<b>EXPENSES</b>			
Expenses	5,715,599	10,094,434	15,810,033
Consumer Discount	720,636	485,152	1,205,788
	<hr/>	<hr/>	<hr/>
<b>OPERATING PROFIT BEFORE TAX</b>	<b>\$ 116,034</b>	<b>\$ 78,118</b>	<b>\$ 194,152</b>
	<hr/>	<hr/>	<hr/>
Tax	13,359	8,993	22,352
	<hr/>	<hr/>	<hr/>
<b>OPERATING PROFIT</b>	<b>\$ 102,675</b>	<b>\$ 69,125</b>	<b>\$ 171,800</b>
	<hr/>	<hr/>	<hr/>
Retained Earnings at Beginning of Year	84,594	57,233	141,827
	<hr/>	<hr/>	<hr/>
<b>RETAINED EARNINGS AT THE END OF YEAR</b>	<b>\$ 187,269</b>	<b>\$ 126,358</b>	<b>\$ 313,627</b>
	<hr/>	<hr/>	<hr/>

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 1995**

	NETWORK	OTHER	TOTAL
<b>SHAREHOLDERS FUNDS</b>			
Issued Capital - (Fully Paid)	7,368,870	6,631,130	14,000,000
Share Premium	300,608	270,511	571,119
Retained Earnings	187,269	126,358	313,627
	<hr/>	<hr/>	<hr/>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>\$ 7,856,747</b>	<b>\$ 7,027,999</b>	<b>\$ 14,884,746</b>
	<hr/>	<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Cash on hand		740	740
Cash at bank	489,586	3,185,414	3,675,000
Accounts Receivable	267,766	957,411	1,225,177
Work in Progress		82,112	82,112
GST		38,796	38,796
Stocks			
- Appliance Sales & Servicing		433,334	433,334
- General		786,627	786,627
Prepayments		43,072	43,072
Taxation Refund		63,326	63,326
	<hr/>	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 757,352</b>	<b>\$ 5,590,832</b>	<b>\$ 6,348,184</b>
	<hr/>	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft		61,291	61,291
Accounts Payable	222,414	1,189,163	1,411,577
Provision Holiday Pay		255,906	255,906
GST	28,095	36,529	64,624
Unearned Income - Hire Purchase		1,022	1,022
Consumer Deposits	4,217	4,633	8,850
	<hr/>	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 254,726</b>	<b>\$ 1,548,544</b>	<b>\$ 1,803,270</b>
	<hr/>	<hr/>	<hr/>
Working Capital	502,626	4,042,288	4,544,914
Investments		143,289	143,289
Fixed Assets	7,354,121	3,476,142	10,830,263
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 7,856,747</b>	<b>\$ 7,661,719</b>	<b>\$ 15,518,466</b>
	<hr/>	<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax		133,720	133,720
Term Liabilities		500,000	500,000
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>\$ 7,856,747</b>	<b>\$ 7,027,999</b>	<b>\$ 14,884,746</b>
	<hr/>	<hr/>	<hr/>

**STATEMENT OF ACCOUNTING POLICIES****1. REPORTING ENTITY**

- 1.1 Waitaki Power Limited is an unlisted Company registered under the Companies Act 1955. Waitaki Power Limited is a reporting entity for the purpose of the Financial Reporting Act 1993.

**2. SPECIAL PURPOSE FINANCIAL STATEMENTS**

- 2.1 These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994.
- 2.2 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.

**3. GENERAL ACCOUNTING POLICIES**

- 3.1 The measurement base adopted is that of historical cost.
- 3.2 Accrual accounting is used to match expenses and revenues.
- 3.3 Reliance is placed on the fact that the Company is a going concern.
- 3.4 The financial statements have been prepared on the basis that all revenue, costs, assets and liabilities have been directly attributed to the appropriate business activity.

**4. PARTICULAR ACCOUNTING POLICIES**

- 4.1 Sundry Debtors are shown at actual value recorded in the debtors ledger less a provision for doubtful debts.
- 4.2 Inventories are valued on the basis of weighted average cost except for serial numbered stock which is valued at cost.
- 4.3 Distribution and Substation assets in place prior to 1 April 1987 and Motor Vehicles, Plant and Equipment purchases prior to 1 April 1987 have been valued in accordance with Inland Revenue Department guidelines prior to that date and subsequently depreciated in accordance with the following rates. All other assets are valued at cost less accumulated depreciation as follows:

Globo Distribution System	5.0 % SL
Globo Substation Transformers etc	7.5 % DV
Globo Substation Load Control Equipment	10.0 % DV
Distribution System	5.0 % DV
Substation Transformers etc	7.5% DV
Substation Load Control Equipment	10.0 % DV
Distribution Transformers	7.5 % DV
Meter	10.0 % DV
Buildings - tax rate as per construction	
Furniture/Fittings	20.0 % DV
Office Equipment	20.0 % DV
Plant/Machinery	10.0 % DV
Motor Vehicles	20.0 % DV
Computer - purchased after 1 July 1993	40.0 % DV
Software - purchased after 1 July 1993	40.0 % DV

- 4.4 These accounts are exclusive of GST except for Debtors & Creditors.
- 4.5 Income tax expense has been calculated using the Liability method. The partial basis of accounting for deferred tax has been adopted.
- 4.6 Investments are stated at cost.

**NOTE 1 : SALES - FOR THE YEAR ENDED 31 MARCH 1995**

	NETWORK	OTHER	TOTAL
Energy		7,502,090	7,502,090
Network	6,257,701		6,257,701
Contracts		1,365,402	1,365,402
Retail		1,387,695	1,387,695
	<hr/>	<hr/>	<hr/>
	\$ 6,257,701	\$ 10,255,187	\$ 16,512,888
	<hr/>	<hr/>	<hr/>

**NOTE 2 : INVESTMENT INCOME - FOR THE YEAR ENDED 31 MARCH 1995**

	NETWORK	OTHER	TOTAL
Short Term Investment		265,804	265,804
Staff Mortgages		12,439	12,439
Use of Money Interest		3,722	3,722
	<hr/>	<hr/>	<hr/>
		\$ 281,965	\$ 281,965
	<hr/>	<hr/>	<hr/>

**NOTE 3 : OTHER INCOME - FOR THE YEAR ENDED 31 MARCH 1995**

	NETWORK	OTHER	TOTAL
Bad Debts		4,223	4,223
Discounts Disallowed	47,978	60,920	108,898
Transfer Fees		38,416	38,416
Scrap		6,650	6,650
Capital Contributions	246,159		246,159
Other	431	10,343	10,774
	<hr/>	<hr/>	<hr/>
	\$ 294,568	\$ 120,552	\$ 415,120
	<hr/>	<hr/>	<hr/>

**NOTE 4 : EXPENSES - FOR THE YEAR ENDED 31 MARCH 1995**

	NETWORK	OTHER	TOTAL
Included within expenses are :			
Electricity Purchases		6,906,720	6,906,720
Trans Power Charges	2,349,400		2,349,400
Directors Fees		74,726	74,726
Bad Debts	6,078	14,870	20,948
Audit		25,000	25,000
Interest		45,156	45,156
Depreciation	531,982	269,568	801,550
Loss on Sale of Assets	1,288	4,755	6,043

**NOTE 5 : FIXED ASSETS**

	NETWORK	OTHER	TOTAL
<b>DISTRIBUTION</b>	10,765,388		10,765,388
Less Accumulated Depreciation	-3,565,508		-3,565,508
	<hr/>	<hr/>	<hr/>
	\$ 7,199,880		\$ 7,199,880
	<hr/>	<hr/>	<hr/>
<b>LAND</b>	16,041	73,310	89,351
<b>BUILDINGS</b>	88,881	2,575,990	2,664,871
Less Accumulated Depreciation	-17,115	-489,603	-506,718
	<hr/>	<hr/>	<hr/>
	\$ 87,807	\$ 2,159,697	\$ 2,247,504
	<hr/>	<hr/>	<hr/>
<b>PLANT &amp; EQUIPMENT</b>	123,249	1,338,586	1,461,835
Less Accumulated Depreciation	-56,815	-576,293	-633,108
	<hr/>	<hr/>	<hr/>
	\$ 66,434	\$ 762,293	\$ 828,727
	<hr/>	<hr/>	<hr/>
<b>MOTOR VEHICLES</b>		1,141,113	1,141,113
Less Accumulated Depreciation		-586,961	-586,961
	<hr/>	<hr/>	<hr/>
		\$ 554,152	\$ 554,152
	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	\$ 7,354,121	\$ 3,476,142	\$10,830,263
	<hr/>	<hr/>	<hr/>

**FINANCIAL PERFORMANCE MEASURES**

(a)	Accounting return on total assets	1.52%
(b)	Accounting return on equity	1.08%
(c)	Accounting rate of profit	1.72%

**EFFICIENCY PERFORMANCE MEASURES**

(a)	Direct lines costs per kilometre	\$960.18
(b)	Indirect line costs per customer	\$89.71

**ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES**

(a)	Load Factor	65%
(b)	Loss Ratio	5.82%
(c)	Capacity Utilisation	27.51%

**STATISTICS**

(a)	System length		1858.841 km
	Total length of	33kV	138.004 km
		11kV	1505.282 km
		LT	215.555 km
(b)	Total circuit length overhead		1814.153 km
	Total overhead length of	33kV	137.856 km
		11kV	1488.443 km
		LT	187.854 km
(c)	Total circuit length underground		44.681 km
	Total cable length of	33kV	0.148 km
		11kV	16.839 km
		LT	27.701 km
(d)	Transformer capacity		108 672 kVA
	Transformer capacit	11kV/415V	108 647 kVA
		33kV/415V	25 kVA
(e)	Maximum demand		29 895 kilowatts
(f)	Total electricity supplied from the system		160 291 503 kilowatt hours

(g)	Total amount of electricity conveyed through the system during the financial year on behalf of other persons	Nil
(h)	Total customers	11 727

**RELIABILITY PERFORMANCE MEASURES**

CATEGORY OF CAUSE OF INTERRUPTION	NUMBER OF INTERRUPTIONS
0 Unknown	12
1 Planned Shutdown	57
2 Loss of Bulk Supply	0
3 Tree Contacts	7
4 Lightning	33
5 Defective Equipment	30
6 Adverse Weather	7
7 Adverse Environment	0
8 Human Element	0
9 Foreign Interference	28
<b>Total</b>	<b>174</b>

11kV Network Length (km)			
	Line	Cable	Total
	1488.443	16.839	1505.282
<b>Number of Faults</b>	113	3	116
<b>Number of Faults per 100km</b>	7.592	17.816	7.706

33kV Network Length (km)			
	Line	Cable	Total
	137.856	0.148	138.004
<b>Number of Faults</b>	1	0	1
<b>Number of Faults per 100km</b>	0.725	0	0.725

Total Network Length (km)	
	1643.286
<b>Number of Faults</b>	117
<b>Number of Faults per 100km</b>	7.120

Interruption Class	Interruption Duration (cust mins)	SAIDI (mins/cust)
1	860,500	73.566
2	0	0.000
3	40,384	3.453
4	49,111	4.199
5	159,690	13.652
6	77,740	6.646
7	0	0.000
8	0	0.000
9	222,038	18.982
0	81,990	7.009
<b>Total duration</b>	<b>1,491,453</b>	
<b>Total Customers</b>	<b>11,697</b>	
<b>Total SAIDI</b>	<b>127.507</b>	

Interruption Class	Affected Consumers	SAIFI (mins/cust)
1	6098	0.521
2	0	0.000
3	407	0.035
4	341	0.029
5	1573	0.134
6	470	0.040
7	0	0.000
8	0	0.000
9	1638	0.140
0	276	0.024
<b>Customers Affected</b>	<b>10803</b>	
<b>Total Customers</b>	<b>11,697</b>	
<b>Total SAIFI</b>	<b>0.924</b>	

Interruption Class	Interruption Duration (cust mins)	Customers Affected	CAIDI (mins/cust)
1	860,500	6098	141.112
2	0	0	0.000
3	40,384	407	99.224
4	49,111	341	144.021
5	159,690	1573	101.519
6	77,740	470	165.404
7	0	0	0.000
8	0	0	0.000
9	222,038	1638	135.554
0	81,990	276	297.065
<b>Total duration</b>	<b>1,491,453</b>		
<b>Cust. Affected</b>	<b>10,803</b>		
<b>Total Customers</b>	<b>11,697</b>		
<b>Total CAIDI</b>	<b>138.059</b>		

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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

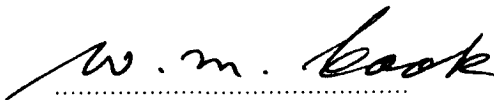
A Member Firm of  
Coopers & Lybrand International

The Directors  
Waitaki Power Limited  
P O Box 345  
WAITAKI 8915

**CERTIFICATION BY AUDITOR IN RELATION TO  
ODV VALUATION OF WAITAKI POWER'S DISTRIBUTION SYSTEM**

I have examined the valuation report prepared by Coopers & Lybrand and dated 31 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  
2 AUGUST 1995

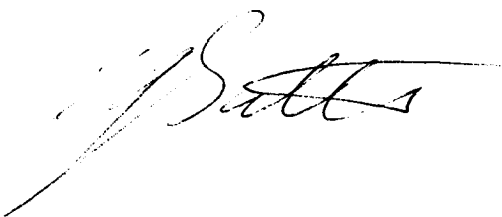
**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES  
AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER**

We, Ken Scott and Tony Brady, Directors of Waitaki Power Ltd certify that, having made all reasonable enquiry, to the best of our knowledge,-

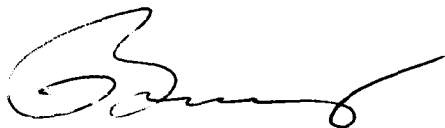
- (a) The attached audited financial statements of Waitaki Power Ltd, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Waitaki Power Ltd, 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 31/03/95.

K J Scott



A J Brady



3 August 1995



Audit New Zealand

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

I have examined the attached financial statements prepared by Waitaki Power Limited and dated 3 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.

A handwritten signature in black ink, appearing to read 'P F McLean', written in a cursive style with a large loop at the beginning.

P F McLean  
Audit New Zealand  
on behalf of the Controller and Auditor-General  
3 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 Waitaki Power Limited and dated 3 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) Regulations 1994.

P F McLean  
Audit New Zealand  
on behalf of the Controller and Auditor-General  
9 August 1995  
Dunedin, New Zealand

