



# New Zealand Gazette

OF THURSDAY, 14 SEPTEMBER 1995

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## POWER COMPANIES

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

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**Electricity (Information Disclosure) Exemption  
Notice (Capital Power Limited) 1995**

Pursuant to regulation 24 (7) of the Electricity (Information Disclosure) Regulations 1994, and acting under delegated authority from the Acting Secretary of Commerce, I hereby give the following notice:

**N o t i c e**

**1. Title and commencement**—(1) This notice may be cited as the Electricity (Information Disclosure) Exemption Notice (Capital Power Limited) 1995.

(2) This notice will take effect on the date of its publication in the *Gazette*.

**2. Capital Power Limited exempted**—Capital Power Limited is hereby exempted from all of the requirements of regulation 6 (5) of the Electricity (Information Disclosure) Regulations 1994.

Dated at Wellington this 30th day of August 1995.

MICHAEL RAYMOND LEAR, General Manager, Energy and Resources Division, Ministry of Commerce.

***Explanatory Note***

*This note is not part of the notice, but is intended to indicate its general effect.*

Capital Power Limited is exempted from the requirement relating to the disclosure of financial statements derived from consolidated accounts under the Electricity (Information Disclosure) Regulations 1994. Capital Power Limited and Citipower Limited have published separate accounts for relevant activities. The exemption does not effect any other requirements applying to Capital Power Limited under the regulations.

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# CAPITAL POWER LIMITED

**CAPITAL POWER LIMITED****Electricity (Information Disclosure) Regulations 1994****Line Business Statement of Financial Performance for the 12 months ended 31 March 1995**

	Notes	<i>Line Business</i> 31-Mar-95 \$('000)
<b>Operating Income</b>		
Sales of Line Services		52,877
<b>Cost of Transmission Services</b>		
Purchase of Transmission Capacity		<u>24,018</u>
Gross Profit		28,859
<b>Less Expenses</b>		
Operating Expenses		12,042
Interest on Loans	12	357
Depreciation		2,243
Audit fees		45
Directors & Management Fees	11	76
Rental & Operating Lease Costs		<u>0</u>
		14,763
<b>SURPLUS FROM LINE SERVICES</b>		<b>14,096</b>
<b>Other Income (Net)</b>		
Miscellaneous Income	13	0
Interest Income	14	<u>655</u>
Total Other Income		655
<b>NET PROFIT BEFORE TAXATION</b>		<b>14,751</b>
Taxation	15	5,030
<b>NET PROFIT AFTER TAXATION</b>		<u><b>9,721</b></u>
Opening Retained Earnings (1 April 1994)		15,793
<b>Less:</b>		
Transfer to/(from) General Reserve	4	0
Dividend		11,516
<b>Closing Retained Earnings</b>		<u><u><b>13,998</b></u></u>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.

**CAPITAL POWER LIMITED****Line Business Statement of Financial Position as at 31 March 1995**

	<i>Line Business</i>	
	Notes	31-Mar-95 \$('000)
<b>Corporate Ownership</b>		
Share Capital	3	38,206
Reserves	4	0
Retained Earnings		<u>13,998</u>
Total Corporate Ownership		<u>52,204</u>
<b>Non-Current Liabilities</b>		
Deferred Income Tax	15	<u>2,007</u>
Total Non-Current Liabilities		<u>2,007</u>
<b>Current Liabilities</b>		
Accounts Payable & Accruals	5	2,804
Provision For Dividend		<u>4,676</u>
Total Current Liabilities		<u>7,480</u>
<b>TOTAL CORPORATE OWNERSHIP AND LIABILITIES</b>		<u><u>61,691</u></u>
<b>Current Assets</b>		
Cash & Short Term Investments	6	7,428
Accounts Receivable	7	4,180
Stock & Work in Progress	8	1,789
Taxation Refund		<u>1,695</u>
Total Current Assets		<u>15,092</u>
<b>Investments</b>	9	0
<b>Fixed Assets</b>	10	46,599
<b>TOTAL ASSETS</b>		<u><u>61,691</u></u>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.

**CAPITAL POWER LIMITED****Electricity Retailing Statement of Financial Performance for the 12 months ended 31 March 1995**

		<i>Energy Business</i>
	Notes	31-Mar-95 \$('000)
<b>Operating Income</b>		
Sales of Electricity		52,048
<b>Cost of Electricity Sales</b>		
Purchase of Electricity		46,143
Less gains from unhedged position		1,952
		<u>44,191</u>
Gross Profit on Electricity Trading		7,857
<b>Less Expenses</b>		
Operating Expenses		1,830
Interest on Loans	12	164
Depreciation		746
Audit fees		44
Directors & Management Fees		77
Rental & Operating Lease Costs	11	362
		<u>3,223</u>
<b>SURPLUS FROM ELECTRICITY TRADING</b>		4,634
<b>Other Income (Net)</b>		
Miscellaneous Income	13	1,382
Interest Income	14	300
Total Other income		<u>1,682</u>
<b>NET PROFIT BEFORE TAXATION</b>		6,316
Taxation	15	1,217
<b>NET PROFIT AFTER TAXATION</b>		<u>5,099</u>
Opening Retained Earnings (1 April 1994)		(6,105)
<b>Less:</b>		
Transfer to/(from) General Reserve	4	1,308
Dividend		5,722
Closing Retained Earnings		<u><u>(8,036)</u></u>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.

**CAPITAL POWER LIMITED****Electricity Retailing Statement of Financial Position as at 31 March 1995**

		<i>Energy Business</i>
	Notes	31-Mar-95 \$('000)
<b>Corporate Ownership</b>		
Share Capital	3	18,794
Reserves	4	1,308
Retained Earnings		<u>(8,036)</u>
Total Corporate Ownership		12,066
<b>Non-Current Liabilities</b>		
Deferred Income Tax	15	<u>137</u>
Total Non-Current Liabilities		137
<b>Current Liabilities</b>		
Accounts Payable & Accruals	5	8,549
Provision For Dividend		<u>2,324</u>
Total Current Liabilities		10,873
<b>TOTAL CORPORATE OWNERSHIP AND LIABILITIES</b>		<u><u>23,076</u></u>
<b>Current Assets</b>		
Cash & Short Term Investments	6	4,258
Accounts Receivable	7	5,390
Stock & Work in Progress	8	162
Taxation Refund		<u>725</u>
Total Current Assets		10,535
<b>Investments</b>	9	1,000
<b>Fixed Assets</b>	10	11,541
<b>TOTAL ASSETS</b>		<u><u>23,076</u></u>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.

## CAPITAL POWER LIMITED

### *Notes to the Financial Statements for the 12 months ended 31 March 1995.*

#### 1. REPORTING ENTITY

Capital Power Limited is a company registered under the Companies Act 1993 and an energy company in terms of the Energy Companies Act 1992.

#### 2. STATEMENT OF ACCOUNTING POLICIES

##### GENERAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Regulation 6 of the Electricity (Information Disclosure) Regulations 1994. The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed.

##### PARTICULAR ACCOUNTING POLICIES

The following Particular Accounting Policies which significantly affect the measurement of financial performance and financial position have been applied.

##### (a) Income Recognition

Electricity sales represent customer usage during the financial period. An allowance has been made in the sales of electricity for unbilled sales (unread meters and unbilled line charges ) as at 31 March 1995.

##### (b) Fixed Assets

All fixed assets are initially recorded at cost. Fixed assets include direct costs attributable to their construction plus the cost of capitalised overheads.

Depreciation is provided on a straight line basis on all tangible fixed assets other than freehold land, at rates calculated to allocate the assets' cost over their estimated useful lives.

Major depreciation periods are:

Distribution Equipment	25 to 40 years
Freehold Buildings	50 years
Motor Vehicles, Plant and Equipment	3-5 years
Computer Hardware and Software	3-5 years

Contributions by developers towards fixed assets are recognised as revenue in the year received.

(c) Accounts receivable have been valued at expected net realisable value.

(d) Stocks and work in progress are valued at the lower of cost or net realisable value on a weighted average basis.

(e) Investments have been valued at cost.

##### (f) Income tax

The taxation charge for the year is the estimated liability in respect of any assessable income, after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. Capital Power Limited follows the liability method of accounting for deferred taxation. Future taxation benefits attributable to losses carried forward are recognised in the statements only where there is virtual certainty that the benefit of the losses will be utilised.

**CAPITAL POWER LIMITED****NOTES (continued)**

(g) Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the period in which they are incurred.

(h) Capital Power Limited is party to financial instrument arrangements as part of its everyday operations, which have recognised in these financial reports. These financial instruments include cash and bank, accounts receivable, short term investments, accounts payable and the capital note. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>
<b>3. SHARE CAPITAL</b>			
Authorised, issued and paid up capital of 50,000,000 ordinary shares of \$1.00 each	33,403	16,597	50,000
Capital Note	4,803	2,197	7,000
	<u>38,206</u>	<u>18,794</u>	<u>57,000</u>
<b>4. RESERVES</b>			
<b>Dry Weather Reserve</b>			
Opening Balance	0	0	0
Transfer from Retained Earnings	0	1,308	1,308
Closing Balance	<u>0</u>	<u>1,308</u>	<u>1,308</u>
The dry weather reserve is the after tax result of the spot market trading. This reserve will be used if the lake levels drop and the spot market price increases above the hedge price.			
<b>5. ACCOUNTS PAYABLE AND ACCRUALS</b>			
Consumer Deposits	0	1,501	1,501
Trade Creditors	2,804	7,048	9,852
	<u>2,804</u>	<u>8,549</u>	<u>11,353</u>
<b>6. CASH &amp; SHORT TERM DEPOSITS</b>			
Cash	350	- 166	516
Short Term Deposits	7,078	4,092	11,170
	<u>7,428</u>	<u>4,258</u>	<u>11,686</u>

## CAPITAL POWER LIMITED

### NOTES (continued)

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>
<b>7. ACCOUNTS RECEIVABLE</b>			
Trade Debtors	4,572	4,541	9,113
Other	84	1,373	1,457
	<u>4,656</u>	<u>5,914</u>	<u>10,570</u>
Less Provision for Doubtful Debts	476	524	1,000
	<u>4,180</u>	<u>5,390</u>	<u>9,570</u>
<b>8. STOCK</b>			
Trading Stock	0	141	141
Less Obsolescence Provision	0	0	0
	<u>0</u>	<u>141</u>	<u>141</u>
Non-trading Stock - Consumables	1,985	0	1,985
Less Obsolescence Provision	205	0	205
	<u>1,780</u>	<u>0</u>	<u>1,780</u>
Work in Progress	9	21	30
	<u>1,789</u>	<u>162</u>	<u>1,951</u>
Inventory has been pledged as security. Inventory is not subject to retention of title clauses.			
<b>9. INVESTMENTS</b>			
Advance to Citipower Limited	0	1,000	1,000
	<u>0</u>	<u>1,000</u>	<u>1,000</u>
<b>10. FIXED ASSETS</b>			
Distribution Equipment	70,201	368	70,569
Less Accumulated Depreciation	27,346	180	27,526
	<u>42,855</u>	<u>188</u>	<u>43,043</u>
Buildings	2,516	9,217	11,733
Less Accumulated Depreciation	468	1,960	2,428
	<u>2,048</u>	<u>7,257</u>	<u>9,305</u>
Land	159	-1,601	1,760
Motor Vehicles, Plant & Equipment	3,616	4,574	8,190
Less Accumulated Depreciation	2,278	2,079	4,357
	<u>1,338</u>	<u>2,495</u>	<u>3,833</u>
Capital Work in Progress	199	0	199
	<u>46,599</u>	<u>11,541</u>	<u>58,140</u>

**CAPITAL POWER LIMITED**

## NOTES (continued)

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>
<b>11. DIRECTORS &amp; MANAGEMENT FEES</b>			
Directors Fees	39	39	78
Management Fees	37	38	75
	<u>76</u>	<u>77</u>	<u>153</u>
<b>12. INTEREST ON LOANS</b>			
Interest- Loans	357	164	521
Interest- Other	0	0	0
	<u>357</u>	<u>164</u>	<u>521</u>
<b>13. MISCELLANEOUS INCOME</b>			
Gain on sale of fixed assets	0	1,782	1,782
Rental Income from properties	0	175	175
Street Lighting Income	0	55	55
Services Income (Loss)	0	(46)	(46)
Appliance Trading (Loss)	0	(584)	(584)
	<u>0</u>	<u>1,382</u>	<u>1,382</u>
<b>14. INTEREST INCOME</b>			
Interest was received from the following sources:			
Short Term Investments	655	300	955
	<u>655</u>	<u>300</u>	<u>955</u>
<b>15. INCOME TAX EXPENSE</b>			
The income tax expense has been calculated as follows:			
Prima Facie Income Tax Expense at 33% of Net Profit Before Tax	4,868	2,084	6,952
Increase/(Decrease) in Income Tax Expense due to:-			
Permanent Differences	(129)	(576)	(705)
Group Loss Offset	0	0	0
	<u>(129)</u>	<u>(576)</u>	<u>(705)</u>
Total Income Tax Expense	<u>4,739</u>	<u>1,508</u>	<u>6,247</u>
Income Tax Expense			
Comprises:			
Current Tax	4,739	1,014	5,753
Deferred Income Tax	291	203	494
<b>INCOME TAX EXPENSE</b>	<u>5,030</u>	<u>1,217</u>	<u>6,247</u>

**CAPITAL POWER LIMITED****NOTES (continued)**

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>
<b>16. DEFERRED INCOME TAX</b>			
Deferred Income Tax 1 April 1994	1,716	(66)	1,650
Transferred to Statement of Financial Performance	291	203	494
Deferred Income Tax 31 March 1995	<u>2,007</u>	<u>137</u>	<u>2,144</u>
<b>17. COMMITMENTS</b>			
Capital Commitments	0	0	0
Operating Lease Commitments			
- not later than 1 year	0	440	440
- later than 1 year but not later than 2 years	0	368	368
- later than 2 years but not later than 5 years	0	1,003	1,003
- later than 5 years	0	754	754
	<u>0</u>	<u>2,565</u>	<u>2,565</u>
<b>18. CONTINGENT LIABILITIES</b>			
There exists a contingent liability for the relocation of the Chaffer Street substation before April 2003.	<u>823</u>	<u>0</u>	<u>823</u>

**CAPITAL POWER LIMITED*****Disclosure of methodologies for allocation of costs, revenues, assets and liabilities pursuant to Regulation 19 of the Electricity (Information Disclosure) Regulations 1994.***

In allocating costs, revenues, assets and liabilities, Capital Power Limited has followed the approach in the Electricity Disclosure Guidelines issued by the Ministry of Commerce with the following exceptions:

<u>Cost Centre</u>	<u>Expenses Allocated</u>	<u>Allocation Basis</u>
Finance	All expenses incurred by the Finance entity including personnel, operating and management costs.	Time spent by finance personnel taking into account task complexity
Information Technology	All expenses incurred by the IT entity including personnel, operating and management costs.	Number of PCs, system supported, projects undertaken and personnel costs
Property (rent)	All expenses incurred by the Property entity including rents, rates and other overheads.	Floor space occupied
Human Resource	All expenses incurred by the HR entity including personnel, operating, payroll and management costs.	Number of staff
Corporate Services	Overheads associated with management and servicing the business.	Number of staff
Billing	All expenses incurred by the Billing entity including personnel, operating and management costs. The billing entity is responsible for revenue collection and credit control.	Revenue
Meter Reading	All expenses incurred by the Meter Reading entity including personnel, operating and management costs.	Revenue
Commercial Accounts	All expenses incurred by the Commercial Accounts entity including personnel, operating and management costs. This entity is responsible for direct contacts with customers and advises customers on tariffs and consumption options.	Revenue
Promotions	All expenses incurred by the Advertising and Promotion entity including personnel, operating and management costs. This entity is responsible for informing the public about Capital Power and the services it provides.	Revenue
Line losses	Electricity utilised within the Capital Power system.	Capital Power Limited has opted to include the cost of line losses in its network tariffs. In establishing the network tariffs the cost of losses has been allocated to customer groups on the basis of consumption.

## CAPITAL POWER LIMITED

*Disclosure of Financial 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

<i>Accounting return on total assets:</i>	$\frac{\text{Earnings Before Interest \& Tax}}{\text{Average Funds Employed}}$	=	<b>6.9%</b>
<i>Accounting return on equity:</i>	$\frac{\text{Net Profit After Tax}}{\text{Average Total Shareholders Funds}}$	=	<b>4.3%</b>
<i>Accounting rate of profit:</i>	$\frac{\text{EBIT - Cash tax - Interest tax shield + Revaluations}}{\text{Average total funds employed - Revaluations/2}}$	=	<b>4.1%</b>

These financial performance measures were based on the adjusted line business financial statements, which incorporate the adjustments necessary to reflect the fixed assets at ODV. The ODV valuation was audited by Coopers & Lybrand.

### 2 Efficiency Performance Measures

<i>Direct line cost per kilometre</i>	=	$\frac{\text{Total Direct Cost}}{\text{Total Line Kilometres}}$	=	\$ 2,857.00
<i>Indirect line costs per electricity customer</i>	=	$\frac{\text{Total Indirect Costs}}{\text{Total Customers}}$	=	\$ 177.0

**CAPITAL POWER LIMITED****Disclosure of Energy Delivery Efficiency Performance Measures and Statistics Pursuant to Regulation 15 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994****1 Energy delivery efficiency performance measures**

Load Factor:	=	54.2%
Loss ratio:	=	3.8%
Capacity Utilisation	=	39.7%

**2 Statistics**

	33kV	11kV	400V	Total
System length breakdown	72.7	403.6	769.5	1245.8
Underground circuit length	72.7	376.6	450	899.3
Overhead circuit length	0	27	319.5	346.5

Transformer capacity	539,015	kVA
Maximum demand	209,100	kilowatts
Total electricity supplied	976,310,000	kilowatt-hours
Total electricity conveyed for non-associated parties	0	kilowatt-hours
Total customers	55,831	

## CAPITAL POWER LIMITED

### Disclosure of Reliability Performance Measures Pursuant to Regulation 16 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994

Total Number of Interruptions (above 3.3kV)		Duration Factor		Customers affected
Planned interruption by Trans Power	Class A	0	0	0
Planned interruption by Capital Power	Class B	55	239,940	764
Unplanned interruption within Capital Power Network	Class C	58	512,700	16,812
Unplanned interruption by Trans Power	Class D	4	202,620	27,770
Unplanned interruption in generation by EONZ	Class E	0	0	0
Unplanned interruption by other generator	Class F	0	0	0
Other interruptions	Class G	0	0	0
<b>Total</b>		<b>117</b>	<b>955,260</b>	<b>45,346</b>

Total number of faults per 100 circuit kilometres of prescribed voltage electric line.		
	Total	per 100km
33kV	0	0.0
11kV	58	14.37
Sum	58	12.18

Total number of faults per 100 circuit kilometres underground, by prescribed voltage		
	Total	per 100km
33kV	0	0.0
11kV	28	7.4
Sum	28	6.2

Total number of faults per 100 circuit kilometres overhead, by prescribed voltage		
	Total	per 100km
33kV	0	0.0
11kV	30	111.1
Sum	30	111.1

**CAPITAL POWER LIMITED**

<i>(interruption duration factor for all interruptions / total customers)</i>	SAIDI	
<i>SAIDI by interruption class</i>	Class A	0
	Class B	4.30
	Class C	9.18
	Class D	3.63
	Class E	0.00
	Class F	0.00
	Class G	0.00
	<b>Total</b>	<b>17.11</b>

<i>(sum affected customers / total number of customers)</i>	SAIFI	
<i>SAIFI by interruption class</i>	Class A	0.00
	Class B	0.01
	Class C	0.30
	Class D	0.50
	Class E	0.00
	Class F	0.00
	Class G	0.00
	<b>Total</b>	<b>0.81</b>

<i>(total duration factors / sum customers affected)</i>	CAIDI	
<i>CAIDI by interruption class</i>	Class A	N.A.
	Class B	314.06
	Class C	30.50
	Class D	7.30
	Class E	N.A.
	Class F	N.A.
	Class G	N.A.
	<b>Total</b>	<b>21.07</b>

**CAPITAL POWER LIMITED*****Electricity (Information Disclosure) Regulations 1994 Regulation 26 (2)*****Certification of Financial Statements, Performance Measures and Statistics Disclosed by Capital Power Limited**

We, R W Steele and Greg Kay, directors of Capital Power Limited certify that, having made all reasonable enquiry, to the best of our knowledge, --

- (a) The attached audited financial statements of Capital Power 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 Capital Power 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 performance measures are based are as at 30 June 1994.

Director            R W Steele  
Date                28 August 1995

Director            G Kay  
Date                28 August 1995

**CAPITAL POWER LIMITED*****Electricity (Information Disclosure) Regulations 1994 Regulation 25(4)*****Certification by Auditor in Relation to ODV Valuation**

We have examined the valuation report prepared by Capital Power Limited and dated July 1995, which report contains valuations as at 30 June 1994.

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

Coopers & Lybrand  
4 August 1995

**Explanatory Note**

In providing this certificate we have relied on the technical expertise and advice provided to us by Worley Consultants Limited in relation to compliance of valuation with the ODV Handbook in the areas of asset replacement costs, asset lives, modern equivalent assets and optimisation.

As at the date of the valuation Capital Power Limited ("Capital Power") did not have separate audited financial statements for its electricity line business. The working capital amounts included in the ODV valuation have been determined by Capital Power. We have not audited these amounts or the underlying records from which they have been extracted.

**CAPITAL POWER LIMITED*****Certification by Auditor in Relation to Financial Statements***

We have examined the attached financial statements prepared by Capital Power Limited and dated 28 August 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 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.

Audit New Zealand  
28 August 1995

**CAPITAL POWER 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 Capital Power Limited dated 28 August 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.

Audit New Zealand  
28 August 1995



# CITIPOWER LIMITED

**CITIPOWER LIMITED*****Electricity (Information Disclosure) Regulations 1994*****Line Business Statement of Financial Performance for the 12 months ended 31 March 1995**

	Notes	<i>Line Business</i> 31-Mar-95 \$('000)
<b>Operating Income</b>		
Line Services		6,529
<b>Cost of Sales</b>		
Transmission Charges		<u>2,107</u>
Gross Profit		4,422
<b>Other Income (Net)</b>		
Miscellaneous Income	12	248
Interest Income		52
Total Other Income		<u>300</u>
<b>Less Expenses</b>		
Operating expenses		2,953
Interest	5	68
Depreciation		1
Audit fees		9
Nelson City Council lease Payments		799
Directors fees		11
Loss on sale of fixed assets		0
Nelson City Council Participation Fee		<u>1,014</u>
		4,855
<b>NET LOSS BEFORE TAXATION</b>		
		<u>(133)</u>
Taxation	11	0
<b>NET LOSS AFTER TAXATION</b>		
		<u>(133)</u>
Opening Retained Earnings 1 April 1994		0
Closing Retained Earnings		<u><u>(133)</u></u>

The accompanying notes form part of these financial statements.

**CITIPOWER LIMITED****Line Business Statement of Financial Position as at 31 March 1995**

	Notes	<i>Line Business</i> 31-Mar-95 \$('000)
<b>Corporate Ownership</b>		
Share Capital	3	0
Retained Earnings		(133)
Total Corporate Ownership		<u>(133)</u>
<b>Current Liabilities</b>		
Cash and Bank		372
Accounts Payable & Accruals	4	1,005
Advance from Capital Power		500
Provision for Income Tax		150
Total Current Liabilities		<u>2,027</u>
<b>TOTAL CORPORATE OWNERSHIP AND LIABILITIES</b>		<u><u>1,894</u></u>
<b>Current Assets</b>		
Short Term Investments	6	291
Accounts Receivable	7	1,126
Stock & Work in progress	8	227
Total Current Assets		<u>1,644</u>
<b>Fixed Assets</b>	9	100
<b>Non-Current Assets</b>		
Deferred Taxation Benefit	11	150
<b>TOTAL ASSETS</b>		<u><u>1,894</u></u>

The accompanying notes form part of these financial statements.

**CITIPOWER LIMITED****Electricity Retailing Statement of Financial Performance as at 31 March 1995**

	Notes	<i>Energy Business</i> 31-Mar-95 \$('000)
<b>Operating Income</b>		
Sales of Electricity		6,316
<b>Cost of Electricity Sales</b>		
Purchase of Electricity		<u>5,436</u>
Gross Profit on Electricity Trading		880
<b>Other Income (Net)</b>		
Miscellaneous Income	12	(28)
Interest Income		<u>26</u>
Total Other Income		(2)
<b>Less Expenses</b>		
Operating expenses		631
Interest	5	68
Depreciation		21
Audit fees		9
Nelson City Council lease Payments		0
Directors fees		10
Loss on sale of fixed assets		6
Nelson City Council Participation Fee		<u>0</u>
		745
<b>NET PROFIT BEFORE TAXATION</b>		<b>133</b>
Taxation	11	2
<b>NET PROFIT AFTER TAXATION</b>		<u><b>131</b></u>
Opening Retained Earnings 1 April 1994		(5)
<b>Closing Retained Earnings</b>		<u><u><b>126</b></u></u>

The accompanying notes form part of these financial statements.

**CITIPOWER LIMITED****Electricity Retailing Statement of Financial Position as at 31 March 1995**

		<i>Energy Business</i>
	Notes	31-Mar-95 \$('000)
<b>Corporate Ownership</b>		
Share Capital	3	0
Retained Earnings		126
Total Corporate Ownership		<u>126</u>
<b>Current Liabilities</b>		
Accounts Payable & Accruals	4	1,026
Advance from Capital Power		500
Total Current Liabilities		<u>1,526</u>
<b>TOTAL CORPORATE OWNERSHIP AND LIABILITIES</b>		<u><u>1,652</u></u>
<b>Current Assets</b>		
Cash & Bank		389
Short Term Investments	6	149
Accounts Receivable	7	627
Stock & Work in progress	8	28
Taxation Refund		160
Total Current Assets		<u>1,353</u>
<b>Fixed Assets</b>	9	197
<b>Non-Current Assets</b>		
Deferred Taxation Benefit	11	102
<b>TOTAL ASSETS</b>		<u><u>1,652</u></u>

The accompanying notes form part of these financial statements.

**CITIPOWER LIMITED****Notes to the Financial Statements for the 12 months ended 31 March 1995.****1. REPORTING ENTITY**

The principal activity of Citipower Limited is electricity supply.

The Company has a 10 year lease of the distribution system from Nelson City Council from 1st December 1991.

**2. STATEMENT OF ACCOUNTING POLICIES****GENERAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Regulation 6 of the Electricity (Information Disclosure) Regulations 1994. The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed.

**PARTICULAR ACCOUNTING POLICIES**

The following Particular Accounting Policies which significantly affect the measurement of financial performance and financial position have been applied.

**(a) Income Recognition**

Electricity sales represent customer usage during the financial period. An allowance has been made in the sales of electricity for unbilled sales (unread meters and unbilled line charges ) as at 31 March 1995.

**(b) Fixed Assets**

Historical cost is the purchase price paid to Nelson City Council per the valuations undertaken by Duke & Cooke Limited for Land & Buildings and Darroch & Co Limited for Plant & Equipment. Depreciation is provided on a straight line and diminishing value basis on all tangible fixed assets other than freehold land, at rates calculated to allocate the assets cost over their estimated useful lives.

Major depreciation periods are:

Freehold Buildings	40 years
Plant and Equipment	10 % DV
Office Equipment	20 % DV
Furniture and Fittings	20 % DV
Motor Vehicles	20 % DV

(c) Accounts receivable have been valued at expected net realisable value.

(d) Stock and work in progress are valued at the lower of cost and net realisable value.

(e) Investments have been valued at cost.

**(f) Income tax**

The taxation charge for the year is the estimated liability in respect of any assessable income, after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. Citipower Limited follows the liability method of accounting for deferred taxation. Future taxation benefits attributable to losses carried forward are recognised in the statements only where there is virtual certainty that the benefit of the losses will be utilised.

**CITIPOWER LIMITED****NOTES (continued)**

(g) Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items are charged as expenses in the period in which they are incurred. In the case of the lease of Nelson City Council's distribution system, the cost of improvements to leasehold distribution equipment is partially recoverable from the lessor as betterment, in accordance with the terms of the lease agreement. The balance is expensed in the statement of financial performance. The cost of improvements to leasehold property is capitalised (except costs to improve the distribution system which is charged to the Nelson City Council as betterment), disclosed as leasehold improvements and amortised over the unexpired period of the lease or the estimated useful life of the improvements whichever is shorter.

(h) Citipower Limited is party to financial instrument arrangements as part of its everyday operations, which have been recognised in these financial statements. There are no off-balance sheet exposures. These financial instruments include cash and bank, accounts receivable, short term investments and accounts payable and accruals. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95</i>	<i>31-Mar-95</i>	<i>31-Mar-95</i>
	<i>\$( '000)</i>	<i>\$( '000)</i>	<i>\$( '000)</i>

**3. SHARE CAPITAL****AUTHORISED, ISSUED AND PAID-UP CAPITAL**

100 Ordinary Shares of \$1.00 each	0	100	100
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*Shareholders*

Capital Power Limited	0	99	99
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Wellington City Council	0	1	1
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**4. ACCOUNTS PAYABLE AND ACCRUALS**

	<i>\$( '000)</i>	<i>\$( '000)</i>	<i>\$( '000)</i>
Consumer Deposits	0	48	48
Trade Creditors	387	978	1,365
Nelson City Council Participation Fee Payable	251	0	251
Capital Power Limited Management Fee Payable	367	0	367
	<u>1,005</u>	<u>1,026</u>	<u>2,031</u>

**5. INTEREST**

Interest on Loans	68	68	136
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**CITIPOWER LIMITED**

NOTES (continued)

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>
<b>6. CASH &amp; SHORT TERM INVESTMENTS</b>			
Cash and Short Term Investments are held with banks in New Zealand.			
Bank	(372)	389	17
Short Term Investments	291	149	440
	<u>(81)</u>	<u>538</u>	<u>457</u>
<b>7. ACCOUNTS RECEIVABLE</b>			
Trade Debtors	714	773	1,487
Sundry Debtors	154	19	173
Other	698	0	698
	<u>1,566</u>	<u>792</u>	<u>2,358</u>
Less Provision for Doubtful Debts	440	165	605
	<u>1,126</u>	<u>627</u>	<u>1,753</u>
<b>8. STOCK</b>			
Trading Stock	227	65	292
Less Obsolescence Provision	0	37	37
	<u>227</u>	<u>28</u>	<u>255</u>
<b>9. FIXED ASSETS</b>			
Buildings	0	87	87
Less Accumulated Depreciation	0	3	3
	<u>0</u>	<u>84</u>	<u>84</u>
Motor Vehicles, Plant & Equipment	176	184	360
Less Accumulated Depreciation	76	71	147
	<u>100</u>	<u>113</u>	<u>213</u>
	<u>100</u>	<u>197</u>	<u>297</u>

**CITIPOWER LIMITED**

NOTES (continued)

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>
<b>10. COMMITMENTS AND CONTINGENT LIABILITIES</b>			
Capital Commitments	0	0	0
Operating Lease Commitments			
-not later than 1 year	805	45	850
-later than 1 year but not later than 2 years	777	17	794
-later than 2 years but not later than 5 years	2,330	51	2,381
-later than 5 years	651	162	813
	<u>4,563</u>	<u>275</u>	<u>4,838</u>
Contingent Liabilities			
The participation fee paid to Nelson City Council is treated as fully tax deductible. If the payment was treated as non deductible for tax purposes the tax liability for Citipower Limited would increase by approximately \$931,000	931	0	931
	<u>931</u>	<u>0</u>	<u>931</u>
<b>11. INCOME TAX EXPENSE</b>			
The income tax expense has been calculated as follows:			
Prima facie Income Tax Expense at 33% of Net Profit Before Tax	0	0	0
Increase in Income Tax Expense due to:			
Non-deductible Expenses	0	2	2
	<u>0</u>	<u>2</u>	<u>2</u>
Income tax expense comprises:			
Current Tax	0	154	154
Deferred Income Tax	0	(152)	(152)
<b>INCOME TAX EXPENSE</b>	<u>0</u>	<u>2</u>	<u>2</u>

**CITIPOWER LIMITED**  
NOTES (continued)

	<i>Line Business</i>	<i>Energy Business</i>	<i>Total</i>
	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>	<i>31-Mar-95 \$('000)</i>
<b>DEFERRED TAXATION BENEFIT</b>			
Deferred Income Tax 1 April 1994	60	40	100
Transferred to Statement of Financial Performance	90	62	152
Deferred Income Tax 31 March 1995	<u>150</u>	<u>102</u>	<u>252</u>

**12. MISCELLANEOUS INCOME**

Appliance Trading	0	31	31
Other	248	(59)	189
	<u>248</u>	<u>(28)</u>	<u>220</u>

Disclosure of methodologies for allocation of costs, revenues, assets and liabilities pursuant to Regulation 19 of the Electricity (Information Disclosure) Regulations 1994.

In allocating costs, revenues, assets and liabilities, Citipower Limited has followed the approach in the Electricity Disclosure Guidelines issued by the Ministry of Commerce with the following exceptions:

<u>Cost Centre</u>	<u>Expenses Allocated</u>	<u>Allocation Basis</u>
Finance	All expenses incurred by Finance and Accounting including personnel, operating and management costs.	Time spent by finance personnel taking into account task complexity.
Information Technology	All expenses incurred by IT including personnel, operating and management costs.	Personnel costs taking into account the number of PCs, systems supported and projects undertaken.
Corporate Services	All expenses incurred by Corporate Services including personnel, operating and management costs.	Time spent by Corporate Services personnel.
Billing	All expenses incurred by Billing including personnel, operating and management costs.	Revenue
Meter Reading	All expenses incurred by Meter Reading including personnel, operating & management costs.	Revenue
Promotions	All expenses incurred on Advertising and Promotion including personnel, operating and management costs.	Time spent and promotion activities undertaken.
Line Losses	Electricity utilised within the Citipower Limited distribution system.	Line losses have been included as part of Line Business costs.

**CITIPOWER LIMITED*****Electricity (Information Disclosure) Regulations 1994 Regulation 26 (2)*****Certification of Financial Statements, Performance Measures and Statistics Disclosed by Citipower Limited**

We, Graham Udall France and Seddon James Marshall, directors of Citipower Limited certify that, having made all reasonable enquiry, to the best of our knowledge, --

The attached audited financial statements of Citipower 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.

Director            James Udall France  
Date                23 August 1995

Director            Seddon James Marshall  
Date                23 August 1995

**CITIPOWER LIMITED*****Electricity (Information Disclosure) Regulations 1994 Regulation 26 (2)******Certification by Auditor in Relation to Financial Statements***

We have examined the attached financial statements prepared by Citipower Limited and dated 23 August 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 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.

Audit New Zealand  
23 August 1995

**NELSON ELECTRICITY  
LIMITED**

**NELSON ELECTRICITY LIMITED*****Electricity (Information Disclosure) Regulations 1994*****Line Business Statement of Financial Performance for the 12 months ended 31 March 1995.**

	Notes	\$('000)
<b>Income</b>		
Interest Received		37
Lease Revenue & Participation Fee		<u>1,792</u>
		<u>1,829</u>
<b>Expenses</b>		
Administration Services		35
Financial		158
Depreciation		<u>418</u>
		<u>611</u>
Net Profit Before Taxation		1,218
Taxation	2	<u>420</u>
Net Profit after Taxation		798
Retained Earnings Brought Forward		<u>263</u>
Available for Appropriation		1,061
Dividend Provision		<u>406</u>
Retained Earnings at year end		<u>655</u>

The accompanying notes form part of these financial statements.

**NELSON ELECTRICITY LIMITED****Line Business Statement of Financial Position as at 31 March 1995**

	Notes	\$(000)
<b>Current Assets</b>		
Cash and Bank		567
Debtors		411
Inter Company Debtor		117
Investments		<u>425</u>
		1,520
<b>Fixed Assets</b>		
	1	6,291
		<u>7,811</u>
<b>Current Liabilities</b>		
Sundry Creditors		253
Provision for Taxation	2	<u>62</u>
		315
<b>Deferred Taxation</b>		
	3	53
<b>Term Liabilities</b>		
Loan		1,788
<b>Proprietorship</b>		
Share Capital		5,000
Retained Earnings		<u>655</u>
		5,655
		<u>7,811</u>

The accompanying notes form part of these financial statements.

## NELSON ELECTRICITY LIMITED

### STATEMENT OF ACCOUNTING POLICIES

#### ENTITY STATEMENT

The Nelson City Council corporatised its electrical distribution assets on 1 September 1993 in the name of Nelson Electricity Limited.

As at 1 December 1991 the Council leased the distribution assets to Citipower Limited (a fully owned subsidiary of Capital Power Limited) for a period of ten years. At the time of the formation of Nelson Electricity Limited the lease was transferred to the new company.

The balance date has been changed from 30 June to 31 March to align with the Electricity (Information Disclosures) Regulations.

#### ACCOUNTING POLICIES

1. **Authority**

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

2. **Measurement Base**

Reliance has been placed on the fact that Nelson Electricity Limited remains a going concern and that its funds will continue to be available to maintain operations. The measurement base adopted is historical cost.

3. **Matching of Expenses and Revenue**

Accrual accounting has been employed in matching expenses and related revenues.

4. **Line Business**

As the company is a line business with no energy trading activities, all the costs, revenues, assets and liabilities have been allocated to the line business.

5. **Depreciation**

Depreciation has been provided on all major assets, excluding land, on the following bases and at the following rates calculated.

On the straight line basis:

Buildings	2% per annum
Distribution System	4% per annum

On the diminishing value basis:

Motor Vehicle	20% per annum
---------------	---------------

6. **Financial Instruments**

The Company is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank, accounts receivable, accounts payable, investments, and loans which have all been recognised in the financial statements.

**NELSON ELECTRICITY LIMITED****NOTES (continued)**

Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

The following methods and assumptions were used to value each class of financial instrument.

Debtors are recorded at expected realisable value.

Investments are recorded at the lower of cost or market value.

All other financial instruments are recognised at their fair value.

**7. Fixed Assets**

Land is stated at cost, all other assets are stated at cost less accumulated depreciation.

**8. Taxation**

The taxation charge against the profit of the period is the estimated liability in respect of that profit after allowance for permanent differences.

The Company follows the liability method of accounting for deferred taxation and applies this on the comprehensive basis. A debit balance in the deferred tax account arising from timing differences is recognised only where there is virtual certainty of realisation.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes in the above Accounting Policies during the year.

**NELSON ELECTRICITY LIMITED****NOTES TO ACCOUNTS****1. FIXED ASSETS**

	\$('000)
Distribution System:	
Cost	10,496
Accumulated depreciation	<u>4,314</u>
Book Value	6,182
Land	15
Buildings:	
Cost	144
Accumulated depreciation	<u>50</u>
Book Value	94
Motor Vehicle:	
Cost	6
Accumulated depreciation	<u>6</u>
Book Value	0
<b>TOTAL FIXED ASSETS</b>	<b><u>6,291</u></b>

**2. TAXATION**

Profit Before Taxation	1,218
Income Tax at 33c	402
Plus Permanent Differences Tax Effect	<u>18</u>
Tax Expenses as per Statement of Financial Performance	420
Comprising:	
Current Tax	417
Deferred Tax	<u>3</u>
	<u>420</u>
Provision for Taxation	<u>62</u>

**3. DEFERRED TAXATION**

Balance 1 April 1994	3
Deferred Tax Prior Period	47
Deferred Tax 12 Month Period	<u>3</u>
Balance 31 March 1995	<u>53</u>

## NELSON ELECTRICITY LIMITED

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

The Financial and Efficiency Performance Measures pursuant to Regulation 13 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 have been derived from a combination of Citipower Limited and Nelson Electricity Limited accounts as agreed with the Ministry of Commerce.

#### 1 Financial Performance Measures

<i>Accounting return on total assets:</i>	<u>Earnings Before Interest &amp; Tax</u>	=	<b>8.6%</b>
	Average Funds Employed		
<i>Accounting return on equity:</i>	<u>Net Profit After Tax</u>	=	<b>5.8%</b>
	Average Total Shareholders Funds		
<i>Accounting rate of profit:</i>	<u>EBIT - Cash tax - Interest tax shield + Revaluations</u>	=	<b>5.8%</b>
	Average total funds employed - Revaluations/2		

These financial performance measures were based on the adjusted line business financial statements, which incorporate the adjustments necessary to reflect the fixed assets at ODV. The ODV valuation was audited by Ernst & Young.

#### 2 Efficiency Performance Measures

<i>Direct line cost per kilometre</i>	=	<u>Total Direct Cost</u>	=	\$	2,250.00
		Total Line Kilometres			
<i>Indirect line costs per electricity customer</i>	=	<u>Total Indirect Costs</u>	=	\$	389.95
		Total Customers			

## NELSON ELECTRICITY LIMITED

### *Disclosure of Energy Delivery Efficiency Performance Measures and Statistics Pursuant to Regulation 15 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994.*

#### 1. Energy delivery efficiency performance measures

*Load Factor:* = 56.8%

*Loss Ratio:* = 5.5%

*Capacity Utilisation:* = 40.7%

#### 2. Statistics

	33kV	11kV	400V	Total
<i>System length breakdown</i>	12.06	78.55	114.07	204.68
<i>Underground circuit length</i>	9.985	67.304	84.64	161.929
<i>Overhead circuit length</i>	2.075	11.246	29.439	42.76

*Transformer capacity* 66,815 KVA

*Maximum demand* 27,200 kilowatts

*Total electricity supplied* 135,441,303 kilowatt-hours

*Total electricity conveyed for non-associated parties* 0 kilowattt-hours

*Total customers* 8,242

**NELSON ELECTRICITY LIMITED**

**Disclosure of Reliability Performance Measures Pursuant to Regulation 15 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994.**

<b>Total Number of Interruptions (above 3.3kV)</b>			<b>Duration Factor</b>	<b>Customers affected</b>
<i>Planned interruption by Trans Power</i>	Class A	0	0	0
<i>Planned interruptions by Citipower</i>	Class B	13	28842	3.43
<i>Unplanned interruptions within Citipower Network</i>	Class C	3	91118	9.22
<i>Unplanned interruption in generation by ECNZ</i>	Class D	0	0	0
<i>Unplanned interruption by other generators</i>	Class E	0	0	0
<i>Other interruptions</i>	Class F	0	0	0
	Class G	0	0	0
	<b>Total</b>	<b>16</b>	<b>119960</b>	<b>12.65</b>

<b>Total number of faults per 100 circuit kilometres of prescribed voltage electric line</b>			
		<b>Total</b>	<b>per 100km</b>
	33kV	0	0
	11kV	3	3.819
	<b>Sum</b>	<b>3</b>	<b>3.31</b>

<b>Total number of faults per 100 circuit kilometres of underground by prescribed voltage</b>			
		<b>Total</b>	<b>per 100km</b>
	33kV	0	0
	11kV	1	1.484
	<b>Sum</b>	<b>1</b>	<b>1.29</b>

<b>Total number of faults per 100 circuit kilometres of overhead by prescribed voltage</b>			
		<b>Total</b>	<b>per 100km</b>
	33kV	0	0
	11kV	2	17.78
	<b>Sum</b>	<b>2</b>	<b>15.01</b>

## NELSON ELECTRICITY LIMITED

<i>(Interruption duration factor for all interruptions / total customers)</i>	SAIDI	
<i>SAIDI by interruption class</i>	Class A	0
	Class B	3.49
	Class C	11.95
	Class D	0.
	Class E	0
	Class F	0
	Class G	0
	<b>Total</b>	<b>14.54</b>

<i>(Sum affected customers / Total number of customers)</i>	SAIFI	
<i>SAIFI by interruption class</i>	Class A	0
	Class B	0.04
	Class C	0.11
	Class D	0
	Class E	0
	Class F	0
	Class G	0
	<b>Total</b>	<b>0.15</b>

<i>(Total duration factors / Sum customers affected)</i>	CAIDI	
<i>CAIDI by interruption class</i>	Class A	N.A.
	Class B	N.A.
	Class C	98.82
	Class D	N.A.
	Class E	N.A.
	Class F	N.A.
	Class G	N.A.
	<b>Total</b>	<b>98.82</b>

**NELSON ELECTRICITY LIMITED*****Electricity (Information Disclosure) Regulations 1994 Regulation 26 (2)*****Certification of Financial Statements, Performance Measures and Statistics Disclosed by Nelson Electricity Limited**

We, Graham Udall France and Seddon James Marshall, directors of Nelson Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge, --

- (a) The attached audited financial statements of Nelson Electricity 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 Nelson Electricity 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 performance measures are based are as at 31 March 1995.

Director            Graham Udall France  
Date                18 August 1995

Director            Seddon James Marshall  
Date                18 August 1995

**NELSON ELECTRICITY LIMITED*****Certification by Auditor in Relation to ODV Valuation***

We have examined the valuation report prepared by Citipower Limited and dated 16 August 1995, which report contains valuations as at 31 March 1995 and identifies the ODV value of the system fixed assets at \$13,666,148.

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

This report is issued for the purposes of the Electricity (Information Disclosure) Regulations 1994, and it is not to be used for any other purpose without our prior written consent.

Ernst & Young  
18 August 1995

**NELSON ELECTRICITY LIMITED*****Certification by Auditor in Relation to Financial Statements***

I have examined the attached financial statements prepared by Nelson Electricity Limited and dated 18 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, these 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.

Audit New Zealand  
18 August 1995

**NELSON ELECTRICITY 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 Nelson Electricity Limited dated 23 August 1995 for the purposes of Regulation 13 of those regulations.

The performance measures have been derived from a combination Nelson Electricity Limited and Citipower Limited line business financial statements as agreed in consultation with the Ministry of Commerce.

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.

Audit New Zealand  
23 August 1995

