

# New Zealand Gazette

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OF THURSDAY, 8 AUGUST 1996

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WELLINGTON: FRIDAY, 9 AUGUST 1996 — ISSUE NO. 83

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## WAIRARAPA ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994



## **Wairarapa Electricity Limited and Subsidiary Companies**

### ***DISCLOSURE OF INFORMATION PURSUANT TO ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994***

## **CONTENTS**

- Part I     Financial Statements for the year ending 31 March 1996**
  
- Part II    Performance Measures and Statistics for the year ending 31 March  
            1996**
  
- Part III   Certification**

*The information disclosed in the 1996 Information Disclosure package issued by Wairarapa Electricity Limited 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.*



**Wairarapa Electricity Limited and Subsidiary Companies**

**PART I**


**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1996**


**Pursuant to Regulation 6 of the  
Electricity (Information Disclosure) Regulations 1994**

**Wairarapa Electricity Limited and Subsidiary Companies**  
**Consolidated Statements of Financial Position**  
**as at 31 March 1996**

		Line Business		Energy and Other Business		Line Business		Energy and Other Business	
		1996 000's	1996 000's	1995 000's	1995 000's				
<b>Current Assets</b>									
Cash and bank		4,011	(5,620)	198	2,482				
Receivables	7	1,532	2,224	1,584	2,666				
Inventories	8	379	17	472	722				
Tax	6	147	99	138	(44)				
<b>Total Current Assets</b>		<b>6,069</b>	<b>(3,280)</b>	<b>2,392</b>	<b>5,826</b>				
<b>Non Current Assets</b>									
Future Income Tax Benefit	6	115	(10)	120	12				
Fixed assets / Other investments	9	31,387	10,779	31,747	7,242				
<b>Total Non Current Assets</b>		<b>31,502</b>	<b>10,769</b>	<b>31,867</b>	<b>7,254</b>				
<b>Total Assets</b>		<b>37,571</b>	<b>7,489</b>	<b>34,259</b>	<b>13,080</b>				
<b>Liabilities and Shareholders' Funds</b>									
<b>Current Liabilities</b>									
Creditors and accruals	10	5,168	1,073	3,369	2,194				
Current portion of borrowings	11	-	2	-	5,501				
Provision for dividend		-	-	1,241	211				
<b>Total Current Liabilities</b>		<b>5,168</b>	<b>1,075</b>	<b>4,610</b>	<b>7,906</b>				
<b>Non Current Liabilities</b>									
Loans	11	-	3,600	-	1				
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>3,600</b>	<b>-</b>	<b>1</b>				
<b>Total Liabilities</b>		<b>5,168</b>	<b>4,675</b>	<b>4,610</b>	<b>7,907</b>				
<b>Shareholders' Funds</b>									
Share capital	15	14,285	2,435	14,285	2,435				
Share premium reserve	16	615	105	615	105				
Retained earnings		17,503	274	14,749	2,633				
<b>Total Shareholders' Funds</b>	12	<b>32,403</b>	<b>2,814</b>	<b>29,649</b>	<b>5,173</b>				
<b>Total Liabilities and Shareholders' Funds</b>		<b>37,571</b>	<b>7,489</b>	<b>34,259</b>	<b>13,080</b>				

On behalf of the Company:

  
 JD Matheson  
 CHAIRMAN

  
 RF Elworthy  
 DIRECTOR

**Wairarapa Electricity Limited and Subsidiary Companies**  
**Consolidated Statements of Financial Performance**  
**for the year ended 31 March 1996**

		Line Business 1996 000's	Energy and Other Business 1996 000's		Line Business 1995 000's	Energy and Other Business 1995 000's
Total Income		13,417	17,380		12,491	16,819
Operating Surplus before Taxation	2	3,550	(2,080)		2,731	773
Less Provision for Taxation	6	796	279		630	179
<b>Operating Surplus after Taxation</b>		<b>2,754</b>	<b>(2,359)</b>		<b>2,101</b>	<b>594</b>

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 1) Statement of Accounting Policies

The financial statements presented here are for the group comprising Wairarapa Electricity and its subsidiaries.

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

The financial statements have been prepared on the basis of historical cost with the exception of certain items for which certain specific accounting policies are identified.

#### (i) Principles of Consolidation

The consolidated financial statements include those of the holding company and its subsidiaries accounted for using the purchase method. All intercompany balances and unrealised profits and losses on transactions between group companies have been eliminated.

#### (ii) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using weighted average cost.

#### (iii) Receivables

Trade, Non - Trade and Hire Purchase Receivables are stated at their net estimated realisable value. Hire Purchase Receivables include unearned interest. An adjustment has been made at year end for unearned interest on hire purchase transactions according to the 'Rule of 78'.

An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off in the period in which they are identified.

#### (iv) Fixed Assets

Fixed assets are stated at costs less accumulated depreciation where applicable. Depreciation is provided on all tangible fixed assets, other than freehold land and the distribution system.

Depreciation is provided using rates which write off assets over their expected useful lives as below:

Buildings	40 - 100	years
Generation	10 - 40	years
Plant and equipment	5 - 10	years
Motor vehicles	5	years

Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

Freehold land and improvements are valued at the lower of cost or net realisable value.

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### (v) **Distribution System Maintenance**

A maintenance programme sufficient to maintain the distribution system indefinitely is undertaken on a continuous basis. All maintenance expenditure is charged to the Consolidated Statement of Financial Performance as incurred in accordance with the maintenance programme. Maintenance expenditure includes all expenditure items which restore the distribution system to its original condition without enhancing the system's operational capacity. Provision is made for deferred maintenance where applicable.

### (vi) **Electricity Sales**

All amounts actually billed to customers net of prompt payment discount during the year are included as electricity sales. Provision is made and included in electricity sales for the estimated value of electricity used but not billed at year end.

### (viii) **Income Tax**

The income tax expenses charged to the Consolidated Statement of Financial Performance includes both current and deferred tax and is calculated after allowing for non - assessable income and non - deductible costs.

Deferred taxation, calculated using the comprehensive basis under the liability method, is accounted for in respect of those timing differences expected to reverse in the foreseeable future. A future tax benefit is recognised only if there is virtual certainty of realisation.

### (ix) **Financial Instruments**

Revenue and expenses from financial instruments are recognised using accrual accounting.

### (x) **Construction Contracts**

Construction contracts are stated at cost plus attributable profit to date less progress billings. Cost includes all costs directly related to specific contracts and an allocation of general overhead expenses incurred by the group's contract operations. Profit is based on percentage of completion of each contract and is not recognised unless the outcome of the contract can be reliably estimated. Losses are taken to the Consolidated Statement of Financial Performance in the period in which they are identified.

### (xi) **Allocations to Business Units**

Costs, revenues, assets and liabilities relating to the provision of contracting services to external parties have been allocated to 'Energy and Other Business'.

Except where noted below, all costs, revenues, assets and liabilities have been allocated to business units in accordance with the Ministry of Commerce Electricity Disclosure Guidelines dated 23 June 1994.

Corporate costs including directors' fees and audit fees have been allocated on the basis of estimated time spent by management on each business unit.

Trans Power transmission charges are a cost to the lines business.

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### (xii) Changes in Accounting Policies

All accounting policies have been applied on a consistent basis throughout the year.

There have been no changes in accounting policies from the previous period.

### (xiii) Restatement of Comparatives

A restatement of 1995 comparative figures has been necessary to reflect a revised interpretation of the Regulations by the Ministry of Commerce.

## 2) Operating Surplus before Taxation

	Line Business	Energy and Other Business	Line Business	Energy and Other Business
	1996 000's	1996 000's	1995 000's	1995 000's
Included in operating surplus before taxation are the following items:				
<b>Revenue</b>				
Interest Received	67	66	37	39
<b>Expenses</b>				
Directors' Fees	59	59	34	34
Audit Fees	9	9	12	13
Interest on Borrowings	-	443	-	290
Bad Debts Written Off	34	45	49	61
Operating Lease Expenses	34	42	-	-
Depreciation	39	250	173	200



# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 2) Operating Surplus before Taxation continued...

The following non recurring items are included in the consolidated operating surplus before taxation.

#### Non - recurring Revenue Items

Gain on disposal of building	253
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#### Non - recurring Expense Items

Generation - Land value adjustment	1,386
Generation - Capitalised interest & fees	1,336
Restructuring expenses - June 1995	380

### 3) Discontinued Operations

In July of 1995, Wairarapa Electricity Limited ceased operations in the retail sales and servicing of electrical appliances.

The operating revenue and operating deficit of the discontinued operations comprise the following. Retail and servicing form part of Energy and Other Business activity.

#### Operating revenue

Retail	627
Servicing	115

#### Operating deficit before taxation

Retail	(192)
Servicing	(291)

### 4) Segmental Reporting

The group operates predominantly in one geographical segment - the Wairarapa Region.

### 5) Capital Commitments

As at 31 march 1996, there was \$2.375m of capital expenditure contracted for but not provided for in the financial statements. These commitments relate to the Hau Nui Windfarm project.

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 6) Taxation

	Line Business	Energy and Other Business	Line Business	Energy and Other Business
	1996 000's	1996 000's	1995 000's	1995 000's
Operating surplus before taxation	3,550	(2,080)	2,731	773
Prima facie taxation @ 33%	1,172	(686)	901	255
Adjusted by taxation effect of: Permanent differences	(376)	965	(271)	(53)
add: Under provision of taxation in previous period	-	-	-	(23)
<b>Taxation Charge</b>	<b>796</b>	<b>279</b>	<b>630</b>	<b>179</b>
Taxation Charge is represented by:				
Current Tax	791	257	633	191
Deferred Tax	5	22	(3)	(12)
<b>Taxation Refund (provision)</b>				
Opening Balance	138	(44)	-	43
Current Tax Charge	(791)	(257)	(633)	(191)
less Payments made	800	400	771	104
<b>Closing Balance</b>	<b>147</b>	<b>99</b>	<b>138</b>	<b>(44)</b>
<b>Future Income Tax Benefit</b>				
Opening Balance	120	12	117	-
Current Period Timing Differences	(5)	(22)	3	12
<b>Closing Balance</b>	<b>115</b>	<b>(10)</b>	<b>120</b>	<b>12</b>
<b>Imputation Credit Account</b>				
Opening Balance	(623)	(79)	(189)	(32)
Credits Attached to Dividends Paid	-	-	337	57
Taxes paid	(800)	(400)	(771)	(104)
<b>Closing Balance</b>	<b>(1,423)</b>	<b>(479)</b>	<b>(623)</b>	<b>(79)</b>

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 7) Receivables

These are comprised of:	Line Business		Energy and Other Business	
	1996	1996	1995	1995
	000's	000's	000's	000's
Electricity	1,501	1,896	1,645	1,568
Provision for Doubtful Debts	(57)	(55)	(61)	(59)
	1,444	1,841	1,584	1,509
Hire Purchase	-	265	-	1,000
Provision for Unearned Interest	-	(15)	-	(63)
	-	250	-	937
Prepayments	62	86	-	158
Other	26	47	-	62
	88	133	-	220
<b>Total Receivables</b>	<b>1,532</b>	<b>2,224</b>	<b>1,584</b>	<b>2,666</b>

### 8) Inventories

The major categories are:	Line Business		Energy and Other Business	
	1996	1996	1995	1995
	000's	000's	000's	000's
Distribution system	379	-	472	-
Appliance and servicing	-	-	-	694
Used Appliances	-	-	-	20
Work in progress	-	17	-	8
<b>Total Inventories</b>	<b>379</b>	<b>17</b>	<b>472</b>	<b>722</b>

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 9) Fixed Assets

Fixed assets with their costs and accumulated depreciation are:	Line Business	Energy and Other Business	Line Business	Energy and Other Business
	1996 000's	1996 000's	1995 000's	1995 000's
Freehold land and improvements	81	2,956	81	4,674
Land intended for Sale <i>(in current year)</i>	-	890	-	-
	81	3,846	81	4,674
Buildings	403	334	1,912	1,803
less Accumulated Depreciation	(200)	(165)	(895)	(195)
	203	169	1,017	1,608
Distribution System	30,856	-	30,305	-
Generation	-	353	-	353
less Accumulated Depreciation	-	(258)	-	(249)
add Capital Works in Progress	-	5,620	-	-
	-	5,715	-	104
Plant and Equipment	571	964	707	1,002
less Accumulated Depreciation	(388)	(582)	(438)	(604)
	183	382	269	398
Motor Vehicles	191	1,350	219	1,309
less Accumulated Depreciation	(127)	(683)	(144)	(851)
	64	667	75	458
<b>Total Fixed Assets</b>	<b>31,387</b>	<b>10,779</b>	<b>31,747</b>	<b>7,242</b>

No interest cost has been capitalised on land purchased for generation activities for 1996. (1995 Interest cost capitalised amounted to \$437,000)

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 10) Creditors and Accruals

These are comprised of	Line	Energy and	Line	Energy and
	Business	Other Business	Business	Other Business
	1996	1996	1995	1995
	000's	000's	000's	000's
Trade Creditors and Accruals	5,075	1,615	3,085	1,643
Accrued Interest	-	7	-	18
Goods and Services Tax	35	(856)	45	15
Accrued Leave	58	188	68	264
Other Liabilities	-	119	171	254
<b>Total Creditors and Accruals</b>	<b>5,168</b>	<b>1,073</b>	<b>3,369</b>	<b>2,194</b>

### 11) Borrowings

	Line	Energy and	Line	Energy and
	Business	Other Business	Business	Other Business
	1996	1996	1995	1995
	000's	000's	000's	000's
Current Portion of Borrowings				
Other Borrowings	-	2	-	501
Bank Borrowings	-	-	-	5,000
<b>Total Current Portion</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>5,501</b>
Non Current Portion of Borrowings				
One to two years	-	-	-	1
Two to five years	-	3,600	-	-
<b>Total Non Current Portion</b>	<b>-</b>	<b>3,600</b>	<b>-</b>	<b>1</b>
<b>Total Borrowings</b>	<b>-</b>	<b>3,602</b>	<b>-</b>	<b>5,502</b>

Interest rates applicable to loans range between 9.64% to 14.10% (1995: 10.12% to 13.55%)

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 12) Statement of Movement in Equity

	Line Business	Energy and Other Business	Line Business	Energy and Other Business
	1996 000's	1996 000's	1995 000's	1995 000's
Closing Balance Equity	32,403	2,814	29,649	5,173
less Opening Balance Equity	29,649	5,173	27,498	4,561
<b>Movement in Equity 1996</b>	<b>2,754</b>	<b>(2,359)</b>	<b>2,151</b>	<b>612</b>
<b>Explained as Comprehensive Income</b>				
Issue of Shares	-	-	1,291	229
After Tax Surplus	2,754	(2,359)	2,101	594
Dividend	-	-	(1,241)	(211)
<b>Movement in Equity 1996</b>	<b>2,754</b>	<b>(2,359)</b>	<b>2,151</b>	<b>612</b>

### 13) Investment in Subsidiaries

#### Subsidiary Companies of Wairarapa Electricity Limited

Subsidiary Companies	Group Interest	Nature of Business
Dundalk Enterprises Limited	100%	Property Company
Pimlico Enterprises Limited	100%	Property Company
Glencalum Farms Limited	100%	Property Company
New Generation Company Limited	100%	Property Company

None of these Companies engage in activities which are part of the Line Business.

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 14) Contingent Liabilities

The following contingent liability has not been accrued in the financial statements as at 31 March 1996.

	Line Business	Energy and Other Business	Line Business	Energy and Other Business
	1996 000's	1996 000's	1995 000's	1995 000's
Guarantee given to the New Zealand Stock Exchange by ANZ Banking Group (New Zealand) Limited on Wairarapa Electricity Limited's behalf.	65	11	65	11
Other contingent liabilities outstanding as at 31 March 1995	-	-	-	175
<b>Total Contingent Liabilities</b>	65	11	65	186

### 15) Share Capital

	Line Business	Energy and Other Business	Line Business	Energy and Other Business
	1996 000's	1996 000's	1995 000's	1995 000's
<b>Authorised capital</b> 100,000,000 ordinary shares of 95 cents each	n/a	n/a	n/a	n/a
<b>Issued and paid up Capital</b> Balance at beginning of period 17,600,000 ordinary shares of 95 cents each	14,285	2,435	12,994	2,206
Issue of Shares	-	-	1,291	229
<b>Total Capital</b>	14,285	2,435	14,285	2,435

# Wairarapa Electricity Limited and Subsidiary Companies

## Notes to the Financial Statements

### 16) Share Premium

	Line Business	Energy and Other Business	Line Business	Energy and Other Business
	1996 000's	1996 000's	1995 000's	1995 000's
Balance at Beginning of Period	615	105	-	-
Movement	-	-	615	105
	615	105	615	105





**Wairarapa Electricity Limited and Subsidiary Companies**

**PART II**

**PERFORMANCE MEASURES AND STATISTICS  
FOR THE YEAR ENDED 31 MARCH 1996**

**Pursuant to Regulations 13, 14, 15 and 16 of the  
Electricity (Information Disclosure) Regulations 1994**

**Regulations 13 and 14****i. Financial Performance Measures**

	Actual 1996	Actual 1995
	%	%
(a) Accounting Return on Total Assets	7.0	5.66
(b) Accounting Return on Equity	5.45	4.35
(c) Accounting Rate of Profit	5.46	4.06

**ii. Efficiency Performance Measures**

	Actual 1996	Actual 1995
	\$	\$
(a) Direct Line Costs per kilometre	1,614	1,626
(b) Indirect Line Costs per Electricity Customer	48.78	37.03

**Optimised Deprival Valuation**

The Optimised Deprival Valuation (established as at 1 April 1994) is \$50.6 million.

**Regulation 15****i. Energy Delivery Efficiency Performance Measures**

	1996	1995
	%	%
(a) Load Factor	62.98	63.5
(b) Loss Ratio	5.4	5.2
(c) Capacity Utilisation	25.6	25.7

**ii. Statistics**

See table below for the following statistics:

- (a) System Length (kms) and breakdown by nominal line voltage.  
 (b) Underground circuit length (kms) and breakdown by nominal line voltage.  
 (c) Overhead circuit length (kms) and breakdown by nominal line voltage.

	KILOMETRES					
	(c) Overhead Circuit		(b) Underground Circuit		(a) Total System	
	1996	1995	1996	1995	1996	1995
33kV	171.1	171.1	1.6	1.6	172.7	172.7
11kV	1506.3	1521.2	34.9	34.2	1541.2	1555.4
3.3kV	3.4	3.4	0.0	0.0	3.4	3.4
400V	586.3	586.3	73.5	73.3	659.8	659.6
TOTAL	<u>2,267.1</u>	<u>2,282.0</u>	<u>110.0</u>	<u>109.1</u>	<u>2,377.1</u>	<u>2,391.1</u>
					1996	1995
(d) Transformer Capacity (kVA)					160525	158198
(e) Maximum Demand (kW)					41094	40616
(f) Total Electricity supplied by system (kWh)					$215.0 \times 10^6$	$214.2 \times 10^6$
(g) Total Electricity conveyed by System for other persons (kWh)					$4.2 \times 10^6$	$1.5 \times 10^6$
(h) Total Customers (average for year)					20650	20833

**Regulation 16**

## i. Total number of interruptions and breakdowns by interruption class

Class	Type of interruption	1996	1995
		No	No
A	Planned - Trans Power	0	0
B	Planned - Wairarapa Electricity Limited	174	201
C	Unplanned - Wairarapa Electricity Limited	214	427
D	Unplanned - Trans Power	6	3
E	Unplanned - ECNZ	0	0
F	Unplanned - Other	0	0
G	Any other interruption	0	0
<b>TOTAL</b>	<b>All interruptions</b>	<b>394</b>	<b>631</b>
<b>All companies average 1995</b>			<b>470</b>

## ii. Number of faults per 100 circuit kms

Line voltage	Total		Underground		Overhead	
	1996	1995	1996	1995	1996	1995
100kV	0.0	0.0	0.0	0.0	0.0	0.0
66kV	0.0	0.0	0.0	0.0	0.0	0.0
33kV	1.7	5.8	0.0	0.0	1.8	5.8
11kV	13.6	27.1	5.7	2.9	13.8	27.2
6.6kV	0.0	0.0	0.0	0.0	0.0	0.0
3.3kV	29.4	58.8	0.0	0.0	29.4	58.8
<b>Total</b>	<b>12.6</b>	<b>24.7</b>	<b>5.5</b>	<b>2.79</b>	<b>12.6</b>	<b>25.1</b>
<b>All companies average 1995</b>			<b>14.1</b>	<b>9.0</b>		<b>16.8</b>

## iii. Breakdown of statistics by interruption class

Class	Type of Interruption	SAIDI (Minutes)		SAIFI (Interruptions)		CAIDI (Minutes)	
		1996	1995	1996	1995	1996	1995
A	Planned - Trans Power	0.0	0.0	0.0	0.0	0.0	0.0
B	Planned - Wairarapa Electricity Limited	77.72	105.5	0.67	0.76	116.90	138.8
C	Unplanned - Wairarapa Electricity Limited	107.25	160.3	1.36	1.92	78.68	83.5
D	Unplanned - Trans Power	8.92	11.2	1.0	0.57	8.88	19.6
E	Unplanned - ECNZ	0.0	0.0	0.0	0.0	0.0	0.0
F	Unplanned - Other	0.0	0.0	0.0	0.0	0.0	0.0
G	Any other interruption	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>All Interruptions</b>	<b>193.89</b>	<b>276.9</b>	<b>3.03</b>	<b>3.25</b>	<b>63.94</b>	<b>85.2</b>
<b>All companies average 1995</b>			<b>277.9</b>		<b>3.9</b>		<b>72.3</b>



**Wairarapa Electricity Limited and Subsidiary Companies**

**PART III**

**CERTIFICATION  
FOR THE YEAR ENDED 31 MARCH 1996**

**Pursuant to Regulations 25 and 26 of the  
Electricity (Information Disclosure) Regulations 1994**



*Wairarapa Electricity Limited*  
316-330 Queen Street  
P O Box 466  
Masterton  
New Zealand  
Telephone: 64 6 377 3773  
Facsimile: 64 6 370 9823

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND  
STATISTICS DISCLOSED BY WAIRARAPA ELECTRICITY LIMITED**

We, J D Matheson, and R F Elworthy, directors of Wairarapa Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) The attached audited financial statements of Wairarapa 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 Wairarapa 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 financial performance measures are based are as at 1 April 1994.

  
.....  
**J D Matheson**

11 July 1996

  
.....  
**R F Elworthy**

11 July 1996

Coopers  
& Lybrand

chartered accountants  
and business advisers

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

PO Box 48  
DX CP24073  
Coopers & Lybrand Tower  
23-29 Albert Street  
Auckland  
New Zealand

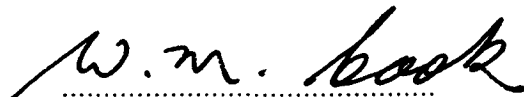
125 years  
of innovation

The Directors  
Wairarapa Electricity  
P O Box 466  
MASTERTON 5915

**CERTIFICATION BY AUDITOR IN RELATION TO  
ODV VALUATION OF WAIRARAPA ELECTRICITY'S  
LINES BUSINESS**

I have examined the valuation report prepared by Coopers & Lybrand and dated 28 April, 1995, which report contains valuations as at 1 April, 1994.

I 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.



W MURRAY COOK  
11 MAY 1995



**Certification by Auditor in Relation to Financial Statements of  
Wairarapa Electricity Limited**

We have examined the attached financial statements prepared by Wairarapa Electricity Limited and dated 30 June 1996 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.

Our examination was completed on 11 July 1996 and our opinion is stated as at that date.

A handwritten signature in black ink, appearing to read 'KPMG'. The signature is stylized and fluid, with the letters overlapping. Below the signature, the word 'Wellington' is printed in a simple, sans-serif font.  
Wellington



### Certification of Performance Measures by Auditors

We have examined the attached information, being:

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

and having been prepared by Wairarapa Electricity Limited and dated 30 June 1996 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.

Our examination was completed on 11 July 1996 and our opinion is stated as at that date.

*KANG*  
Wellington

