

New Zealand Gazette

OF THURSDAY, 29 AUGUST 1996

WELLINGTON: WEDNESDAY, 4 SEPTEMBER 1996 — ISSUE NO. 103

BULLER ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

BULLER ELECTRICITY LIMITED

“LINE OWNER”

INFORMATION FOR DISCLOSURE

Pursuant to the Electricity (Information Disclosure) Regulations 1994

AUGUST 31 1996

BULLER ELECTRICITY LIMITED

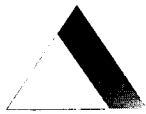
INTRODUCTION

This document contains certain material required to be disclosed by Buller Electricity Limited under Regulations 6, 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994.

The information in this document was prepared by Buller Electricity Limited after making all reasonable enquiry and to the best of its knowledge, the information complies with all relevant requirements of the Regulations.

The information is available on request at the companys following principal office:

111 PALMERSTON STREET
WESTPORT



Audit New Zealand

CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

I have examined the attached financial statements prepared by Buller Electricity Limited and dated 9 August 1996 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 'J L Palmer', written in a cursive style.

J L Palmer
Audit New Zealand
On behalf of the Controller and Auditor-General
13 August 1996

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

WE, Harley Trevor McNabb and Peter Roselli, directors of Buller Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-

- (a) The attached audited financial statements of Buller 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 measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Buller 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 March 31 1996.



H T McNABB



P ROSELLI

STATEMENT OF ACCOUNTING POLICIES**1. MEASUREMENT BASE**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Company with the exception that certain Land and Buildings have been revalued.

The financial statements of Buller Electricity Limited have been prepared in accordance with the Electricity Information Disclosure Regulation 1994.

2. METHODOLOGY

The methodology used to determine line function services at March 31 1996 have been based on Electricity Disclosure Guidelines on business procedures issued by the Energy Policy Group Ministry of Commerce Wellington dated June 23 1994.

3. FIXED ASSETS

The Group has four classes of fixed assets:

Land and Buildings
Distribution System
Plant Motor Vehicles, Tools and Equipment
Office Furniture and Equipment (including Computers)

All fixed assets excluding Land and Buildings are shown at historical cost less accumulated depreciation.

Freehold land and buildings are revalued on a cyclical basis with no individual fixed asset being included at a valuation undertaken more than three years previously. Valuations are at net current value as determined by an independent valuer.

4. DEPRECIATION

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 or valuation less estimated residual value, over their estimated useful lives.

Major depreciation periods are:

Distribution Equipment	■ 25-40 years (DV & SL)
Freehold Buildings	■ 50 years (SL)
Motor Vehicles	■ 5 years (DV)
Plant and Equipment	■ 5 to 10 years (DV)
Office Furniture and Equipment	■ 5 to 10 years (DV)

Capital contributions towards the cost of reticulating new subdivisions and line extensions are recognised as revenue in the year received.

5. INCOME TAX

The income tax expense charged to the statement of financial performance includes both the current years provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. The debit balance in the deferred tax account, arising from timing differences are only recognised if there is virtual certainty of realisation.

BULLER ELECTRICITY LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED MARCH 31 1996

	Line Operator		Note	Energy Trading	
	1996	1995		1996	1995
	\$	\$		\$	\$
Operating Revenues					
Sales of Electricity	3,028,672	2,652,897		3,954,886	4,061,885
Other Income	75,681	159,239		1,293,693	1,448,214
	<u>3,104,353</u>	<u>2,812,136</u>		<u>5,248,579</u>	<u>5,510,099</u>
Operating Expenses					
Cost of Electricity	1,304,503	714,646		3,315,789	3,687,122
Depreciation	396,500	369,661	(4)	34,988	31,369
Other Expenses	1,264,256	1,360,384		1,623,487	1,959,270
	<u>2,965,259</u>	<u>2,444,691</u>		<u>4,974,264</u>	<u>5,677,761</u>
Surplus Before Taxation	139,094	367,445		274,315	(167,662)
Taxation	54,145	129,501	(5)	106,057	(18,079)
Surplus After Taxation	84,949	237,944		168,258	(149,583)
Deduct					
Share of Retained Losses of Associates	-	-		1,928	1,541
Net Surplus	<u>\$84,949</u>	<u>\$237,944</u>		<u>\$166,330</u>	<u>\$(151,124)</u>

A credit for the South Island differential is not reflected in the 1995 cost of electricity figures thus distorting the comparative information.

BULLER ELECTRICITY LIMITED**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED MARCH 31 1996**

	Line Operator		Note	Energy Trading	
	1996	1995		1996	1995
	\$	\$		\$	\$
Equity at Start of Year	5,603,852	5,369,631		1,222,690	1,336,509
Net Surplus for the Year	84,949	237,944		166,330	(151,124)
Increases/(Decreases) in Revaluation Reserves	38,415	14,652		55,237	40,805
Total Recognized Reserves and Expenses for the Year	<u>123,364</u>	<u>252,596</u>		<u>221,567</u>	<u>(110,319)</u>
Distribution to Owners during the Year (Dividends)	<u>74,300</u>	<u>18,375</u>		<u>13,200</u>	<u>3,500</u>
Equity at End of Year	<u>5,652,916</u>	<u>5,603,852</u>		<u>1,431,057</u>	<u>1,222,690</u>

BULLER ELECTRICITY LIMITED**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31 1996**

	Line Operator		Note	Energy Trading	
	1996	1995		1996	1995
	\$	\$		\$	\$
Shareholders Equity					
Share Capital	5,067,798	5,067,798		1,182,202	1,182,202
Reserves	260,261	221,846		144,644	89,407
Retained Earnings	324,857	314,208		104,211	(48,919)
	<u>5,652,916</u>	<u>5,603,852</u>		<u>1,431,057</u>	<u>1,222,690</u>
Assets					
Current Assets					
Cash	35,783	27,786		36,007	35,039
Accounts Receivable	227,480	248,427	(1)	781,977	856,049
Inventories	327,988	414,970		270,239	316,061
Short Term Deposits	500,000	337,253		320,000	100,000
	<u>1,091,251</u>	<u>1,028,436</u>		<u>1,408,223</u>	<u>1,307,149</u>
Non Current Assets					
Long Term Investments	-	10,000		-	-
Fixed Assets	5,302,208	5,038,409	(4)	594,003	534,539
Investments in Associate Companies	-	-		1,581	3,509
Deferred Taxation	(37,549)	(20,328)	(3)	41,859	34,693
	<u>5,264,659</u>	<u>5,028,081</u>		<u>637,443</u>	<u>572,741</u>
Total Assets	<u>6,355,910</u>	<u>6,056,517</u>		<u>2,045,666</u>	<u>1,879,890</u>
Liabilities					
Current Liabilities					
Accounts Payable	702,994	442,665	(2)	614,609	657,200
Non Current Liabilities					
Loan Finance	-	10,000		-	-
Total Liabilities	<u>702,994</u>	<u>452,665</u>		<u>614,609</u>	<u>657,200</u>
Net Assets	<u>5,652,916</u>	<u>5,603,852</u>		<u>1,431,057</u>	<u>1,222,690</u>

For and on Behalf of the Board

Directors:



P Roselli



J W H Duncan



Dated
14/8/96
Page 4

BULLER ELECTRICITY LIMITED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Line Operator		Note	Energy Trading	
	1996	1995		1996	1995
	\$	\$		\$	\$
1. Accounts Receivable					
Electricity	223,028	218,131		320,940	339,079
Provision for Doubtful Debts	(18,202)	(15,537)		(26,191)	(37,345)
Taxation Refund Due	3,084	23,697		3,084	23,697
Work in Progress	83	-		-	19,408
Other	12,048	3,434		11,004	1,343
Sundry Debtors	7,439	18,702		490,662	509,867
Provision for Doubtful Debts	-	-		(17,522)	-
	<u>227,480</u>	<u>248,427</u>		<u>781,977</u>	<u>856,049</u>
2. Accounts Payable					
Trade Creditors	430,592	227,611		383,773	415,918
Accrued Leave Liability	41,993	37,563		39,880	39,715
Other Accruals	147,338	148,129		114,268	156,124
Current Portion - Term Liabilities	-	11,173		-	-
Consumer Deposits	17,839	15,051		25,673	27,952
Provision for Dividend	61,500	-		-	-
Other	3,732	3,138		51,015	17,491
	<u>702,994</u>	<u>442,665</u>		<u>614,609</u>	<u>657,200</u>
3. Deferred Taxation					
Deferred Tax April 1	(20,328)	13,562		34,693	20,344
Less/Plus Deferred Tax	(17,221)	(33,890)		7,166	14,349
	<u>(37,549)</u>	<u>(20,328)</u>		<u>41,859</u>	<u>34,693</u>

BULLER ELECTRICITY LIMITED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****4. Fixed Assets ■ Energy Trading**

	Total	Lands	Buildings	Other
Opening Balance	726,718	84,299	305,600	336,819
Accumulated Depreciation	(235,420)	-	(9,168)	(226,252)
As at April 01 1994	491,298	84,299	296,432	110,567
Additions	59,429	-	-	59,429
Revaluations	40,805	10,501	30,304	-
Disposals	(25,624)	(16,900)	-	(8,724)
	565,908	77,900	326,736	161,272
Current Depreciation	(31,369)	-	(2,242)	(29,127)
As at March 31 1995	534,539	77,900	324,494	132,145
	Total	Lands	Buildings	Other
Opening Balance	801,328	77,900	335,904	387,524
Accumulated Depreciation	(266,789)	-	(11,410)	(255,379)
As at April 01 1995	534,539	77,900	324,494	132,145
Additions	45,562	-	1,123	44,439
Revaluations	55,237	11,500	43,737	-
Disposals	(6,347)	-	-	(6,347)
	628,991	89,400	369,354	170,237
Current Depreciation	(34,988)	-	(7,033)	(27,955)
As at March 31 1996	594,003	89,400	362,321	142,282

BULLER ELECTRICITY LIMITED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****4. Fixed Assets ■ Line Operator**

	Total	Distribution System	Lands	Buildings	Other
Opening Balance	7,597,476	6,536,092	40,182	347,594	673,608
Accumulated Depreciation	(2,854,757)	(2,434,798)	-	(10,868)	(409,091)
As at April 01 1994	4,742,719	4,101,294	40,182	336,726	264,517
Additions	675,388	527,450	-	-	147,938
Revaluations	14,652	-	15,340	(688)	-
Disposals	(24,689)	(5,893)	-	(9,625)	(9,171)
	5,408,070	4,622,851	55,522	326,413	403,284
Current Depreciation	(369,661)	(300,032)	-	(1,725)	(67,904)
As at March 31 1995	5,038,409	4,322,819	55,522	324,688	335,380

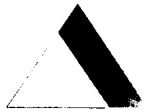
Included in the distribution is capital work in progress of \$6,371 as at March 31 1995.

	Total	Distribution System	Lands	Buildings	Other
Opening Balance	8,262,827	7,057,649	55,522	337,281	812,375
Accumulated Depreciation	(3,224,418)	(2,734,830)	-	(12,593)	(476,995)
As at April 01 1995	5,038,409	4,322,819	55,522	324,688	335,380
Additions	648,400	557,363	-	18,335	72,702
Revaluations	38,415	-	16,900	21,515	-
Disposals	(26,516)	-	-	-	(26,516)
	5,698,708	4,880,182	72,422	364,538	381,566
Current Depreciation	(396,500)	(320,350)	-	(6,918)	(69,232)
As at March 31 1996	5,302,208	4,559,832	72,422	357,620	312,334

Included in the distribution is capital work in progress of \$15,990 as at March 31 1996.

BULLER ELECTRICITY LIMITED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Line Operator		Note	Energy Trading	
	1996 \$	1995 \$		1996 \$	1995 \$
5. Taxation					
Surplus Before Taxation	139,094	361,445		274,315	(167,662)
Income Tax at 33¢	45,901	121,257		90,524	(55,328)
Plus Permanent Differences Tax Effect	8,244	8,244		15,533	37,249
Tax Expense as per Statement of Financial Performance	54,145	129,501		106,057	(18,079)
Comprising	36,924	95,611		113,223	3,730
Current Tax	17,221	33,890		(7,166)	14,349
Deferred Tax					
	54,145	129,501		106,057	18,079



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 Buller Electricity Limited and dated 9 August 1996 for the purposes of regulation 13 of those regulations.

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

A handwritten signature in black ink, appearing to read 'J L Palmer', written over a large, stylized circular flourish.

J L Palmer
Audit New Zealand
On behalf of the Controller and Auditor-General
13 August 1996

BULLER ELECTRICITY LIMITED
PERFORMANCE MEASURES
YEAR ENDED MARCH 31 1996

Disclosure of Financial and Efficiency Performance Measures as required by Regulations 13, 14, 15 and 16 of the Electricity Information Disclosure Regulations 1994.

1. FINANCIAL MEASURES	1996	1995
(a) Accounting Return on Total Assets (pre-tax) (%)	2.52%	2.54%
(b) Accounting Return on Equity (post-tax) (%)	2.12%	1.58%
(c) Accounting Rate of Profit (post-tax) (%)	2.32%	1.66%
2. EFFICIENCY MEASURES		
(a) Direct Line Costs per Kilometre (\$/Km)	\$1,108.05/Km	\$1,852.97/Km
(b) Indirect Line Costs per Electricity Customer	\$175.28/Customer	\$167.13/Customer
3. ENERGY DELIVERY PERFORMANCE MEASURES		
(a) Load Factor	67.16%	66.9%
(b) Loss Ratio	4.41%	4.1%
(c) Capacity Utilisation	63.0%	63.3%
4. STATISTICS		
(a) Total System Length		
(i) 33 KV	111.30	111.30
11 KV	330.06	330.00
230\400V	126.83	82.1
Total Length	568.19	523.40
(ii) 33 KV	111.30	111.30
11 KV	328.41	328.41
230\400V	116.33	71.76
Total Overhead Circuit Length	556.04	511.47
(iii) 11 KV	1.65	1.59
230\400V	10.50	10.34
Total Underground Circuit Length	12.15 KM	11.93 KM
(b) Transformer Capacity	25,045 KVA	24,343 KVA
(c) Maximum Demand	15,781 KW	15,400 KW
(d) Total Electricity Supplied	88,788,774 KWH	86,529,531 KWH
(e) Total Amount of Electricity Conveyed	0 KWH	0 KWH
(f) Total Customers	4,238	4,238

BULLER ELECTRICITY LIMITED
PERFORMANCE MEASURES
YEAR ENDED MARCH 31 1996

5. RELIABILITY PERFORMANCE MEASURES	1996	1995
1. Total Number of Interruptions	184	166
Class A	0	0
Class B	38	33
Class C	144	131
Class D	2	2
Class E	0	0
Class F	0	0
Class G	0	0
2. Total Number of Faults per 100 circuit KM of Electric Line	32.38	31.50
3. Total Number of Faults per 100 circuit KM of Underground Line 11KV	0	2
4. Total Number of Faults per 100 circuit KM of Overhead Line 33KV 11KV	33.09 0 55.3	31.16 0.39 30.91
5. The SAIDI for the total of Interruptions	649.91	575.8
6. The SAIDI for the total number of Interruptions within each Interruption Class		
Class A	0	0
Class B	397.08	224.74
Class C	211.0	331.94
Class D	41.83	19.12
Class E	0	0
Class F	0	0
Class G	0	0
7. The SAIFI for the total number of Interruptions	3.81	4.74
8. The SAIFI for the total number of Interruptions within each Interruption Class		
Class A	0	0
Class B	1.66	0.69
Class C	1.15	3.04
Class D	1.00	1.00
Class E	0	0
Class F	0	0
Class G	0	0
9. The CAIDI for the total of all Interruptions	170.41	148.88
10. The CAIDI for the total number of Interruptions within each Interruption Class		
Class A	0	0
Class B	239.04	323.42
Class C	183.05	109.04
Class D	41.83	19.12
Class E	0	0
Class F	0	0
Class G	0	0
11. Disclosure of ODV Valuation - Line Business Asset Value	 \$12.93 Million	

Coopers
& Lybrand

chartered accountants

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Christchurch Dunedin Invercargill

A Member Firm of
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The Directors
Buller Electricity Limited
P O Box 243
WESTPORT 7615

**CERTIFICATION BY AUDITOR IN RELATION TO
ODV VALUATION OF BULLER ELECTRICITY'S DISTRIBUTION SYSTEM**

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

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


WILLIAM MURRAY COOK
2 AUGUST 1995

ctfwmc\rel2601

Auckland partners Auckland City office Richard D Agnew Kevin T Anderson Bruce A Baillie Nicholas H Barrett Kevin J Bearsley Barrie M Brown W Murray Cook
Arun F D David John P Duncumb G Roger W France Tony D Gault Warwick E Hunt Barry G King P Denis Lane Brian W McCloy
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Consultant Manukau City office Douglas M Elliffe



DEPARTMENT OF INTERNAL AFFAIRS
TE TARI TAIWHENUA

PUBLISHED BY AUTHORITY OF DEPARTMENT OF INTERNAL AFFAIRS:
GP PRINT LIMITED, WELLINGTON, NEW ZEALAND—1996

ISSN 0111-5650
Price \$3.95 (inc. G.S.T.)
74709—96A

