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TRANS POWER NEW ZEALAND LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

TRANS POWER NEW ZEALAND LIMITED GROUP

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 1996

	Notes	1996 $000	1995 $000
Operating revenue	3	541,296	523,603
Operating expenses	4	291,334	292,269
Surplus from operations		249,962	231,334
Net finance costs	6	106,820	121,305
Operating surplus before tax		143,142	110,029
Tax expense	7	46,747	25,506
Operating surplus after tax		96,395	84,523
Share of post tax deficit of the associate company	9	(498)	-
Net surplus attributable to shareholders		95,897	84,523

The notes on pages 6 to 32 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 1996

	Notes	1996 $000	1995 $000
Equity at the beginning of the year		1,275,276	1,200,008
Net surplus attributable to shareholders		95,897	84,523
Annual revaluation of fixed assets	15	21,282	41,459
Distributions to owners during the year	16	(62,658)	(50,714)
Equity at the end of the year		1,329,797	1,275,276

The notes on pages 6 to 32 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 1996

	Notes	30 June 1996 $000	30 June 1995 $000
Assets Employed			
Current assets	8	227,442	96,726
Investments	9	3,869	2,800
Fixed assets	10	2,878,561	2,873,570
Total Assets Employed		3,109,872	2,973,096
Funds Employed			
Liabilities			
Current liabilities	11	546,659	1,225,092
Deferred maintenance	12	-	3,872
Long term debt	13	1,233,416	468,856
Total Liabilities		1,780,075	1,697,820
Equity			
Capital	14	1,200,000	1,200,000
Reserves	15	55,319	44,525
Retained earnings	16	74,478	30,751
Total Equity		1,329,797	1,275,276
Total Funds Employed		3,109,872	2,973,096

The notes on pages 6 to 32 form an integral part of these financial statements.

For, and on behalf of, the Board

D.S. Ritchie
Chairman
5 November 1996

D.G. Sadler
Director

TRANS POWER NEW ZEALAND LIMITED GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 1996

	1996 $000	1995 $000
Cash Flow from Operations		
Cash was provided from:		
Receipts from customers	544,751	513,293
Cross border lease	10,885	-
Interest received	20,512	4,735
Cash was applied to:		
Payments to suppliers and employees	(167,998)	(165,978)
Tax payments	(29,112)	(22,812)
Interest paid	(126,772)	(130,284)
Net cash flow from operations	252,266	198,954
Cash Flow from Investments		
Cash was provided from:		
Sale of assets	3,265	1,720
Short term investments	1,888,716	-
Cash was applied to:		
Capitalised interest	(3,709)	(1,998)
Purchase of fixed assets	(102,102)	(74,837)
Investment in associate	(1,567)	(1,300)
Short term investments	(2,029,721)	-
Net cash flow (to)/from investments	(245,118)	(76,415)
Cash Flow from Financing		
Cash was provided from:		
Increase in loans	3,370,489	2,114,048
Capital payments	-	32,500
Cash was applied to:		
Dividends paid	(63,656)	(17,977)
Repayment of loans	(3,312,911)	(2,255,100)
Net cash flow (to)/from financing	(6,078)	(126,529)
Net increase/(decrease) in cash held	1,070	(3,990)
Opening balance brought forward	(676)	3,314
Closing net cash carried forward	394	(676)
Closing net cash carried forward comprises:		
Cash and bank	394	7
Bank overdraft	-	(683)
	394	(676)

The notes on pages 6 to 32 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS (cont.)

FOR THE YEAR ENDED 30 JUNE 1996

Reconciliation of "Operating surplus after tax" with "Net Cash Flow from Operations"

	1996 $000	1995 $000
Operating surplus after tax	96,395	84,523
Add/(deduct) non-cash items:		
Depreciation and write offs	90,902	91,160
Infrastructure asset service potential adjustment	19,795	22,823
Income tax expense	46,747	25,506
Increase/(decrease) in provisions	2,137	4,263
Other movements in working capital items*:		
Decrease/(increase) in trade and other receivables	3,725	(10,310)
Decrease/(increase) in prepayments	734	(3,842)
Decrease/(increase) in stocks of materials	6,895	18
(Decrease)/increase in trade and other liabilities and interest payable	4,578	(1,311)
Tax payments	(29,112)	(22,812)
Add/(deduct) items classified as investing activities:		
(Profit)/loss on sale of fixed assets	9,470	9,664
(Profit)/loss on investments	-	(728)
Net Cash Flow from Operations	252,266	198,954

* Other movements in working capital items relate to operating activities

The notes on pages 6 to 32 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These consolidated financial statements are for the Transpower Group (the "Group"), which includes all the subsidiary and associate companies as disclosed in Note 23.

The financial statements are presented in accordance with the Electricity (Information Disclosure) Regulations and have been prepared in accordance with the Financial Reporting Act 1993.

Special Purpose Financial Statements

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

For the purposes of the Regulations, only Group financial statements are relevant, and therefore no Parent Company information has been disclosed.

Measurement Base

The measurement basis is historical cost except as modified by the revaluation of certain assets and investments.

Accounting Policies

The following accounting policies have been applied:

(a) Principles of Consolidation

The Group financial statements are prepared from the audited financial statements of the Parent Company and its subsidiaries as at 30 June 1996. The purchase method is used to consolidate subsidiary companies. All significant transactions between group companies are eliminated on consolidation.

The equity method is used for the associate company. An associate company is one over which the Group exercises significant influence, but does not have control.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

(b) ***Revenue***

Revenue shown in the Statement of Financial Performance comprises the amounts received and receivable by the Group for transmission services and lease revenue. Dividends received and interest income from investments are included within net finance costs.

(c) ***Goods and Services Tax (GST)***

The Statement of Financial Performance and the Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST with the exception of receivables and payables which include GST invoiced.

(d) ***Current Assets***

Receivables are stated at their estimated net realisable value.

Stocks are valued at the lower of cost, calculated on the weighted average cost basis, or estimated net realisable value.

(e) ***Investments***

Investments are recorded at the lower of cost or net realisable value.

(f) ***Fixed Assets***

Modified Historical Cost Measurement

Fixed assets are recorded at the most recent valuation, adjusted by subsequent additions, disposals and depreciation. Valuations are carried out each year by, or under the guidance of, independent experts using the optimised deprival valuation methodology (ODV).

Under modified historical cost the annual revaluation for the year, reflecting the difference between the net carrying value of the assets and the ODV value, is recorded in the asset revaluation reserve. The net carrying value is determined after writing any accumulated depreciation or infrastructure asset service potential adjustment back against the asset value.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

Upon the disposal or write off of an asset the revaluation increment or decrement relevant to that asset is transferred from the revaluation reserve to retained earnings.

Capital Work in Progress

Capital work in progress is recorded at cost. Cost is determined by including all costs directly associated with bringing the fixed assets to their location and condition. Finance costs incurred during the period of time that is required to complete and prepare the fixed asset for its intended use are capitalised for all projects having a cost in excess of one million dollars as part of the total cost for capital work in progress.

The finance costs capitalised are based on the actual costs directly attributable to the construction of the asset. Where this is not clearly identifiable, the Group's weighted average cost of capital is used.

Assets are transferred from capital work in progress to fixed assets as they become operational and available for use.

(g) ***Infrastructure Asset***

The infrastructure accounting methodology is applied to the infrastructure asset. The infrastructure asset consists of the individual asset components that form the network of transmission lines comprising the National Grid. These individual components are regarded together as a single asset. All other assets are classified as non infrastructure assets.

The philosophies, standards, practices and expenditures for maintaining the operating capability of the Group's assets, including the infrastructure asset, are documented in the annual Asset Management Plan (AMP). It is the Group's intention to maintain the operating capability of the transmission line network into the foreseeable future.

Operating capability refers to the output of service of the infrastructure asset at a point in time and is determined by reference to attributes such as physical output capacity, associated operating costs and quality of output.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

The asset management practices outlined in the AMP result in the infrastructure asset having an extremely long life with minimal decline in book value. Having regard to the life and residual value of the infrastructure asset the Directors consider that the depreciation of the asset is immaterial. Accordingly, no depreciation is charged on the infrastructure asset. Expenditure incurred to maintain the operating capability of the infrastructure asset in accordance with the AMP is treated as an expense in the Statement of Financial Performance. This treatment differs from standard accounting for fixed assets which allocates the cost of the asset over its estimated economic life and capitalises any expenditure that extends the asset's life.

Expenditure on the infrastructure asset that enhances or develops the operating capability of the asset is capitalised.

Service potential refers to the ability of the asset to provide a satisfactory level of operating capability into the future. If, in any year, the level of expenditure required to maintain the operating capability of the infrastructure asset is insufficient to preserve the service potential of the asset, the net book value of the infrastructure asset is reduced and the Statement of Financial Performance is charged with this shortfall. This is called the "infrastructure asset service potential adjustment". Expenditure in subsequent periods to redress this shortfall and bring the infrastructure asset back to the requisite level of service potential increases the net book value of the infrastructure asset.

(h) Depreciation

Depreciation of non infrastructure fixed assets is calculated using the straight line method to allocate the cost or valuation of the fixed assets over their expected useful lives, after due allowance for their expected residual value. The estimated economic lives are as follows:

Freehold buildings	20-25 years
Substations	40-55 years
HVDC link	30 years
HVDC leased assets	30 years
Communications	10-25 years
Minor assets	3-10 years

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

(i) ***Leased Assets***

The Group leases certain plant, equipment, land, and buildings.

Finance leases effectively transfer to the entity substantially all of the risks and benefits incidental to the ownership of the leased item. Assets acquired by means of a finance lease are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. Leased assets are depreciated over their economic lives. A corresponding liability is also established at the inception of each lease and each lease payment is allocated between the liability and finance costs.

Under operating leases all the risks and benefits of ownership are effectively retained by the lessor. Operating lease payments are representative of the pattern of benefits derived from the leased assets and are accordingly recognised in the Statement of Financial Performance as expenses, in the period in which they are incurred.

(j) ***Statement of Cash Flows***

The following are the definitions of the terms used in the Statement of Cash Flows:

(i) Cash means coins, notes and demand deposits. Cash includes liabilities which are the negative form of the above, such as the bank overdraft.

(ii) Operating activities comprise the transmission of bulk electricity and related support, maintenance, administration and interest costs.

(iii) Investing activities comprise the purchase, holding and disposal of fixed assets and investments. Capitalised interest on capital work in progress is also included in investing activities.

(iv) Financing activities include changes in equity and borrowings, and dividends paid on equity. Cash flows arising from short term loans are disclosed as a net cash movement due to the volume of transactions involved.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

(k) Taxation

The tax expense charged against the surplus for the year is the estimated liability in respect of that surplus plus any adjustments arising from prior years, after allowance for permanent differences and to the extent they are not, on a cumulative basis, expected to reverse in the foreseeable future, timing differences. This is the liability method of calculating deferred tax applied on a partial basis.

Under the application of this method, timing differences that are not recognised in the Statement of Financial Position are disclosed in Note 7.

Future tax benefits attributable to losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the losses will be utilised.

(l) Foreign Currencies

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Monetary assets and liabilities at balance date are translated at exchange rates current at balance date. Where transactions are hedged they are translated at the hedge rate.

Gains and losses due to currency fluctuations on foreign currency receivables and payables are included in the Statement of Financial Performance. Gains or losses from exchange rate fluctuations do not arise in respect of hedged foreign currency borrowings.

Exchange differences and associated costs on hedging transactions undertaken to establish the price of a particular purchase, are deferred and are included in the measurement of the purchase transaction as at the transaction date.

(m) Financial Instruments

Financial instruments recognised in the Statement of Financial Position include cash and bank, trade receivables, other receivables, investments, bank overdraft, and debt. These instruments are entered into in the normal course of business.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

Financial instruments with off balance sheet risk including foreign exchange contracts, forward rate agreements, cross currency swaps and interest rate swaps and options, are entered into for the purpose of reducing exposure to fluctuations in interest rates and foreign exchange rates.

For interest rate swaps, the differential to be paid or received is accrued as interest rates change and is recognised as a component of interest or expense over the life of the swap. Premiums paid on interest rate options are amortised over the period to maturity. The settlement cash flows on the maturity of forward rate agreements are amortised over the period of the underlying asset or liability that the financial instrument is hedging.

Additional information about financial instruments to which the Group is a party is provided in Note 21.

(n) ***Comparatives***

For the purposes of Financial Reporting Standard No 9 "Information to be disclosed in Financial Statements" the audited figures for the period ended 30 June 1995 have been restated as follows:

- Short term debt and the current portion of long term debt have been disclosed under current liabilities rather than debt;
- Interest payable has been disclosed separately from trade creditors in Note 11;
- Unrealised gains and losses on foreign exchange forward contracts entered into to hedge foreign currency borrowings, previously included in current assets and current liabilities have been disclosed as short term debt in Note 11.

Changes in Accounting Policies

There have been no changes in accounting policies and all policies have been applied on a basis consistent with those used in previous periods.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

2. RELATED PARTY

As a State Owned Enterprise (SOE), shares in Transpower are held by the shareholding ministers on behalf of the Crown. Related party transactions have been entered into with other State Owned Enterprises, principally Broadcast Communications Limited (BCL, a subsidiary of Television New Zealand Limited), Works Consultancy Services Limited, the Electricity Corporation of New Zealand (ECNZ) Group, and the Crown.

On 1 February 1996 Contact Energy Limited was separated from ECNZ and established as an SOE. Related party transactions have been disclosed from this date. In the prior period PowerMark New Zealand Limited, a subsidiary of ECNZ was sold, and therefore ceased to be a related party. Related party transactions have been disclosed up to the date of sale.

The associated and subsidiary companies identified in Note 23 are related parties of Transpower.

Transactions entered into with related parties are disclosed as follows:

* Revenue income from the ECNZ Group and Contact Energy are disclosed in Note 3.

* Operating expenses and financing costs paid to the ECNZ Group, Contact Energy, BCL, Works Consultancy Services, and the Crown are disclosed in Note 4 and Note 6.

* Annual capital work in progress expenditure paid to the ECNZ Group, BCL and Works Consultancy Services, is disclosed in Note 10.

* Outstanding balances due from and to, related parties are disclosed in Notes 8, 11 and 13.

The Deputy Chairman is a partner in the law firm Simpson Grierson. Other partners and staff of that firm have rendered various legal services to the Group in the ordinary course of business.

All related party transactions are conducted on a commercial basis. During the period, upon settlement of a dispute between Mercury Energy Limited and ECNZ, an amount receivable incurred prior to 30 June 1994 and provided for at that date, has been written off. No other related party debts have been written-off or forgiven during the year.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

3. REVENUE

	1996 $000	1995 $000
Sales	534,873	517,698
Other revenue	6,423	5,905
Total Revenue	541,296	523,603

Related Party Transactions

	1996	1995
Sales to:		
ECNZ Group	141,554	130,067
Contact Energy	7,667	-
Other revenue from:		
ECNZ Group	132	409
Contact Energy	8	-
	149,361	130,476

Sales consist of charges for the transmission of electricity from the point of generation to the point of supply.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

4. OPERATING EXPENSES

	1996 $000	1995 $000
Administration and general costs	49,792	44,530
Asset operation and maintenance costs	115,886	119,489
Charges in respect of assets:		
Depreciation - leased assets	6,959	8,278
Depreciation - owned assets	83,943	81,806
Infrastructure asset service potential adjustment	19,795	22,822
Stock and asset write offs	11,262	10,740
Charges in respect of receivables:		
Bad debts written off	4	2
Movement in the provision for doubtful debts	623	1,306
Directors' fees	239	229
Donations	243	206
Lease and rental costs	2,588	2,861
Total Operating Expenses	291,334	292,269

Related Party Transactions

Expenses charged by :		
ECNZ Group	20,641	57,238
BCL	365	572
Works Consultancy Services	2,581	175
Contact Energy	1,898	-
	25,485	57,985

Expenses charged by the ECNZ Group relate to contracts for the operation and maintenance of the National Grid, systems costs and consultancy services. Systems costs are also charged by Contact Energy. Lease costs for communications sites are charged by BCL. Works Consultancy Services provide engineering consultancy services.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

4. OPERATING EXPENSES (cont.)

	1996 $000	1995 $000
Net Loss/Gain on the Disposal of Fixed Assets		
included in stock and asset write offs:		
Net loss on the disposal of fixed assets	9,470	9,664
	9,470	9,664

5. REMUNERATION OF AUDITORS

	1996 $000	1995 $000
Fees paid or payable to Coopers & Lybrand:		
As auditor of the Group	130	159
For other services	725	404
	855	563

6. NET FINANCE COSTS

	1996 $000	1995 $000
Finance costs	141,928	128,787
Lease costs	-	-
Capitalised interest	(3,709)	(1,998)
Interest received	(20,512)	(4,759)
Gain on cross border lease	(10,885)	-
Dividends received	(2)	(1)
Investment income	-	(724)
Net Finance Costs	106,820	121,305
Related Party Transactions		
Finance costs charged by:		
ECNZ Group	-	3,741
Crown	66,391	109,294
	66,391	113,035
Interest received from:		
ECNZ Group	-	(23)

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

6. NET FINANCE COSTS (cont.)

Interest is capitalised on capital work in progress in accordance with the accounting policy outlined in Note 1(f). The gain on the cross border lease arises from the net settlement of the lease liability which arose in respect of the HVDC submarine cables. This gain is net of any associated costs.

7. TAXATION

	1996 $000	1995 $000
Earnings before tax	143,142	110,029
Prima facie tax at 33%	47,237	36,310
Tax effect of:		
Timing differences not recognised	(11,611)	(13,355)
Permanent differences	(526)	(1,090)
Income tax charge in respect of the current year	35,100	21,865
Under provision in prior years	11,647	3,641
Tax Expense	46,747	25,506
The income tax charge is represented by:		
Tax payable in the current year	32,131	21,878
Deferred tax	2,969	(13)
	35,100	21,865

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

7. TAXATION (cont.)

Deferred Tax Liability Memorandum Account

	1996 $000	1995 $000
Balance at the beginning of the year	207,996	195,486
Deferred tax liability not recognised in this year	11,611	13,355
Prior period adjustment	-	(845)
Balance at the end of the year	219,607	207,996

These timing differences predominantly relate to depreciation and infrastructure asset service potential adjustment in respect of fixed assets, and are not recognised in the financial statements.

Imputation Credit Memorandum Account

Balance at the beginning of the year	22,812	25,000
Loss of continuity debit	-	(25,000)
Tax payments made	29,112	22,812
Imputation credits attached to dividends paid to shareholders	(31,353)	-
Balance at the end of the year	20,571	22,812

The loss of continuity debit arises due to the transfer of shareholdings on 1 July 1994.

8. CURRENT ASSETS

	30 June 1996 $000	30 June 1995 $000
Cash and bank	394	7
Short term investments	141,684	-
Trade receivables	58,259	59,590
Other receivables	386	2,781
Stocks of materials	25,234	32,129
Prepayments	1,485	2,219
Total Current Assets	227,442	96,726

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

8. CURRENT ASSETS (cont.)

	30 June 1996	30 June 1995
Related Party Transactions	**$000**	**$000**
Included in trade receivables:		
ECNZ Group	11,402	12,473
Contact Energy	1,693	-
	13,095	12,473

9. INVESTMENTS

	30 June 1996	30 June 1995
Investment in associate company	3,860	2,791
Shares in listed companies	9	9
Total Investments	3,869	2,800
Investment in associate company comprises:		
Ordinary shares at cost	668	301
Share of post acquisition losses for the year	(498)	-
	170	301
Advances to associate company	3,690	2,490
	3,860	2,791

For the year ended 30 June 1996, there is no tax expense/benefit recognised in the financial statements of the associate company, the Electricity Market Company Limited (EMCO). No dividends have been received from EMCO.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

10. FIXED ASSETS

	Valuation 30 June 1996 $000	Valuation 30 June 1995 $000
Infrastructure Asset		
Transmission lines	1,128,308	1,192,142
Non Infrastructure Assets		
Freehold land	25,336	28,187
Freehold buildings	52,774	62,913
Substations	931,579	833,215
HVDC link	173,894	334,703
HVDC leased assets	355,020	207,723
Communications	109,171	111,450
Minor assets	13,860	14,275
Capital work in progress	88,619	88,962
Total Non Infrastructure Assets	1,750,253	1,681,428
Total Fixed Assets	2,878,561	2,873,570

Minor assets include plant, equipment, furniture, and motor vehicles.

As at 30 June 1996 all fixed assets have been revalued in accordance with the optimised deprival valuation (ODV) methodology. The valuation was carried out by Ernst & Young.

	1996 $000	1995 $000
Related Party Transactions		
Annual capital work in progress expenditure with:		
ECNZ Group	4,104	12,030
Works Consultancy Services	651	632
BCL	33	814
	4,788	13,476

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

11. CURRENT LIABILITIES

	30 June 1996 $000	30 June 1995 $000
Bank overdraft	-	683
Trade creditors	43,475	41,005
Other liabilities	1,035	-
Provisions	218	3,988
Provision for dividend	31,739	32,737
Provision for current tax	19,093	632
Provision for deferred tax	2,969	-
Employee entitlements	5,795	3,683
Interest payable	20,116	9,922
Short term debt	222,219	4,455
Current portion of long term debt	200,000	1,124,309
Current portion of deferred maintenance provision	-	3,678
Total Current Liabilities	546,659	1,225,092

Related Party Transactions

	30 June 1996 $000	30 June 1995 $000
Included in trade creditors:		
ECNZ Group	3,082	8,412
Contact Energy	425	-
BCL	29	48
Works Consultancy Services	1,123	85
	4,659	8,545
Included in interest payable:		
Crown	721	3,965
Included in current portion of long term debt:		
Crown	200,000	900,000

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

11. CURRENT LIABILITIES (cont.)

	30 June 1996	30 June 1995
	$000	$000
Reconciliation of provision for current tax payable:		
Tax payable in the current year (refer Note 7)	32,131	21,878
Provisional tax payments made during the year	(27,400)	(22,812)
Under provision in prior years	14,362	1,566
Total provision for current tax payable	19,093	632

12. DEFERRED MAINTENANCE

Balance of the provision at the beginning of the year	3,872	4,400
Plus/(less) movement in the provision during the year	(3,872)	3,150
Less portion reclassified as a current liability	-	(3,678)
Balance of the provision at the end of the year	-	3,872

Movement in the provision during the year

This provision was established in respect of remedial repair work envisaged to be required on the three HVDC submarine cables laid in 1991. This work is to rectify excessive wear and tear caused by the harsh environmental conditions in the Cook Strait, which was found to have seriously affected the three older cables. A Remote Operated Vehicle (ROV) survey, costing $4,789,000, was completed during the year. This has been charged against the total balance of the provision, including the portion of the provision previously reclassified as current liability of $3,678,000.

The results of the ROV survey indicate that the new cables were substantially unaffected by the environment over the period since they were laid. As no remedial work appears to be necessary the balance of the provision has been reduced to nil. This has resulted in a net credit to the Statement of Financial Performance of $2,761,000, which is included in asset operation and maintenance costs.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

13. LONG TERM DEBT

	30 June 1996 $000	30 June 1995 $000
Between one to two years	14,078	200,000
Between two to five years	312,719	-
Greater than five years	906,619	268,856
Total Long Term Debt	1,233,416	468,856

The nature of security provided against amounts borrowed is as follows:

Bonds

Bonds are issued under a trust deed dated 6 April 1995 between the Parent Company, the Initial Guaranteeing Subsidiaries (including Trans Power Finance Limited) and The New Zealand Guardian Trust Company Limited. Pursuant to the trust deed, the Parent Company, Trans Power Finance Limited and Trans Power Finance Limited's fellow subsidiaries (the "Guaranteeing Group") have given a negative pledge that while any of the stock issued under the trust deed remains outstanding they will not, subject to certain exceptions, create or permit to exist any charge or lien over any of their respective assets. Each member of the Guaranteeing Group has guaranteed all amounts payable on redemption or repayment of the Bonds and the payment of interest during the term of the Bonds. Bonds on issue as at 30 June 1996 have a book value of $622,448,000 (1995: $268,856,000).

Crown Loan

A NZ$1,588,000,000 Loan Facility Agreement dated 9 June 1994 was entered into between Trans Power Finance Limited, as borrower, and Her Majesty the Queen in Right of New Zealand (the Crown), as lender. The Parent Company, Trans Power Finance Limited and Trans Power Finance Limited's fellow subsidiaries have given a negative pledge and guarantee payment of all principal and interest amounts. The balance outstanding under the loan facility as at 30 June 1996 is $200,000,000 (30 June 1995: $1,100,000,000)

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

13. LONG TERM DEBT (cont.)

Euro Medium Term Notes

Under the Euro Medium Term Note programme Trans Power Finance Limited may from time to time issue notes guaranteed by Trans Power New Zealand Limited. The aggregate principal amount of the notes outstanding will not at any time exceed US$500,000,000 (NZ$732,172,000) or equivalent in other currencies. The Guarantor (Trans Power New Zealand Limited) and Trans Power Finance Limited have given a negative pledge and guarantee payment of all principal and interest amounts. Euro Medium Term Notes on issue as at 30 June 1996 have a book value of NZ$610,968,000 for the Group of which NZ$26,751,000 is issued by the Parent Company (1995: nil).

14. CAPITAL

The authorised, issued and paid up share capital of the Parent Company consists of 1,200,000,000 (1995: 1,200,000,000) ordinary shares valued at $1 each.

15. RESERVES

	30 June 1996	30 June 1995
	$000	$000
Capital redemption reserve		
Balance at the beginning of the year	8	8
Movements during the year	-	-
Balance at the end of the year	8	8
Asset revaluation reserve		
Balance at the beginning of the year	44,517	-
Annual revaluation of assets	21,282	41,459
Transfer to retained earnings*	(10,488)	3,058
Balance at the end of the year	55,311	44,517
Total Reserves	55,319	44,525

* The revaluation increment/(decrement) in respect of fixed assets disposed of during the year is transferred from the asset revaluation reserve to retained earnings upon the assets' disposal.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

16. RETAINED EARNINGS

	30 June 1996 $000	30 June 1995 $000
Balance at the beginning of the year	30,751	-
Earnings after tax	96,395	84,523
Retained earnings available for appropriation	127,146	84,523
Transfer from the asset revaluation reserve*	10,488	(3,058)
Dividends paid or payable:		
Interim dividends paid	(30,919)	(17,977)
Final dividends accrued but not paid	(31,739)	(32,737)
Total dividends paid or payable	(62,658)	(50,714)
Balance at the end of the year	74,976	30,751
Share of associate entity's retained earnings		
Balance at the beginning of the year	-	-
Share of post tax deficit for the year	(498)	-
Balance at the end of the year	(498)	-
Total Retained Earnings at the end of the year	74,478	30,751

* The revaluation increment/(decrement) in respect of fixed assets disposed of during the year is transferred from the asset revaluation reserve to retained earnings upon the assets' disposal.

17. CAPITAL COMMITMENTS

	30 June 1996 $000	30 June 1995 $000
Capital commitments in respect of contracts for capital expenditure:		
Within one year	38,304	38,341
One to two years	701	3,460
Two to five years	95	-
Later than five years	-	-
Total Capital Commitments	39,100	41,801

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

18. OPERATING LEASE COMMITMENTS

	30 June 1996	30 June 1995
Commitments in respect of non-cancellable operating leases payable:	**$000**	**$000**
Within one year	2,033	2,283
One to two years	1,958	1,634
Two to five years	5,043	4,572
Later than five years	4,836	4,345
Total Operating Lease Commitments	13,870	12,834

19. CONTINGENT LIABILITIES

As a result of the HVDC submarine cable lease transaction, described in Note 6, the Group has given guarantees and certain undertakings in accordance with a limited guarantee agreement dated 31 May 1996. The likelihood of losses in respect of these matters is considered to be remote.

There are no other material contingent liabilities for the Group as at balance date (1995: nil).

20. SEGMENTAL INFORMATION

The Group operates predominantly in one industry, the transmission of high voltage electricity. The Group's operations are carried out in New Zealand and are therefore within one geographical segment for reporting purposes.

21. FINANCIAL INSTRUMENTS

A range of financial instruments are recorded in the Group's financial statements. Other financial instruments which are not recorded in the financial statements, are designated as "off balance sheet".

The Group uses derivative instruments for the purpose of reducing its exposure to fluctuations in interest rates and foreign exchange rates. Any fluctuations in the value of hedging financial instruments are generally offset by changes in the value of the underlying exposure being hedged.

In terms of the policy adopted by the Board of Directors, the Group is not permitted to hold or issue derivative financial instruments for speculative purposes.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

21. FINANCIAL INSTRUMENTS (cont.)

(i) Credit Risk

To the extent that the Group has a receivable from another party there is a credit risk in the event of non-performance by that counterparty. Financial instruments which potentially subject the Group to credit risk principally consist of bank balances, receivables, investments and off balance sheet instruments.

The Group has a credit policy which is used to manage its exposure to credit risk. As part of this policy, credit limits for approved counterparties are set and approved by the Board of Directors. These limits are monitored on a daily basis. Approved counterparties must be financial institutions with a minimum long term credit rating of Standard & Poor's (or equivalent rating) of A or above; or corporates with a minimum short term credit rating of A-1 or above.

Trade and other receivables are presented net of any allowance for estimated doubtful receivables. The concentration of credit risk with respect to trade receivables is high due to the small number of customers comprising the customer base. The Group generally performs credit evaluations on customers requiring credit and may in some circumstances require collateral. No collateral is held as at 30 June 1996 (1995: nil).

(ii) Fair Values

The estimated fair values of financial instruments, where these vary from the carrying values, are noted below:

	30 June 1996 Carrying Value $000	30 June 1996 Fair Value $000	30 June 1995 Carrying Value $000	30 June 1995 Fair Value $000
Short term investments	141,684	141,616	-	-
Debt	(1,655,635)	(1,580,331)	(1,597,621)	(1,584,668)
Foreign exchange forward contracts	(3,579)	(14,640)	-	(1,568)
Interest rate swaps	(226)	16,232	(28)	(6,848)
Cross currency interest rate swaps	3,731	(21,474)	-	-
Forward rate agreements	-	1,686	-	(833)
Interest rate options	-	-	-	(29)

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

21. FINANCIAL INSTRUMENTS (cont.)

The Group anticipates that debt will be held to maturity, and accordingly settlement at the reported fair value of these financial instruments is unlikely.

The carrying value of interest rate swaps and cross currency interest rate swaps is included within interest payable and other receivables.

Debt includes short term and the current portion of long term debt disclosed as current liabilities in Note 11.

The following methods were used to estimate the fair values for each class of financial instrument:

Cash and bank, trade receivables/creditors, other receivables, other creditors, investments and investments in shares
The carrying value of these items is equivalent to the fair value and they are therefore excluded from the above table.

Debt
The estimated fair value of short and long term debt which has a variable interest rate is equivalent to the carrying value. The fair value of Transpower bonds is calculated on the basis of quoted market prices at the close of market on balance date. The fair value of debt is based on current market interest rates available to the Group for debt of similar maturities.

Foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and options and forward rate agreements
The fair value of foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps, interest rate options and, forward rate agreements is estimated based on the quoted market price of these instruments at balance date.

(iii) Interest Rate Risk and Currency Risk

Interest Rate Risk
The Group has long-term borrowings, with fixed and floating interest rates, which are used to fund ongoing activities. It is Group policy to ensure that the exposure to interest rate repricing risk is managed by limiting the amount of floating rate debt to 36.25% of total debt and the amount of fixed rate debt repricing in any one year to no more than 25% of total fixed rate debt. The exposure to interest rate repricing is managed within policy limits by using interest rate swaps, options and forward rate agreements.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

21. FINANCIAL INSTRUMENTS (cont.)

The Group's short term investments are at fixed interest rates and mature within one year.

Currency Rate Risk
The Group raises debt and purchases items of capital equipment offshore which gives rise to foreign currency exchange rate risk. Foreign exchange forward contracts and cross currency interest rate swaps are entered into to manage the exposure to fluctuations in foreign currency exchange rates. The Group's policy is that all material foreign currency risks are hedged.

The principal or contract amounts of off balance sheet financial instruments
The principal or contract amounts are indicative of the relative significance of off balance sheet financial instruments but not necessarily the extent of any potential gain or loss.

	30 June 1996 $000	30 June 1995 $000
Foreign exchange forward contracts	257,011	196,715
Cross currency interest rate swaps		
- receive	570,669	-
- pay	610,540	-
Interest rate swaps	668,230	725,000
Forward rate agreements	845,000	460,000
Interest rate options	-	110,000

The maximum credit risk exposure for foreign currency forward contracts and cross currency interest rate swaps, approximates the principal or contract amount of the off balance sheet financial instruments. This provides a direct measure of the cash settlement amount at balance date.

For interest rate swaps, forward rate agreements and interest rate options the best indication of the maximum credit risk exposure at balance date is the cash settlement amount. The cash settlement amount of interest rate swaps is the net interest payable of $226,000 (1995: net interest payable of $28,000). The cash settlement amount of forward rate agreements and interest rate options is best approximated by the current market value. For forward rate agreements the current market value is a receivable of $1,686,000 (1995: payable of $833,000). The current market value of interest rate options held at balance date is nil (1995: payable of $29,000).

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

21. FINANCIAL INSTRUMENTS (cont.)

Repricing Analysis

The following tables indicate the effective interest rates, the earliest period in which recognised financial instruments reprice and the extent to which these factors have been modified by off balance sheet financial instruments. This information provides a basis for evaluation of the interest rate risk to which the Group are exposed in the future.

1996

	Effective Interest Rate	Within One Year $000	One to Two Years $000	Two to Five Years $000	Greater than Five Years $000	Total $000
Assets						
Cash and Bank	6.40%	394	-	-	-	394
Investments	9.95%	141,684	-	-	-	141,684
		142,078	-	-	-	142,078
Liabilities						
Debt	8.47%	(876,928)	-	(306,566)	(472,141)	(1,655,635)
Off balance sheet						
Interest rate swaps		368,230	(150,000)	64,750	(282,980)	-
Repricing profile		(366,620)	(150,000)	(241,816)	(755,121)	(1,513,557)

The interest rate on debt as amended by interest rate swaps is 8.20 %

1995

	Effective Interest Rate	Within One Year $000	One to Two Years $000	Two to Five Years $000	Greater than Five Years $000	Total $000
Assets						
Cash and Bank	6.00%	(676)	-	-	-	(676)
Liabilities						
Debt	7.67%	(1,128,765)	(200,000)	-	(268,856)	(1,597,621)
Off balance sheet						
Interest rate swaps		625,000	(175,000)	(375,000)	(75,000)	-
Repricing profile		(504,441)	(375,000)	(375,000)	(343,856)	(1,598,297)

The interest rate on debt as amended by interest rate swaps is 7.96%

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

21. FINANCIAL INSTRUMENTS (cont.)

Forward rate agreements are excluded from the above repricing analysis as these contracts mature within one year. For the purposes of repricing, debt denominated in foreign currencies is stated after applying cross currency interest rate swaps.

22. OTHER MATTERS

HVDC converter plant at the Haywards and Benmore substations is leased to a subsidiary company, Haywards Limited, by ECNZ. The equipment is sub-leased by Haywards Limited to Transpower.

During the year the three HVDC submarine cables laid in 1991 became subject to a cross border lease. Oteranga Bay Limited has sold the cables to a third party and has subsequently leased the assets back.

The Group does not recognise a lease liability with respect to either of these transactions as Haywards Limited and Oteranga Bay Limited have prepaid their obligations to the respective lessors for all rental payments in respect of the primary period of each lease and for the call option exercise price in respect of each lease.

23. SUBSIDIARY AND ASSOCIATE COMPANIES

As at balance date the subsidiary and associate companies are as follows:

Subsidiaries	**Holding**
Fighting Bay Finance Limited	100%
Haywards Limited	100%
Oteranga Bay Limited	100%
Hororata Enterprises Limited	100%
Whakamaru Holdings Limited	100%
Trans Power Finance Limited	100%
Trans Power Land Holdings Limited	100%
Associate Company	
Electricity Market Company Limited	33%

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

22. SUBSIDIARY AND ASSOCIATE COMPANIES (cont.)

All subsidiaries are direct subsidiaries of Trans Power New Zealand Limited except for Oteranga Bay Limited and Haywards Limited which are wholly owned by Fighting Bay Finance Limited.

The principal activity of all the subsidiaries is financing. The principal activity for the associate company is the provision of services to the participants in the wholesale electricity market. The balance date for the associate and subsidiary companies is the same as the Parent Company.

TRANS POWER NEW ZEALAND LIMITED

REGULATION 14, 13 AND PART II OF THE FIRST SCHEDULE OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

	12 months 30 June 1996	12 months 30 June 1995	12 months 30 June 1994
Financial Performance Measures			
a) Accounting return on total assets, being earnings before interest and tax divided by average total funds employed;			
Earnings before interest and tax	249,962,000	231,334,000	219,778,000
Average total funds employed	2,801,854,500	2,822,542,000	2,841,695,000
Accounting return on total assets	**8.9%**	**8.2%**	**7.7%**
In 1994 total funds employed included Works Under Construction, giving an Accounting Return on Total Assets of 7.5%. Works Under Construction is now excluded to align the definition with an economic view of operating capital employed, as interest is capitalised on the Works Under Construction balance.			
b) Accounting return on equity, being net profit after tax, divided by average total shareholders funds:			
Net profit after tax	96,395,000	84,523,000	102,017,000
Average total shareholders funds	1,302,536,500	1,228,540,000	1,251,674,000
Accounting return on equity	**7.4%**	**6.9%**	**8.2%**
c) Accounting rate of profit, which shall be calculated in accordance with the following formula: $\frac{a - b - c + d}{e}$			
a Earnings before interest and tax	249,962,000	231,334,000	219,778,000
b Cash tax	32,878,000	25,506,000	15,890,000
c Interest tax shield	36,474,570	40,690,000	35,822,000
d Revaluations	21,282,000	59,664,000	-
e Average total funds employed, minus half the amount of revaluations.	2,791,213,500	2,792,710,000	2,841,695,000
Accounting rate of profit	**7.2%**	**8.0%**	**5.9%**
As noted under a) above, the definition of total funds employed has been changed. The percentage previously reported for the 12 months ended 30 June 1994 was 5.8%.			
Efficiency performance measures			
a) Direct line costs per kilometre, which shall be calculated in accordance with the following formula: $\frac{a}{b}$			
a is direct expenditure (in dollars): and	116,444,000	119,878,000	125,613,000
b is system length (in kilometres);	17,739	17,626	17,629
Direct line costs per kilometre	**$6,564**	**$6,801**	**$7,125**
In 1994 the infrastructure asset service potential adjustment determined in respect of transmission lines was included within the definition of direct expenditure and direct leases and rental costs were excluded. In addition, in 1994 and 1995, system length was incorrectly defined. System length is now correctly reported as the average total circuit length of electric lines which form part of the system including the HVDC cables. Direct leases and rental costs are now also correctly reported. The direct line costs per kilometre previously reported were $9,521 and $11,007 for 30 June 1995 and 1994 respectively.			

Optimised Deprival Valuation - ODV	**As at 30 June 1996**	**As at 30 June 1995**	**As at 30 June 1994**
Valuation of the line business assets per the ODV valuation Report	2,864,400,000	2,863,000,000	2,839,100,000
Fixed Asset value disclosed in the Statement of Financial Position for Information (Industry Disclosure) Regulation purpose	2,878,561,000	2,873,570,000	2,870,405,000
Variance represented by;	14,161,000	10,570,000	31,305,000
i) Spares are included in the definition of fixed assets for financial reporting purposes but are excluded from the ODV Report.	13,066,000	6,666,000	13,100,000
ii) Late adjustments of an immaterial nature, to the ODV valuation have not been adjusted for in the financial statements as at the end of the financial period, but are reflected in the result for the following period.	1,095,000	3,904,000	-
iii) On 1 July 1994, Transpower changed its accounting policy to modified historical cost using the ODV valuation methodology. The $18 million difference arising between net book value and the ODV as at 30 June 1994 reflects the difference which arose between 1 April 1987, when the asset valuation was originally struck for entry into Transpower's financial statements, and 30 June 1994. It was not considered appropriate to include this adjustment solely in the results for the 12 months ended 30 June 1994.	-	-	18,205,000
	14,161,000	10,570,000	31,305,000

The Electricity (Information Disclosure) Regulations 1994
(For 12 Months ending 30 June 1996, 30 June 1995, and 30 June 1994)

Part III	**1995-96**	**1994-95**	**1993-94**
Energy Delivery Efficiency Performance Measures And Statistics (Disclosure Under Regulation 15)			
1. Energy delivery efficiency performance measures			
(a) Load factor	67.26%	68.05%	**68.96%
Percentage of electrical energy entering the transmission system over maximum demand times hours per year			
(b) Loss ratio	5.69%	6.16%	6.09%
Transmission losses over energy entering the system			
(c) Capacity utilisation	70.99%	70.53%	66.91%
Maximum demand over total transformer capacity			
2. Statistics			
(a) System length, broken down by voltage			
Total	17,739 km	17,626 km	17,629 km
350 kV (HVDC)	611 km	611 km	611 km
270 kV (HVDC)	611 km	611 km	611 km
0 kV (HVDC earth electrode)	31 km	31 km	31 km
220 kV (HVAC)	8,361 km	8,364 km	8,367 km
110 kV (HVAC)	6,384 km	6,333 km	6,372 km
66/50/33/11 kV	1,741 km	1,676 km	1,637 km
(b) Circuit length of overhead electric lines, broken down by voltage:			
Total	17,659 km	17,546 km	17,549 km
350 kV (HVDC)	571 km	571 km	571 km
270 kV (HVDC)	571 km	571 km	571 km
0 kV (HVDC earth electrode)	31 km	31 km	31 km
220 kV (HVAC)	8,361 km	8,364 km	8,367 km
110 kV (HVAC)	6,384 km	6,333 km	6,372 km
66/50/33/11 kV	1,741 km	1,676 km	1,637 km
NB: HVDC link submarine power cables measure approximately 80km.			
Broken down by voltage:			
350 kV (HVDC)	40 km	40 km	40 km
270 kV (HVDC)	40 km	40 km	40 km
(c) Total circuit length of underground electric lines	0 km	0 km	0 km
(d) Transformer capacity (kilovolt amperes)*	$7.99*10^6$ kVA	$7.77*10^6$ kVA	$7.92*10^6$ kVA
(e) Maximum demand (kilowatts) *	$5.67*10^6$ kW	$5.48*10^6$ kW	$5.30*10^6$ kW
(f) Total electricity supplied from the system (kilowatt hours) *	$31.53*10^9$kWh	$30.66*10^9$kWh	$30.08*10^9$ kWh
(g) Total electricity conveyed through the system (kilowatt hours) *	$33.43*10^9$kWh	$32.67*10^9$kWh	$32.03*10^9$kWh
(h) Total customers	49	49	49

* to 2 decimal places only, higher accuracy used in calculations
** This figure has been changed from that published in the 1994/95 gazetted information (was 68.95).

Part V Reliability Performance Measures To Be Disclosed By Trans Power (Disclosure Under Regulation 17)	**1995-96**	**1994-95**	**1993-94**
1. Total number of unplanned interruptions *Resulting from 97 loss of supply incidents in 1995-96*	229	184 *	234 *
2. Electricity customer interruptions in system minutes..	12.2	19.5	15.1
planned	5.8	4.4	5.6
unplanned	6.4	15.1	9.5
3. Underlying electricity customer interruptions in system minutes................ *Underlying interruptions are those interruptions of 1 system minute or less duration*	7.1	14.1	10.3
planned	3.1	2.9	4.3
unplanned	4.0	11.2	6.0
4. Average supply reliability .... *Measured by the energy supplied divided by the sum of the energy supplied and not supplied*	99.9963%	99.9942%	99.9956%
5. Uneconomic generation due to planned and unplanned transmission system unavailability .... *Uneconomic generation relates to the amount of electricity generated from any source other than the most economic source.*	0.81%	0.68%	0.81%
6. Uneconomic generation due to HVDC system unavailability	0.73%	0.60%	0.69%
7. Uneconomic generation due to unplanned transmission system unavailability	0.22%	0.15%	0.07%
8. Planned interruption restoration performance	80.5%	92.5%	76.6%
9. Unplanned interruption response...........	99.1%	100%	99.6%

The information compiled using estimated information includes Part V sections 2,3,4,5,6 and 7.

The methodology used to calculate the estimated information is documented and available from Trans Power upon request.

* These figures have been changed from those published in the 1994/95 gazetted information, where two supply voltages at the same station are both interrupted this is now counted as two interruptions and not one as previously.

TRANSPOWER

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ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994 REGULATION 26(3)

CERTIFICATE BY DIRECTORS OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY TRANS POWER NEW ZEALAND LIMITED

We, Douglas Stewart Ritchie and David Gregory Sadler, directors of Trans Power New Zealand Limited ("Trans Power") certify that, having made all reasonable enquiry, to the best of our knowledge,

a) The attached audited financial statements of Trans Power, prepared for the purposes of regulation 5 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 Trans Power, and having been prepared for the purposes of regulations 13, 14, 15, and 17 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 30 June 1996

DS Ritchie
5 November 1996

DG Sadler

Coopers & Lybrand
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ELECTRICITY (INFORMATION DISCLOSURE) REGULATION 1994
REGULATION 25(2)

CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

We have examined the attached financial statements prepared by Trans Power New Zealand Limited and dated 5 November 1996 for the purposes of Regulation 5 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.

Coopers & Lybrand

Coopers & Lybrand
5 November 1996

Coopers & Lybrand

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ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994 REGULATION 25(3)

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 the Schedule;

and having been prepared by Trans Power New Zealand Limited and dated 5 November 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.

Coopers & Lybrand

Coopers & Lybrand
5 November 1996

Coopers & Lybrand

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ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994
REGULATION 25(4)

CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION

We have examined the valuation report prepared by Ernst & Young and dated 2 August 1996 which report contains valuations as at 30 June 1996.

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 (Trans Power) Handbook.

Coopers - Lybrand

Coopers & Lybrand
5 November 1996

Explanatory Note

The ODV of Trans Power New Zealand Limited's fixed assets as at 30 June 1996 was prepared by Ernst & Young ("EY") with the assistance of The State Electricity Commission of Victoria International ("SECV"), Mott Ewbank Preece ("MEP") and Trans Power New Zealand Limited ("Trans Power"). EY have certified to Trans Power that the valuation set out in their report dated 2 August 1996 has been prepared in accordance with the ODV (Trans Power) Handbook. We have relied on this certification and on the technical expertise of EY, SECV and MEP for the purposes of our examination of the valuation report.

DEPARTMENT OF INTERNAL AFFAIRS
TE TARI TAIWHENUA

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