

New Zealand Gazette

OF THURSDAY, 7 AUGUST 1997

WELLINGTON: TUESDAY, 12 AUGUST 1997 — ISSUE NO. 87

HAWKE'S BAY POWER DISTRIBUTION LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

18 July, 1997

STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION SUPPLIED TO SECRETARY OF COMMERCE

I, Graham Mitchell Cowley, of 14 Coleman Terrace, Napier, being a Director of Hawke's Bay Power Distribution Limited, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public pursuant to the Electricity (Information Disclosure) Regulations 1994.

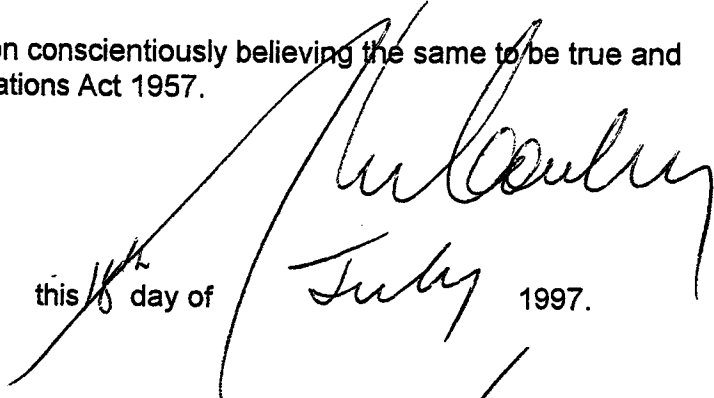
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at

Napier

this ¹⁸ day of

July 1997.



H. R. Uek

Solicitor
(or other person authorised to
take a statutory declaration)

HAWKE'S BAY POWER

PO Box 555, Hastings

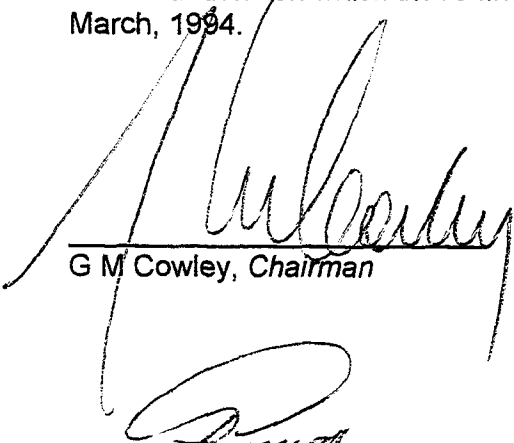
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**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower**

We, Graham Mitchell Cowley and David Norman Gusscott, Directors of Hawke's Bay Power Distribution Limited certify that, having made all reasonable enquiry, to the best of our knowledge.

- a) The attached audited financial statements of Hawke's Bay Power Distribution Ltd, prepared for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Hawke's Bay Power Distribution Ltd, and having been prepared for the purposes of Regulations 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

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



G M Cowley, *Chairman*

18 July 1997



D N Gusscott, *Director*

18 July 1997



Audit New Zealand

REPORT OF THE AUDIT OFFICE

We have examined the attached financial statements prepared by Hawke's Bay Power Distribution Limited dated 18 July 1997 for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements give a true and fair view of the matters to which they relate and have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994.

A handwritten signature in black ink, appearing to read 'B. J. Smith'. The signature is written in a cursive, flowing style with some loops and flourishes.

B J Smith
Audit New Zealand
On behalf of the Controller and Auditor-General
18 July 1997
Napier, New Zealand

HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY

INFORMATION DISCLOSURE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

IMPORTANT NOTE

The information disclosed in these financial statements has been prepared solely for the purpose of the Electricity (Information Disclosure) Regulations 1994. The Regulations require the information to be disclosed in the manner it is presented.

**THIS INFORMATION SHOULD NOT BE USED FOR ANY PURPOSE
OTHER THEN THAT INTENDED UNDER THE REGULATIONS**

HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL PERFORMANCE
For The Year Ended 31 March 1997

	Notes	<i>Lines Business</i>		<i>Other Business</i>	
		1997 \$000	1996 \$000	1997 \$000	1996 \$000
OPERATING REVENUE	4	32,200	27,885	49,611	47,788
OPERATING SURPLUS BEFORE TAXATION	4	3,913	(578)	3,916	2,106
Taxation Expense	3	1,366	(85)	1,262	695
NET OPERATING SURPLUS AFTER TAXATION		2,547	(493)	2,654	1,411
Share of associate companies after tax surplus		-	-	30	-
NET SURPLUS		2,547	(493)	2,684	1,411

STATEMENT OF MOVEMENTS IN EQUITY
For The Year Ended 31 March 1997

	<i>Lines Business</i>		<i>Other Business</i>	
	1997 \$000	1996 \$000	1997 \$000	1996 \$000
Equity at 1 April 1996	57,263	57,756	9,010	7,599
Net Surplus (Total recognised revenues and expenses)	2,547	(493)	2,684	1,411
Equity at 31 March 1997	59,810	57,263	11,694	9,010

The accompanying Statement of Accounting Policies and Notes form part of and are to be read in conjunction with these Financial Statements. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations

HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
As at 31 March 1997

	Notes	<i>Lines Business</i>		<i>Other Business</i>	
		1997 \$000	1996 \$000	1997 \$000	1996 \$000
EQUITY					
Share Capital		58,000	58,000	6,000	6,000
Share Premium Reserve		2,661	2,661	-	-
Retained Earnings		(851)	(3,398)	5,694	3,010
		<u>59,810</u>	<u>57,263</u>	<u>11,694</u>	<u>9,010</u>
Represented by:					
NON CURRENT ASSETS					
Fixed Assets	10	63,048	62,483	723	235
Deferred Taxation Benefits	3	-	466	13	7
Inter Company Advance		-	-	3,000	3,000
Investment In Associate		-	-	131	-
Other Investments		3	6	41	-
		<u>63,051</u>	<u>62,955</u>	<u>3,908</u>	<u>3,242</u>
CURRENT ASSETS					
Cash		(78)	(663)	4,197	2,903
Receivables and Prepayments	7	3,822	3,528	6,873	5,628
Inventories		1,790	1,720	1,131	983
Taxation Refund Due		-	-	-	10
Work in Progress		246	152	-	105
		<u>5,780</u>	<u>4,737</u>	<u>12,201</u>	<u>9,629</u>
TOTAL ASSETS		<u>68,831</u>	<u>67,692</u>	<u>16,109</u>	<u>12,871</u>
NON CURRENT LIABILITIES					
Term Debt	8	1,000	4,100	-	-
Inter Company Advance		3,000	3,000	-	-
Deferred Taxation Liabilities	3	1,151	527	-	-
		<u>5,151</u>	<u>7,627</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Accounts Payable and Accruals		2,516	2,003	4,012	3,796
Taxation Payable	3	597	122	326	-
Current Portion of Term Debt	8	100	-	-	-
Accrued Leave		657	677	77	65
		<u>3,870</u>	<u>2,802</u>	<u>4,415</u>	<u>3,861</u>
TOTAL LIABILITIES		<u>9,021</u>	<u>10,429</u>	<u>4,415</u>	<u>3,861</u>
NET ASSETS EMPLOYED		<u>59,810</u>	<u>57,263</u>	<u>11,694</u>	<u>9,010</u>

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

**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997**

1 ENTITY STATEMENT

These financial statements have been derived from the consolidated financial statements of Hawke's Bay Power Distribution Limited and Subsidiary as required by Regulation 695) of the Electricity (Information Disclosure) Regulations 1994. The statements reflect the financial performance and financial position of the lines and other businesses as defined and required by the Regulations for the year ended 31 March 1997.

These financial statements have been prepared in accordance with the Electricity Disclosures Guidelines as issued by the Ministry of Commerce dated 11 July 1994 and are presented solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994. They have not been prepared for the purpose of the Financial Reporting Act 1993, or the Energy Companies Act 1992.

2 STATEMENT OF ACCOUNTING POLICIES

Measurement System

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

Particular Accounting Policies

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

a) **Other Investments**

Other investments are stated at cost.

b) **Fixed Assets**

All fixed assets are initially recorded at cost.

c) **Depreciation**

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

Major depreciation periods are -

Distribution system	50 years
Transformers	40 years
Freehold Buildings	60-100 years
Motor Vehicles	5-10 years
Plant and Equipment	5-10 years
Office Furniture and Equipment	4-20 years

d) **Receivables**

Receivables are stated at their estimated realisable value.

e) **Inventories**

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

**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997**

- f) **Work in Progress**
Work in progress includes the cost of materials and other direct and indirect costs incurred as at balance date.
- g) **Recognition of Income**
Sales of electricity are determined on the basis of actual and interim amounts billed during the year, together with an accrual for unbilled sales as at balance date.
- h) **Income Tax**
The income tax expense charged to the statement of financial performance includes both the current year's 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. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.
- i) **Financial Instruments**
Financial instruments are limited to bank balances, bank investments, receivables, accounts payable and term debt, all of which are included in the accounts at their estimated fair value.

Changes in Accounting Policies

There were no changes in accounting policies during the year.

HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1997****3 INCOME TAX**

	Lines Business		Other Business	
	1997 \$000	1996 \$000	1997 \$000	1996 \$000
a) Taxation				
Operating Surplus before Taxation	3,913	(578)	3,916	2,106
Prima Facie Tax @ 33%	1,291	(191)	1,292	695
PLUS: Permanent differences	75	106	(30)	-
Taxation Expense	1,366	(85)	1,262	695
PLUS(LESS): Timing Differences	(624)	(557)	6	13
Current Year Charge (Tax Loss)	742	(642)	1,268	708
Taxation Payable Brought Forward	122	122	(105)	(105)
LESS: Taxation Paid	-	-	(837)	-
PLUS: Taxation Refunded	199	-	-	-
PLUS: Payment for Intra Group Tax Offset	-	-	-	708
LESS : Tax Losses Brought Forward	(466)	-	-	-
Taxation Payable	597	122	326	105
b) Taxation Expense (Benefit) is represented by:				
Current Taxation Payable (Tax loss)	742	(642)	1,268	708
Deferred Taxation Liability	624	557	(6)	(13)
	1,366	(85)	1,262	695
c) Movement in Deferred Taxation Benefits (Tax Losses Carried Forward)				
Opening Balance	466	532	-	-
LESS: Current Year Charge Offset By Losses	(466)	642	-	-
LESS: Payment for Intra Group Tax Offset	-	(708)	-	-
	-	466	-	-
d) Movement in Deferred Taxation Liability (Timing Differences)				
Opening Balance	527	(30)	7	6
PLUS: Net Movement in Timing Differences	624	557	6	(13)
	1,151	527	13	(7)
e) Imputation Credit Account				
Opening Balance	-	-	345	345
PLUS: Taxation Paid	-	-	837	-
Imputation Credits from Dividend Received	-	-	-	-
	0	0	1,182	345

**HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1997**

4 OPERATING SURPLUS BEFORE TAX

	Lines Business		Other Business	
	1997 \$000	1996 \$000	1997 \$000	1996 \$000
After Charging:				
Depreciation	3152	3280	92	73
Interest Expense	565	701	-	-
Bad Debts Written Off	90	108	123	176
Change In Provision for Doubtful Debts	33	12	16	16
Loss On Sale Of Assets	11	37	-	-
Operating Lease Costs	-	-	51	51
After Crediting:				
Interest Revenue	305	68	448	322
Recovery of debt previously written off as bad	8	11	10	13

5 AUDITORS REMUNERATION

Accounts payable or due and payable to the Auditors for:

Auditing Financial Statements	16	14	8	8
Other Services	3	3	-	-

6 DIRECTORS REMUNERATION

Remuneration Paid To Directors	90	90	-	-
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7 RECEIVABLES AND PREPAYMENTS

Trade Debtors	3881	3547	6997	5736
Provision For Doubtful Debts	(105)	(72)	(124)	(108)
	<u>3776</u>	<u>3475</u>	<u>6873</u>	<u>5628</u>
Prepayments	46	53	-	-
	<u>3822</u>	<u>3528</u>	<u>6873</u>	<u>5628</u>

8 TERM DEBT

Due For Repayment:

1996/97 Renewable	-	3000	-	-
1997/98	100	100	-	-
2003	1,000	1,000	-	-
	<u>1100</u>	<u>4100</u>	<u>-</u>	<u>-</u>

Interest Rates on loans range from 6.0% to 10.5%

All Term Debt is unsecured

HAWKE'S BAY POWER DISTRIBUTION LIMITED AND SUBSIDIARY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1997****9 COMMITMENTS & CONTINGENT LIABILITIES**

At balance date the Lines Business had entered into contractual commitments of \$1,079,960. (1996 \$10,000)

Other Business activities have entered into a contractual guarantee with Energy Brokers New Zealand Ltd with a maximum exposure of \$8.25m.

Other Business activities have a (potential) maximum contractual obligation of \$66,000 by acting as a partial guarantor of Energy Brokers New Zealand Ltd bank overdraft.

There were no other contingent liabilities existing at balance date (1996 \$0)

10 FIXED ASSETS

	At Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Lines Business 31 March 1997			
Distribution System	89,504	39,207	50,297
Land	1,010	-	1,010
Buildings	10,271	1,410	8,861
Vehicles, Plant & Equipment	11,847	8,967	2,880
	<u>112,632</u>	<u>49,584</u>	<u>63,048</u>
Lines Business 31 March 1996			
Distribution System	86,644	37,305	49,339
Land	1,005	-	1,005
Buildings	10,036	1,239	8,797
Vehicles, Plant & Equipment	11,266	7,924	3,342
	<u>108,951</u>	<u>46,468</u>	<u>62,483</u>
Other Business			
Vehicles, Plant and Equipment			
31 March 1997	1,064	341	723
31 March 1996	448	213	235

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

The current Government Valuation of land and buildings owned by Hawke's Bay Power Distribution Limited is \$9,932,800.



Audit New Zealand

REPORT OF THE AUDIT OFFICE

We have examined the attached information, being -

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

and having been prepared by Hawke's Bay Power Distribution Limited and dated 18 July 1997 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.

A handwritten signature in black ink, appearing to read 'B J Smith'. The signature is fluid and cursive, with a large initial 'S'.

B J Smith
Audit New Zealand
On behalf of the Controller and Auditor-General
18 July 1997
Napier, New Zealand

ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

Part II

Regulation 13

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

Financial Measures	1997	1996	1995
~ Accounting Return On Total Assets	5.06%	1.20%	0.72%
~ Accounting Return On Equity	3.62%	0.70%	0.86%
~ Accounting Rate Of Profit	4.90%	1.00%	0.48%
 Efficiency Measures			
~ Direct line cost per kilometre	\$1,996.98	\$2,216.10	\$2,243.02
~ Indirect line cost per electricity customer	\$79.31	\$79.84	\$71.68

HAWKE'S BAY POWER

PO Box 555, Hastings

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



ELECTRICITY [Information Disclosure] REGULATIONS 1994

REGULATION 14A

The total value of the lines business assets of Hawke's Bay Power Distribution Limited calculated using the ODV method, as at 31 March 1994, was \$115,800,000.

Coopers
& Lybrand

chartered accountants

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facsimile 0-9-309 5828

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Feilding Wellington Johnsonville
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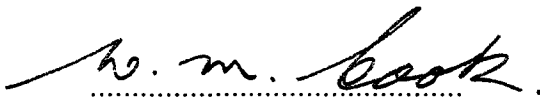
A Member Firm of
Coopers & Lybrand International

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

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

I have examined the valuation report prepared by Worley Consultants Limited and dated 23 June, 1995, which supersedes their report dated 2 May 1995 which has been withdrawn. The report contains valuations as at 31 March, 1994.

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



WILLIAM MURRAY COOK
28 JUNE 1995

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 R Duncumb G Roger W France Tony D Gault Warwick E Hunt Barry G King P Denis Lane Brian W McCloy
Douglas A Macdonald Patrick S McNamara Geoffrey J Palmer Graeme R Pinfold David H Randell Simon G Rutherford
Peter M Salmon D Peter Scott William P Somerville Terry D Tidbury
Manukau City office Paul H Clark Timothy W Downes Kevin R Lewis Ross G Pauling
Consultant Manukau City office Douglas M Elliffe

ELECTRICITY [Information Disclosure] REGULATIONS 1994**PART III - Energy Delivery Efficiency Performance Measures and Statistics****1. Energy Delivery Efficiency Performance Measures**

	1996/97	1995/96	1994/95
	%	%	%
a) Load Factor	56.76	57.13	58.29
b) Loss Ratio	5.64	5.55	5.22
c) Capacity Utilisation	30.27	29.08	29.02

2. Statistics

	1996/97	1995/96	1994/95
	km	km	km
a) System length [total]	3,643	3,621	3,532
33kV line length	246	246	244
11kV line length	2,141	2,127	2,059
230/400V line length	1,256	1,248	1,229
b) Overhead [total]	2,693	2,682	2,619
33kV	227	227	227
11kV	1,826	1,816	1,756
230/400V	641	639	636
c) Underground [total]	949	939	913
33kV	19	19	17
11kV	315	311	303
230/400V	616	609	593
d) Transformer capacity [kVA]	511,712	502,791	495,850
e) Maximum demand [kW]	154,872	148,823	143,916
f) Total electricity supplied from system [kWh]	726,702,135	706,214,060	696,245,703
g) Total electricity conveyed through system for others	22,700,307	3,122,420	Nil
h) Customers	55,740	54,907	53,931

PART IV Reliability Performance Measure for 1995/96

The Interruption Disclosure requirements are stated as:

	1996/97	1995/96	1994/95
Class A Planned shutdown caused by Transpower	0	0	0
Class B " " " " Distribution system	372	308	400
Class C Unplanned shutdown caused by Distribution system	303	222	287
Class D " " " " Transpower	0	0	0
Class E Unplanned caused by ECNZ as generator	0	0	0
Class F " " " " Generation not ECNZ	0	0	0
Class G Planned or unplanned shutdown any other cause	0	0	0
TOTAL SHUTDOWNS	675	530	687

Detailed shutdown analysis:

	1996/97		1995/96		1994/95	
	Unplanned [Class C]	Planned [Class B]	Unplanned [Class C]	Planned [Class B]	Unplanned [Class C]	Planned [Class B]
1. Total Interruptions	303	372	222	308	287	400
33kV Overhead	15	7	11	0	12	0
33kV Underground	2	0	0	0	0	0
11kV Overhead	226	305	161	272	234	343
11kV Underground	60	60	50	36	41	57
			1996/97	1995/96	1994/95	
2. Total faults per 100km of line			12.74	9.35	12.46	
3. Faults per 100km of underground line:			18.56	15.15	12.8	
33kV			10.53	0	0	
11kV			19.05	16.50	13.50	
4. Faults per 100km of overhead lines			11.74	8.41	12.4	
33kV			6.61	4.85	5.29	
11kV			12.38	9.17	13.32	

SYSTEM AVERAGE INTERRUPTION DURATION INDEX [SAIDI]

	1996/97	1995/96	1994/95
	MINUTES PER YEAR		
5. Total Interruptions	164.4	111.8	172
6. Class A	0	0	0
Class B	49.36	39.60	49.60
Class C	115.05	72.20	122.40
Class D	0	0	0
Class E	0	0	0
Class F	0	0	0
Class G	0	0	0

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX [SAIFI]

	1996/97	1995/96	1994/95
	PER YEAR		
7. Total Interruptions	3.13	1.97	3.08
8. Class A	0	0	0
Class B	0.42	0.35	0.53
Class C	2.71	1.62	2.55
Class D	0	0	0
Class E	0	0	0
Class F	0	0	0
Class G	0	0	0

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX [CAIDI]

	1996/97	1995/96 MIN/INT	1994/95
9. Total Interruptions	52.50	56.75	55.8
10. Class A	0	0	0
Class B	116.37	113.14	93.60
Class C	42.49	44.57	48.00
Class D	0	0	0
Class E	0	0	0
Class F	0	0	0
Class G	0	0	0



