



New Zealand Gazette

OF THURSDAY, 21 AUGUST 1997

WELLINGTON: FRIDAY, 22 AUGUST 1997 — ISSUE NO. 101

WESTPOWER LIMITED

INFORMATION FOR DISCLOSURE

**PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994**

FORM 5

Reg. 26 (2)

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

We, **Messrs Gordon Trevor Bloomfield and Robert Leonard Milne**, Directors of Westpower Limited certify that, having made all reasonable enquiry, to the best of our knowledge:-

- (a) The attached audited financial statements of Westpower Limited, prepared for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Westpower 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 31 March 1997.



.....
G T Bloomfield - Director



.....
R L Milne - Managing Director

5-8-97
.....
Date



Audit New Zealand

CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

I have examined the attached financial statements prepared by Westpower Limited and dated 5 August 1997 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 'D Menon', with a horizontal line underneath the name.

D Menon
Audit New Zealand
On behalf of the Controller and Auditor-General
5 August 1997

WESTPOWER LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 1997

Westpower Limited is a line owner in accordance with the Electricity (Information Disclosure) Regulations 1994. Regulation 6 requires the line owner to prepare financial statements for the follow businesses:

- . Lines
- . Generation
- . Other

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

The measurement base adopted is that of historical cost except for the revaluation of some fixed assets.

(a) **Fixed Assets and Depreciation**

The Distribution System has been revalued to Optimised Deprival Value by Ernst and Young, Registered Valuer as at 31 March 1996. Additions made subsequent to the revaluation are valued at cost and not depreciated except for the assets owned by the subsidiary Haast Electricity Limited on which depreciation is charged.

The Generation System has been revalued to net current value by Ernst and Young, Registered Valuer at 31 March 1996. Additions made subsequent to the revaluation are valued at cost and depreciated at the rates shown in the Accounting Policies.

Leasehold land is valued at the lessee's interest in the Government Valuation as at 1 September 1994.

All other fixed assets are valued at cost less accumulated depreciation where applicable.

- (i) **Distribution Assets** (excluding Haast Electricity Limited) are being accounted for using renewal accounting.

The distribution assets of Haast Electricity Limited are depreciated at the following rate which writes off the cost of the assets over their expected economic lives.

Distribution System

2.5%CP

- (ii) **Other Assets** as listed below are depreciated using rates which write off the cost or valuation of the fixed assets over their expected economic lives as below:

Buildings	1.0% to 2.5% CP
Motor Vehicles	20.0% DV
Plant and equipment	10% to 50% DV
Furniture and fittings including computers	20% to 40% DV
Dams, headworks, penstocks etc.	2.0% to 2.5% CP

(b) **Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences and timing differences not expected to reverse in future periods. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation. Future taxation benefits attributable to losses carried forward or timing differences are recognised in the financial statements only where there is virtual certainty of realisation.

(c) **Allocation Methodology**

The Electricity Disclosure Guidelines (June 1994) have been followed with the exceptions stated in the Regulation 19 Disclosure.

(d) **Provision for Retiring Gratuities**

A provision for Retiring Gratuities of \$672,147 is recognised in the Statement of Financial Position. This represents the total amount owing to staff who are eligible for and will probably receive a gratuity upon retirement.

(e) **Changes in Accounting Policies**

All accounting policies have been applied on a consistent basis with previous years.

WESTPOWER LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 1997

	Note					
	LINES BUSINESS		GENERATION BUSINESS		OTHER BUSINESSES	
	1997	1996	1997	1996	1997	1996
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Total Revenue	11,414	10,285	5,229	5,695	12,494	11,932
Less Special Discount	571	451	0	0	429	290
	10,843	9,834	5,229	5,695	12,065	11,642
Less Expenses:						
Maintenance and Operations	7,195	5,959	971	1,156	10,986	11,007
Administration and General Expenses	2,566	2,312	2,615	2,901	855	789
Total Expenses	9,761	8,271	3,586	4,057	11,841	11,796
Net Surplus Before Income Tax	1,082	1,563	1,643	1,638	224	(154)
Income Tax	1	(182)	247	3	209	62
	(182)	247	3	209	62	(22)
Net Surplus after Income Tax	1,264	1,316	1,640	1,429	162	(132)

The accompanying notes form part of and are to be read in conjunction with these financial statements.

WESTPOWER LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 1997

Note

	LINES BUSINESS		GENERATION BUSINESS		OTHER BUSINESSES		
	1997	1996	1997	1996	1997	1996	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
TOTAL EQUITY	3	29,373	28,148	29,525	27,937	2,563	2,407
CURRENT ASSETS:							
Bank & Cash		(2,243)	(1,067)	3,790	3,108	272	(657)
Debtors		656	525	14	156	1,810	1,929
Income Tax Refund Due		167	145	253	152	34	(14)
Inventories - Reticulation		610	807	0	0	0	0
- Appliance Sales & Servicing		0	0	0	0	43	631
		(810)	410	4,057	3,416	2,159	1,889
NON-CURRENT ASSETS:							
Investments		85	79	128	117	293	110
Fixed Assets	2	37,295	35,484	40,271	40,938	1,388	1,682
		37,380	35,563	40,399	41,055	1,681	1,792
TOTAL ASSETS		36,570	35,973	44,456	44,471	3,840	3,681
CURRENT LIABILITIES:							
Bank Account		0	0	0	0	0	0
Creditors, Accruals & Consumer Deposits		1,783	1,318	368	513	1,047	1,025
Short-term Loan - West Coast EP Trust		0	0	0	0	0	0
Current Portion of Long-Term Liabilities		0	263	0	395	0	0
		1,783	1,581	368	908	1,047	1,025
NON-CURRENT LIABILITIES:							
Borrowings		5,027	5,751	14,508	15,570	0	0
Provision for Retiring Gratuities		387	493	55	56	230	249
		5,414	6,244	14,563	15,626	230	249
TOTAL LIABILITIES		7,197	7,825	14,931	16,534	1,277	1,274
NET ASSETS		29,373	28,148	29,525	27,937	2,563	2,407

The accompanying notes form part of and are to be read in conjunction with these financial statements.

WESTPOWER LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1. INCOME TAX

	Lines Business		Generation Business		Other Businesses	
	1997	1996	1997	1996	1997	1996
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
INCOME TAX EXPENSE						
Net Surplus before Income Tax	1,082	1,564	1,643	1,639	224	(155)
Taxation thereon at 33%	357	515	542	542	74	(50)
Tax effect of permanent differences	14	1	(1)	0	(12)	0
Taxation adjustment previous year	69	47	(638)	(0)	5	(2)
Timing differences not recognised	(622)	(317)	100	(333)	(5)	29
Income Tax attributable to Operating Surplus	(182)	247	3	209	62	(22)
Comprising						
Current Tax Provision	(251)	200	641	210	57	(20)
Deferred Income Tax provision	0	0	0	0	0	0
Over provision in prior year	69	47	(638)	(0)	5	(2)
	(182)	247	3	209	62	(22)

NOTE 2. FIXED ASSETS

Cost/Valuation						
Distribution System	34,749	32,973	0	0	0	0
Land	129	127	0	0	53	68
Buildings	994	1,102	2,986	2,937	1,018	1,333
Generation Plant & Equipment	0	0	38,262	37,940	0	0
Other	3,100	2,955	174	123	1,071	1,046
Total Cost/Valuation	38,972	37,157	41,422	41,000	2,142	2,447
Accumulated Depreciation						
Distribution System	33	0	0	0	0	0
Land	0	0	0	0	0	0
Buildings	115	122	62	12	132	193
Generation Plant & Equipment	0	0	966	0	0	0
Other	1,529	1,551	123	50	622	572
Total Accumulated Depreciation	1,677	1,673	1,151	62	754	765
Net Book Value						
Distribution System	34,716	32,973	0	0	0	0
Land	129	127	0	0	53	68
Buildings	879	980	2,924	2,925	886	1,139
Generation Plant & Equipment	0	0	37,296	37,940	0	0
Other	1,571	1,404	51	73	449	475
Total Net Book Value	37,295	35,484	40,271	40,938	1,388	1,682

NOTE 3. EQUITY

Share Capital (issued & fully paid)						
- 25,000,000 ordinary shares	17,431	17,431	4,832	4,832	2,737	2,737
- 300,000 7.25% Redeemable Preference Shares	209	209	58	58	33	33
Capital Reserve	22	22	8	8	71	8
Transition Reserve	293	293	80	80	45	45
Asset Revaluation Reserve:						
- Generation	0	0	20,091	19,532	0	0
- Distribution	6,425	7,009	0	0	0	0
- Others	0	0	0	0	19	19
Asset Maintenance Reserve	33	0	0	0	0	0
Disaster Fund Reserve	0	0	85	0	0	0
Retained Earnings	4,960	3,184	4,371	3,427	(342)	(435)
	29,373	28,148	29,525	27,937	2,563	2,407



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 Westpower Limited and dated 5 August 1997 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.

D Menon
Audit New Zealand
On behalf of the Controller and Auditor-General
5 August 1997

WESTPOWER LIMITED**REGULATIONS 13 & 14
FIRST SCHEDULE PART II****LINES BUSINESS FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES**

		For Year Ended 31 March 1997	For Year Ended 31 March 1996	For Year Ended 31 March 1995
1. Financial performance measures				
(a) Accounting return on total assets	=	4.90%	7.28%	8.25%
(b) Accounting return on equity	=	4.39%	5.16%	6.74%
(c) Accounting rate of profit	=	4.32%	19.89%	6.71%

EBIT - cash tax - interest tax shield + revaluations	=	1,491	5,872	1,818
Average total funds employed - half revaluations		34,509	29,523	27,073
EBIT		1,692	2,296	2,234
Cash Tax		0	(228)	(220)
Interest tax shield - Net interest expense @ tax rate 33%		(201)	(242)	(197)
Revaluations		0	4,046	0
		1,491	5,872	1,818
Average total funds employed		34,509	31,546	27,073

2. Efficiency performance measures

(a) Direct line costs per kilometre *	=	\$2,739.46	\$2,163.77	\$2,052.93
(b) Indirect line costs per electricity customer	=	\$156.54	\$126.26	\$134.70

* 1995 figure has been restated to adjust for the removal of services and lines owned by generator

The Optimised Deprival Value of Westpower Limited's Line Business Network Assets as at 31 March 1996 was \$32.671 million.

WESTPOWER LIMITED
SYSTEM ENERGY DELIVERY EFFICIENCY

Disclosure by line owners of energy delivery efficiency performance measures and statistics
as required by Regulation 15 of the Electricity (Information Disclosure) Regulations 1994

	Year ended 31-Mar-95	Year ended 31-Mar-96	Year ended 31-Mar-97
Part III of the first schedule			
1. Energy delivery efficiency performance measures:			
(a) Load Factor	64%	67%	66%
(b) Loss Ratio	9%	7%	7%
(c) Capacity utilisation	40%	40%	39%
2. Statistics:			
(a) System length (km)			
66kV (Part of WestPower Generation)	24	24	24
33kV	56	13	10
33kV (Leased from TransPower)		76	76
33kV (Part of WestPower Generation)		14	14
33/11kV	52	61	62
11kV	1,391	1,304	1,281
11/11kV	16	34	35
11kV/400V	25	49	52
400V	341	113	113
33kV/11kV/400V		5	6
11kV/11kV/400V		1	1
Total	1,905	1,695	1,674
(b) Circuit length - Overhead (km)			
66kV (Part of WestPower Generation)	24	24	24
33kV	108	79	78
33kV (Leased from TransPower)		76	76
33kV (Part of WestPower Generation)		14	14
11kV	1,471	1,461	1,508
400V	250	109	113
Total	1,852	1,763	1,813
(c) Circuit length - Underground (km)			
33kV	0	0	0
11kV	28	27	28
400V	117	59	59
Total	145	87	87
(d) Westpower Transformer capacity (kVA)			
District (zone) substations:	66,000	71,000	71,000
Distribution substations:	84,956	88,319	93,925
Total substations:	150,956	159,319	164,925
(e) Maximum Demand			
Date	23-Jun-94	7-Sep-1995	02-Aug-96
Half hour ending	18:00	10:00	09:00
System Maximum (kW)	34,073	35,141	36,683
(f) Total electricity supplied from the system (kWh)	173,715,678	192,326,559	195,620,912
(g) Electricity conveyed on behalf of other retailers (kWh)	1,454,152	10,478,172	14,760,252
(h) Total customers:	11,350	11,355	11,373

WESTPOWER LIMITED SYSTEM RELIABILITY

Disclosure by line owners of reliability performance measures
as required by Regulation 16 of the Electricity (Information Disclosure) Regulations 1994

Part IV 1. of the first schedule

Total number of interruptions, together with a breakdown of that total according to interruption class	Year ended 31-Mar-95	Year ended 31-Mar-96	Year ended 31-Mar-97
Class A - Planned interruptions caused by Trans Power	0	0	1
Class B - Planned interruptions by Westpower	98	71	88
Class C - Unplanned interruptions by Westpower	220	135	89
Class D - Unplanned interruptions caused by Trans Power	10	6	5
Class E - Unplanned interruptions caused by ECNZ generation	0	0	0
Class F - Unplanned interruptions caused by Westpower generation	8	10	0
Class G - Other interruptions (Planned Westpower generation)	0	0	0
Total interruptions	336	222	183

Part IV 2. of the first schedule

The total number of faults per 100 circuit kilometres of prescribed voltage electric line
(Voltage equal to or greater than 3.3 kilovolts)

Total faults per 100 km	12.50	8.50	10.71
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Part IV 3. of the first schedule

Total number of faults per 100 kilometres of underground prescribed voltage electric line

Nominal Line

Voltage

66kv / 50kv	0.00	0.00	0.00
33kV	0.00	0.00	0.00
11kV	17.70	18.20	3.53
Total faults per 100 km	17.50	18.00	3.49

Part IV 4. of the first schedule

Total number of faults per 100 kilometres of overhead prescribed voltage electric line

66kv / 50kv	16.83	25.21	21.04
33kV	8.37	7.09	3.17
11kV	12.65	8.21	11.39
Total faults per 100 km	12.42	8.34	10.70

Part IV 5. of the first schedule

The SAIDI for the total number of interruptions	646.7	835.42	435.90
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**WESTPOWER LIMITED
SYSTEM RELIABILITY**

Disclosure by line owners of reliability performance measures

as required by Regulation 16 of the Electricity (Information Disclosure) Regulations 1994

Part IV 6. of the first schedule

The SAIDI for the total number of interruptions within each interruption class	Year ended 31-Mar-95	Year ended 31-Mar-96	Year ended 31-Mar-97
Class A - Planned interruptions caused by Trans Power	0.00	0.00	0.10
Class B - Planned interruptions by Westpower	256.11	287.20	158.90
Class C - Unplanned interruptions by Westpower	243.80	384.06	240.20
Class D - Unplanned interruptions caused by Trans Power	137.46	135.74	36.70
Class E - Unplanned interruptions caused by ECNZ generation	0.00	0.00	0.00
Class F - Unplanned interruptions caused by Westpower generation	9.33	28.43	0.00
Class G - Other interruptions (Planned Westpower generation)	0.00	0.00	0.00

Part IV 7. of the first schedule

The SAIFI for the total number of interruptions	6.37	5.60	3.38
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Part IV 8. of the first schedule

The SAIFI for the total number of interruptions within each interruption class

Class A - Planned interruptions caused by Trans Power	0.00	0.00	0.00
Class B - Planned interruptions by Westpower	1.10	1.06	0.68
Class C - Unplanned interruptions by Westpower	2.07	2.39	1.84
Class D - Unplanned interruptions caused by Trans Power	3.07	1.96	0.86
Class E - Unplanned interruptions caused by ECNZ generation	0.00	0.00	0.00
Class F - Unplanned interruptions caused by Westpower generation	0.13	0.19	0.00
Class G - Other interruptions (Planned Westpower generation)	0.00	0.00	0.00

Part IV 9. of the first schedule

The CAIDI for the total number of interruptions	101.6	149.28	129.09
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Part IV 10. of the first schedule

The CAIDI for the total number of interruptions within each interruption class

Class A - Planned interruptions caused by Trans Power	-----	-----	40.00
Class B - Planned interruptions by Westpower	233.60	272.08	235.27
Class C - Unplanned interruptions by Westpower	117.60	160.59	130.35
Class D - Unplanned interruptions caused by Trans Power	44.81	69.28	42.67
Class E - Unplanned interruptions caused by ECNZ generation	-----	-----	-----
Class F - Unplanned interruptions caused by Westpower generation	72.94	149.85	0.00
Class G - Other interruptions (Planned Westpower generation)	-----	-----	-----

The calculations above include an estimation of 20 faults from DDO fuses replaced after lightning storms

