

# New Zealand Gazette

OF THURSDAY, 11 SEPTEMBER 1997

---

WELLINGTON: WEDNESDAY, 17 SEPTEMBER 1997 — ISSUE NO. 131

---

## EGMONT ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

**EGMONT ELECTRICITY LIMITED  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 1997**

	Notes	Lines Activity \$000		Generation Activity \$000		Energy Retailing Activity \$000	
		1997	1996	1997	1996	1997	1996
<b>CONTINUING ACTIVITIES</b>							
Revenue		\$12,804	\$12,344	\$8,245	\$8,930	\$9,903	\$12,612
Expenses		\$10,983	\$9,596	\$3,811	\$5,489	\$9,566	\$11,988
<b>SURPLUS BEFORE TAXATION</b>	2	\$1,821	\$2,748	\$4,434	\$3,441	\$337	\$624
Provision for Taxation	3	(\$702)	(\$54)	(\$1,712)	(\$105)	(\$130)	(\$19)
<b>NET SURPLUS FOR THE YEAR</b>	10	\$1,119	\$2,694	\$2,722	\$3,336	\$207	\$605

**EGMONT ELECTRICITY LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 1997**

	Notes	Lines Activity \$000		Generation Activity \$000		Energy Retailing Activity \$000	
		1997	1996	1997	1996	1997	1996
<b>Assets Employed</b>							
Current Assets		\$536	\$1,311	\$584	\$1,107	\$2,693	\$2,727
Investments	5	\$2	\$2	\$2	\$1	\$2	\$1
Fixed Assets	6	\$36,891	\$36,282	\$59,573	\$60,886	\$143	\$74
<b>Total Assets Employed</b>		<b>\$37,429</b>	<b>\$37,595</b>	<b>\$60,159</b>	<b>\$61,994</b>	<b>\$2,838</b>	<b>\$2,802</b>
<b>Funds Employed</b>							
Current Liabilities	7	\$2,124	\$1,517	\$2,433	\$3,506	\$1,186	\$1,357
Long Term Debt	8	\$9,707	\$10,417	\$19,413	\$20,835	\$0	\$0
<b>Total Liabilities</b>		<b>\$11,831</b>	<b>\$11,934</b>	<b>\$21,846</b>	<b>\$24,341</b>	<b>\$1,186</b>	<b>\$1,357</b>
<b>Shareholders' Equity</b>	4,9,10	<b>\$25,598</b>	<b>\$25,661</b>	<b>\$38,313</b>	<b>\$37,653</b>	<b>\$1,652</b>	<b>\$1,445</b>
<b>Total Funds Employed</b>		<b>\$37,429</b>	<b>\$37,595</b>	<b>\$60,159</b>	<b>\$61,994</b>	<b>\$2,838</b>	<b>\$2,802</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

### 1. STATEMENT OF ACCOUNTING POLICIES

#### a. Reporting Entity

Egmont Electricity is a private company registered under the Companies Act 1993.

The financial statements of Egmont Electricity Limited have been prepared for the purposes of the Electricity (Disclosure Requirements) Act 1994.

#### b. Measurement Base

The measurement base adopted is that of historical cost except for the revaluation of certain assets. Accrual accounting is used to match expenses and revenue. The accounts have been prepared exclusive of Goods and Services Tax.

#### c. Specific Accounting Policies

The following specific accounting policies which significantly affect the measurement of profit and of financial position, have been applied:

#### COMPLIANCE WITH THE DISCLOSURE GUIDELINES

The methodology applied for the allocation of costs, revenues, assets and liabilities has been in accordance with the Guidelines except for the following departures:

Line losses costs of \$556,200 are allocated to the line business on the basis that the losses occur through the transportation of electricity over the line operator's network. The line business compensates the energy business with the value of those losses which are costed at the wholesale price of electricity. The line operator recovers the cost of line losses through the customer network charge.

Marketing costs are shared between the line business and the energy business. For this financial year, 52.7% of the marketing costs were allocated to the line business. The allocation is made on the basis of benefits derived from expenditure on marketing related activities.

Inventory is allocated 100% to the line business. The allocation is made at this level to reflect the fact that the items held in the store are spares for the reticulation system.

The treatment of any one-off costs associated with the potential sale of a company is not specified in the Guidelines. As detailed in note 14, Egmont Electricity is the subject of a purchase offer from Powerco Ltd. Any costs incurred as a result of this sale process have been charged 100% to the Lines business.

#### (ii) RECOGNITION OF REVENUE

Electricity sales represent customer usage during the financial period. An allowance has been included in the sales figure for unread meters as at 31 March 1997.

#### (iii) DEPRECIATION

Depreciation rates for major assets are as follows:-

	<u>Rate</u>	<u>Basis</u>
Buildings	1 to 2.5%	Straight Line
Plant and Equipment	10% to 50%	Diminishing Value/ Straight Line
Dams and Headworks	1%	Straight Line
Office Furniture & EDP Equipment	4% to 40%	Diminishing Value/ Straight Line
Motor Vehicles	13.5% to 25%	Diminishing Value/ Straight Line
Globo Distribution System	4%	Straight Line
Distribution System Assets	5 to 10%	Diminishing Value/ Straight Line
110kV Transmission Line	4%	Straight Line

(iv) ACCOUNTS RECEIVABLE

Accounts Receivable are stated at estimated realisable value after providing against debts where collection is doubtful. All known bad debts have been written off during the year.

(v) INVENTORIES

Inventories are valued at weighted average cost price as landed in the store. Obsolete items of inventory have been written off.

(vi) INVESTMENTS

The investments are recorded at cost.

(vii) VALUATION OF FIXED ASSETS

Land is valued at cost. Buildings have been stated at deemed cost as at 1 October 1993.

The distribution system has been revalued to its Optimised Deprival Value (ODV) as at 31 March 1996 by Coopers & Lybrand and this value is not in excess of the recoverable value. The system is revalued on a two yearly cycle. Any distribution assets acquired since the valuation are stated at their cost less any accumulated depreciation.

The Patea dam and generation assets were revalued as at 31 March 1997 up to a value determined by Coopers & Lybrand of Wellington, using the net current value method. The Patea dam and generation asset is revalued annually.

All other Fixed Assets are shown at cost less accumulated depreciation calculated as stated in Policy (ii), above.

(viii) INCOME TAX

The provision for income tax is calculated using the liability method prepared on a partial basis. A debit balance in the deferred tax account arising from timing differences or income tax benefits arising from income tax losses is only recognised if there is virtual certainty of realisation.

## (ix) FINANCIAL INSTRUMENTS

Egmont Electricity Limited is party to financial instrument arrangements as part of its everyday operations, including both instruments which have been recognised in these financial statements and those which are off-balance sheet. The financial instruments which have been recognised in the financial statements include bank balances, short term deposits, receivables, payables and term loans. Revenues and expenses in relation to these are recognised in the Statement of Financial Performance. The financial instruments themselves are recognised in the Statement of Financial Position.

The financial instruments which are off-balance sheet comprise interest rate swaps. These are employed for the primary purpose of reducing exposure to fluctuations in interest rates. While these financial instruments are subject to risk that market rates may change subject to acquisition, such changes would generally be offset by opposite effects on the items being hedged. For interest rate swap agreements, the differential to be paid or received is accrued as interest rates change and is recognised as a component of interest expense over the life of the agreement.

## (x) ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in prior years.

## 2. SURPLUS BEFORE TAXATION AND ABNORMAL ITEMS

The Surplus Before Taxation is stated:

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
	1997	1996	1997	1996	1997	1996
After charging:						
Audit fees	31	23	1	2	7	6
Board members fees and expenses	82	57	41	36	41	10
Wages and salaries paid to employees	2,313	2,402	7	10	541	611
Depreciation	2,224	1,999	905	702	19	27
Interest	849	958	1,723	1,946	0	0
Bad debts written off	0	8	0	0	71	9
After crediting:						
Investment income	47	35	5	8	16	3
Foreign currency gains	0	0	0	7	0	0
Gain on sale of investment	0	0	0	0	0	1
(Loss)/Gain on disposal of asset	(101)	20	0	0	0	0

## 3. PROVISION FOR TAXATION

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
	1997	1996	1997	1996	1997	1996
Accounting profit/(loss) before taxation	<u>1,821</u>	<u>2,748</u>	<u>4,434</u>	<u>3,441</u>	<u>337</u>	<u>624</u>
Prima facie taxation	601	907	1,463	1,136	111	206

Plus/(Less) taxation effect of:

timing differences not recognised	32	140	194	49	14	2
permanent differences	<u>(327)</u>	<u>(321)</u>	<u>220</u>	<u>442</u>	<u>16</u>	<u>0</u>
Taxation charge	306	726	1,877	1,627	141	208
Tax losses utilised	<u>0</u>	<u>672</u>	<u>0</u>	<u>1,522</u>	<u>0</u>	<u>189</u>
Taxation expense for the year	306	54	1,877	105	141	19
Under provision of tax in previous year	396	0	(165)	0	(11)	0
Taxation expense	<u>702</u>	<u>54</u>	<u>1,712</u>	<u>105</u>	<u>130</u>	<u>19</u>

#### 4. CAPITAL RESERVES

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>		<u>\$000</u>		<u>\$000</u>	
	1997	1996	1997	1996	1997	1996
Share premium:						
Opening balance	1,471	1,471	2,821	2,821	1	1
Movements in the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1,471	1,471	2,821	2,821	1	1
Asset revaluation reserve:						
Opening balance	4,647	4,647	9,700	3,288	0	0
Movements:	<u>0</u>	<u>0</u>	<u>(524)</u>	<u>6,412</u>	<u>0</u>	<u>0</u>
	4,647	4,647	9,176	9,700	0	0
TOTAL CAPITAL RESERVES	<u>6,135</u>	<u>6,135</u>	<u>11,994</u>	<u>12,555</u>	<u>0</u>	<u>1</u>

#### 5. INVESTMENTS

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>		<u>\$000</u>		<u>\$000</u>	
	1997	1996	1997	1996	1997	1996
EMCO Limited	1	0	2	0	2	0
Staff housing loans	1	2	0	1	0	1
TOTAL INVESTMENTS	2	2	2	1	2	1

## 6. FIXED ASSETS

Lines	<u>As at 31/3/97</u>			<u>As at 31/3/96</u>		
	<u>Cost or Valuation</u>	<u>Accum. Depreciation</u>	<u>Book Value</u>	<u>Cost or Valuation</u>	<u>Accum. Depreciation</u>	<u>Book Value</u>
Land	\$240	\$0	\$240	\$240	\$0	\$240
Buildings	\$811	\$112	\$699	\$821	\$97	\$724
Vehicles & Boats	\$1,217	\$757	\$460	\$1,247	\$668	\$579
Plant, Furniture & Equipment	\$3,573	\$2,266	\$1,307	\$3,847	\$2,368	\$1,479
Reticulation System	\$35,953	\$1,768	\$34,185	\$33,260	\$0	\$33,260
Generation Systems	\$0	\$0	\$0	\$0	\$0	\$0
	\$41,794	\$4,903	\$36,891	\$39,415	\$3,133	\$36,282
Generation						
Land	\$596	\$0	\$596	\$596	\$0	\$596
Buildings	\$0	\$0	\$0	\$0	\$0	\$0
Vehicles & Boats	\$12	\$8	\$4	\$56	\$43	\$13
Plant, Furniture & Equipment	\$0	\$0	\$0	\$25	\$11	\$14
Reticulation System	\$0	\$0	\$0	\$0	\$0	\$0
Generation Systems	\$59,098	\$125	\$58,973	\$60,341	\$78	\$60,263
	\$59,706	\$133	\$59,573	\$61,018	\$132	\$60,886
Energy Trading						
Land	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	\$0	\$0	\$0	\$0	\$0	\$0
Vehicles & Boats	\$83	\$30	\$53	\$93	\$29	\$65
Plant, Furniture & Equipment	\$497	\$407	\$90	\$20	\$11	\$9
Reticulation System	\$0	\$0	\$0	\$0	\$0	\$0
Generation Systems	\$0	\$0	\$0	\$0	\$0	\$0
	\$580	\$437	\$143	\$113	\$39	\$74

The amount shown under the Lines 'Reticulation System' heading represents the ODV assets of the Lines business.



## 7. ACCOUNTS PAYABLE AND ACCRUALS

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>		<u>\$000</u>		<u>\$000</u>	
	1997	1996	1997	1996	1997	1996
Accounts payable	1,362	1,463	1,336	3,401	1,168	1,338
Dividends payable	663	0	856	0	0	0
Income tax payable	<u>99</u>	<u>54</u>	<u>241</u>	<u>105</u>	<u>18</u>	<u>19</u>
	<u>2,124</u>	<u>1,517</u>	<u>2,433</u>	<u>3,506</u>	<u>1,186</u>	<u>1,357</u>

## 8. TERM LIABILITIES

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>		<u>\$000</u>		<u>\$000</u>	
	1997	1996	1997	1996	1997	1996
Repayable within twelve months	5,323	4,168	10,645	8,338	0	0
One to two years	2,370	2,282	4,740	4,565	0	0
Two to five years	1,013	2,966	2,027	5,931	0	0
Beyond five years	<u>1,001</u>	<u>1,001</u>	<u>2,001</u>	<u>2,001</u>	<u>0</u>	<u>0</u>
	<u>9,707</u>	<u>10,417</u>	<u>19,413</u>	<u>20,835</u>	<u>0</u>	<u>0</u>

Interest rates payable on the above Term Liabilities are:-

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>		<u>\$000</u>		<u>\$000</u>	
	1997	1996	1997	1996	1997	1996
Floating Rates	3,034	1,879	6,068	3,758	0	0
Fixed Rates 5.35% - 18.25%	<u>6,673</u>	<u>8,538</u>	<u>13,345</u>	<u>17,077</u>	<u>0</u>	<u>0</u>
	<u>9,707</u>	<u>10,417</u>	<u>19,413</u>	<u>20,835</u>	<u>0</u>	<u>0</u>

A small portion of the Term Liabilities is secured by a Special Rating Security which allows a special rate to be assessed to the rate payers by the South Taranaki District Council, should the Company default on any of the loans.

## 9. SHARE CAPITAL

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	<u>\$000</u>		<u>\$000</u>		<u>\$000</u>	
	1997	1996	1997	1996	1997	1996
<u>Issued and Paid Up Capital</u>						
<u>Ordinary Shares of \$1 Each</u>						
35,050,000 issued shares	15,301	15,301	19,743	19,743	6	6

**10. RETAINED EARNINGS**

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	\$000		\$000		\$000	
	1997	1996	1997	1996	1997	1996
Opening balance	4,247	1,553	5,383	2,047	1,438	833
Net surplus after tax	<u>1,119</u>	<u>2,694</u>	<u>2,722</u>	<u>3,336</u>	<u>207</u>	<u>605</u>
	5,366	4,247	8,105	5,383	1,645	1,438
Dividend charge	(1,187)	0	(1,532)	0	0	0
Net surplus attributable to shareholders	<u>4,179</u>	<u>4,247</u>	<u>6,573</u>	<u>5,383</u>	<u>1,645</u>	<u>1,438</u>

**11. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

Egmont Electricity Limited has committed itself to partially funding the development of a covered swimming pool in Hawera. It is not known when the funding will be required, but the expected amount is \$150,000.

Egmont Electricity Limited, through PowerBuy Group Limited, purchases hedge contracts to limit its exposure to fluctuations in the spot price for electricity. As a result of the contracts referring to specific exit points from the national grid and as a result of the volume not being specified, it is not possible to quantify the value of contracts in existence at 31 March 1997.

Egmont Electricity Limited has provided a bankers guarantee on behalf of PowerBuy Group Limited. This is required by PowerBuy to operate in the electricity market. The guarantee results in Egmont Electricity Limited having a maximum exposure of \$739,711.

**12. FINANCIAL INSTRUMENTS****Credit Risk**

Financial instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable.

The Company performs credit evaluations on all customers requiring credit and generally does not require collateral.

Maximum exposures to credit risk as at balance date are:

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	\$000		\$000		\$000	
	1997	1996	1997	1996	1997	1996
Bank Balances	(1,896)	(625)	584	365	1,152	531
Short Term Deposits	0	0	0	0	0	902
Receivables	2,237	1,206	0	691	1,471	1,232

**Credit Facilities**

The Company has total term liabilities of \$29,119,612 at 31 March 1997 as detailed in Note 8.

**Fair Values**

The estimated fair values of the financial instruments are as follows:

	<u>Lines</u>		<u>Generation</u>		<u>Energy Trading</u>	
	1997	1996	1997	1996	1997	1996
	\$000		\$000		\$000	
Bank Balance						
Carrying amount	(1,896)	(625)	584	365	1,152	531
Fair value	(1,896)	(625)	584	365	1,152	531
Short Term Deposits						
Carrying amount	0	0	0	0	0	902
Fair value	0	0	0	0	0	902
Receivables						
Carrying amount	2,227	1,206	0	691	1,471	1,232
Fair value	2,227	1,206	0	691	1,471	1,232
Payables						
Carrying amount	1,200	1,517	517	3,506	1,167	1,357
Fair value	1,200	1,517	517	3,506	1,167	1,357
Term Loans						
Carrying amount	9,707	10,417	19,413	20,835	0	0
Fair value	9,707	10,417	19,413	20,835	0	0
Interest Rate Swap:						
Carrying amount	0	0	0	0	0	0
Fair value	116	308	233	615	0	0

The methods and assumptions used is that the carrying amount in the financial statements reflects the estimated fair value of the financial instruments including receivables, bank and short term deposits, payables and term loans. The fair value of interest rate swaps is estimated based on the quoted market prices of these instruments.

### 13. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 24 April 1997, the company announced that its shareholder, South Taranaki District Council, had received an offer from Powerco Limited of \$124.8m to buy the company. This offer is subject to South Taranaki District Council successfully completing negotiations in accordance with s. 88 of the Energy Companies Act.

The directors of the company have recommended that the shareholder accepts the offer from Powerco Limited.

### 14. RELATED PARTIES

In accordance with Section 44(5)(f)(i) of the Energy Companies Act 1992, we disclose details of all transactions entered into between Egmont Electricity Limited and its local authority Shareholder, the South Taranaki District Council, and between Egmont Electricity Limited and Westcorp Limited, a subsidiary of South Taranaki District Council.

Electricity Sales attributable to Energy Trading made to related parties for the twelve months ended 31 March 1997:

South Taranaki District Council	\$181,211 (1996 - \$91,023)
Westcorp Limited	\$11,615 (1996 - \$6,117)

Value of work done on behalf of Generation on the Patea Dam Reserve for the South Taranaki District Council for

the twelve months ended 31 March 1997

\$2,736 (1996 - \$10,274)

Rates and other costs paid to the South Taranaki District Council for the twelve months ended 31 March 1997

Generation

\$97,790 (1996 - \$97,625)

Lines

\$19,449 (1996 - \$44,246)

Intercompany Balances

As at                      As at

31/3/97                      31/3/96

\$000

\$000

Owing by South Taranaki District Council

14

12

Owing by South Taranaki District Council

1

0

15

12

Owing to South Taranaki District Council

0

0

All balances owed are to Energy Trading.

**Disclosure of financial performance measures and efficiency performance measures pursuant to regulation 13 and part II of the first schedule of the Electricity (Information Disclosure) Regulations**

**1. Financial Performance Measures**

Accounting return on total assets, being earnings before interest and tax, divided by average total funds employed:

7.5% (1996 - 11.1%) (1995 - 9.5%)

Accounting return on equity, being net profit after tax, divided by average total shareholders' funds:

4.4% (1996 - 12.3%) (1995 - 10.1%)

Accounting rate of profit which is calculated in accordance with the following formula:

$$\frac{a-b-c+d}{e}$$

where:

- a is earnings before interest and tax
- b is cash tax
- c is interest tax shield
- d is revaluations
- e is total funds employed minus half the amount of any revaluations.

4.9% (1996 - 25.8%) (1995 - 8.1%)

**2. Efficiency Performance Measures**

(a) Direct line costs per kilometre which are calculated in accordance with the following formula:

$$\frac{a}{b}$$

where:

- a is direct expenditure (in dollars)
- b is system length in kilometres

\$3,715 (1996 - \$3,872) (1995 - \$2,910)

(b) Indirect line costs per electricity customer which are calculated in accordance with the following formula:

$$\frac{a}{b}$$

where:

- a is indirect expenditure (in dollars)
- b is total customers

\$112 (1996 - \$100) (1995 - \$142)

**Disclosure of reliability performance measures pursuant to regulation 16 of the Electricity (Information Disclosure) Regulations 1994**

1. Total number of interruptions, together with a breakdown of that total according to interruption class

	<u>1997</u>	<u>1996</u>	<u>1995</u>
Classes A, E-G	0	0	0
Class B	181	227	260
Class C	393	325	459
Class D	0	3	0
<b>TOTAL</b>	<u>574</u>	<u>555</u>	<u>719</u>

2. Total number of faults per 100 circuit kilometres of prescribed voltage electric line

33.70                      (1996 - 32.77)                      (1995 - 50.64)

3. The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line, together with a breakdown of that total according to different line voltages

	<u>1997</u>	<u>1996</u>	<u>1995</u>
33kV	0	0	0
11kV	0	12.5	6.93
<b>Overall</b>	0	10.0	4.69

4. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line, together with a breakdown of that total according to different line voltages

	<u>1997</u>	<u>1996</u>	<u>1995</u>
33kV	5.56	7.64	3.36
11kV	38.41	37.52	59.40
<b>Overall</b>	34.28	33.10	51.44

5. The SAIDI for the total of interruptions is calculated in accordance with the following formula:

$$\frac{a}{b}$$

Where:

- a is the sum obtained by adding together the interruption duration factors for all interruptions  
 b is the total customers

213.18                      (1996 - 333.66)                      (1995 - 250.91)

6. The SAIDI for the total of interruptions within each interruption class is calculated in accordance with the following formula:

$$\frac{a}{b}$$

Where:

- a is the sum obtained by adding together the interruption duration factors for all interruptions within the particular

b interruption class  
is the total customers

	<u>1997</u>	<u>1996</u>	<u>1995</u>
Classes A,E-G	0	0	0
Class B	115.50	112.42	115.78
Class C	97.90	161.02	135.13
Class D	0	60.22	0
TOTAL	213.40	333.66	250.91

7. The SAIFI for the total number of interruptions, which shall be calculated in accordance with the following formula:

$$\frac{a}{b}$$

Where:

a is the sum obtained by adding together the number of electricity customers affected by each of those interruptions  
b is the total customers

$$3.40 \quad (1996 - 6.29) \quad (1995 - 5.79)$$

8. The SAIFI for the total number of interruptions within each interruption class, which shall be calculated in accordance with the following formula:

$$\frac{a}{b}$$

Where:

a is the sum obtained by adding together the number of electricity customers affected by each of those interruptions within that interruption class  
b is the total customers

	<u>1997</u>	<u>1996</u>	<u>1995</u>
Classes A,E-G	0	0	0
Class B	1.02	0.89	1.18
Class C	2.38	3.82	4.61
Class D	0	1.58	0
TOTAL	3.40	6.29	5.79

9. The CAIDI for the total of all interruptions, which shall be calculated in accordance with the following formula:

$$\frac{a}{b}$$

Where:

- a is the sum obtained by adding together the interruption duration factors for all interruptions  
 b is the sum obtained by adding together the number of electricity customers affected by each of those interruptions

62.64 (1996 - 53.01) (1995 - 50.09)

10. The CAIDI for the total of all interruptions within each interruption class, which shall be calculated in accordance with the following formula:

$\frac{a}{b}$

Where:

- a is the sum obtained by adding together the interruption duration factors for all interruptions within the particular interruption class  
 b is the sum obtained by adding together the number of electricity customers affected by each of those interruptions

	<u>1997</u>	<u>1996</u>	<u>1995</u>
Classes A,E-G	0	0	0
Class B	113.18	126.91	108.27
Class C	41.01	42.02	33.11
Class D	0	38.21	0
TOTAL	154.19	207.14	141.38

**Disclosure of energy delivery efficiency measures and statistics pursuant to regulation 15 of the Electricity (Information Disclosure) Regulations 1994**

**1. Energy delivery efficiency performance measures**

- (a) Load factor which is calculated in accordance with the following formula:

$$\frac{a}{b \times c} \times 100\%$$

Where:

- a is the amount of electricity (in kilowatt hours) entering the system during the financial year  
 b is the maximum demand  
 c is the total number of hours in the financial year

52.9% (1996 - 61.8%) (1995 - 58.8%)

- (b) loss ratio, which is calculated in accordance with the following formula:

$$\frac{a}{b} \times 100\%$$



Where:

- a is losses of electricity (expressed in kilowatt hours)  
 b is the amount of electricity (in kilowatt hours) entering the system during the financial year

6.03% (1996 - 5.64%) (1995 - 4.90%)

- (c) capacity utilisation, which is calculated in accordance with the following formula:

$$\frac{a}{b} \times 100\%$$

Where:

- a is maximum demand  
 b is transformer capacity (in kilowatt amperes)

47.3% (1996 - 43.7%) (1995 - 41.8%)

## 2. Statistics

- (a) System length, together with a breakdown of that length according to different nominal line voltages:

	1997	1996	1995
110kV	23	23	23
33kV	148	148	156
11kV	1,019	1,018	1,063
400V	569	567	631
TOTAL	1,759	1,756	1,873

- (b) The total circuit length (in kilometres) of the overhead electric lines that form part of the system, together with a breakdown of that length according to different nominal line voltages:

	1997	1996	1995
110kV	23	23	23
33kV	144	144	149
11kV	1,002	1,002	1,049
400V	530	529	601
TOTAL	1,699	1,698	1,822

- (c) The total circuit length (in kilometres) of the underground electric lines that form part of the system, together with a breakdown of that length according to different nominal line voltages:

	<u>1997</u>	<u>1996</u>	<u>1995</u>
110kV	0	0	0
33kV	4	4	7
11kV	17	16	14
400V	39	38	30
TOTAL	60	58	51

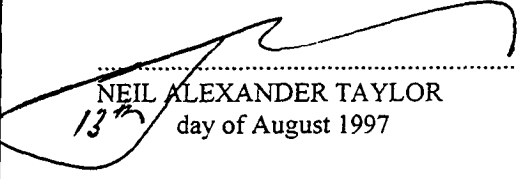
- (d) Transformer capacity in kilowatt amperes:
- |  |        |                  |                  |
|--|--------|------------------|------------------|
|  | 93,496 | (1996 - 112,500) | (1995 - 117,000) |
|--|--------|------------------|------------------|
- (e) Maximum demand, in kilowatts:
- |  |        |                 |                 |
|--|--------|-----------------|-----------------|
|  | 44,201 | (1996 - 49,196) | (1995 - 48,917) |
|--|--------|-----------------|-----------------|
- (f) Total electricity supplied from the system in kilowatt hours:
- |  |             |                      |                      |
|--|-------------|----------------------|----------------------|
|  | 190,964,394 | (1996 - 252,138,614) | (1995 - 239,431,088) |
|--|-------------|----------------------|----------------------|
- (g) The total amount of electricity (in kilowatt hours) conveyed through the system during the relevant financial year on behalf of other persons that are electricity generators or electricity retailers, or both, not being persons that are in a prescribed business relationship with the line owner:
- |  |           |                  |                  |
|--|-----------|------------------|------------------|
|  | 4,738,610 | (1996 - 709,451) | (1995 - 262,760) |
|--|-----------|------------------|------------------|
- (h) Total customers:
- |  |        |                 |                 |
|--|--------|-----------------|-----------------|
|  | 12,500 | (1996 - 12,386) | (1995 - 12,494) |
|--|--------|-----------------|-----------------|

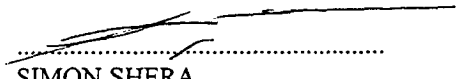
**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES,  
AND STATISTICS DISCLOSED BY EGMONT ELECTRICITY LIMITED**

We, Neil Alexander Taylor and Simon Shera, directors of Egmont Electricity Limited, certify that, having made all reasonable enquiry, to the best of our knowledge,-

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

The valuations on which those financial performance measures are based are as at 31 March 1996.

  
.....  
NEIL ALEXANDER TAYLOR  
13<sup>th</sup> day of August 1997

  
.....  
SIMON SHERA  
13<sup>th</sup> day of August 1997



**Audit New Zealand**

## **Certification by Auditor in Relation to Financial Statements**

### **Report of the Audit Office**

We have examined the attached financial statements prepared by Egmont Electricity Limited and dated 31 March 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.

L H Desborough  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
27 August 1997  
Palmerston North, New Zealand



Audit New Zealand

## Certification of Performance Measures by Auditors

### 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 Egmont Electricity Limited and dated 31 March 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 'L H Desborough', written in a cursive style.

L H Desborough  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
27 August 1997  
Palmerston North, New Zealand

Coopers  
& Lybrand

chartered accountants  
and business advisers

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

125 years  
of innovation

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

The Directors  
Egmont Electricity Limited  
Private Bag 904  
HAWERA 4800

**CERTIFICATION BY AUDITOR IN RELATION TO  
ODV VALUATION OF EGMONT ELECTRICITY'S LIMITED'S  
LINE BUSINESS**

I have examined the valuation report prepared by Coopers & Lybrand and dated 10 April, 1996, which report contains valuations as at 31 March, 1996.

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

  
.....  
W MURRAY COOK  
2 MAY 1996

Coopers & Lybrand is a member of Coopers & Lybrand International, a limited liability association incorporated in Switzerland



DEPARTMENT OF INTERNAL AFFAIRS  
TE TARI TAIWHENUA

PUBLISHED BY AUTHORITY OF DEPARTMENT OF INTERNAL AFFAIRS:  
GP LEGISLATION SERVICES, WELLINGTON, NEW ZEALAND—1997

ISSN 0111-5650  
Price \$3.95 (inc. G.S.T.)  
30412-97A