

# New Zealand Gazette

OF THURSDAY, 22 JANUARY 1998

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## TRANSALTA NEW ZEALAND LIMITED

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE GAS (INFORMATION  
DISCLOSURE) REGULATIONS 1997

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## **DISCLOSURE OF INFORMATION PURSUANT TO GAS (INFORMATION DISCLOSURE) REGULATIONS 1997**

### **CONTENTS**

- Part One**      **Financial Statements for the year ending 31 March 1997**
- Part Two**      **Performance Measures and Statistics for the year ending  
31 March 1997**
- Part Three**    **Certification**

*The information disclosed in the 1997 Information Disclosure package issued by TransAlta New Zealand Limited has been prepared solely for the purposes of the Gas (Information Disclosure) Regulations 1997.*

*The information should not be used for any other purpose than that intended under the regulations.*



**PART ONE**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997**

**Pursuant To Regulation 6 of the  
Gas (Information Disclosure) Regulations 1997**

**TRANSALTA NEW ZEALAND LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE TWELVE MONTHS ENDED 31 MARCH 1997

	Notes	DISTRIBUTION	RETAIL
		31-Mar-97 \$000	31-Mar-97 \$000
<b>Operating Income</b>			
Revenue		13,674	11,733
Less Purchases		-	10,453
<b>GROSS SURPLUS</b>		<u>13,674</u>	<u>1,280</u>
<i>Less: Expenses</i>			
Operating Expenses		4,123	668
Auditors' Remuneration - Audit Fees		14	12
- Other Services		19	17
Bad Debts		137	118
Change in Provision for Doubtful Debts		(66)	(56)
Depreciation		2,011	9
Donations		11	10
Directors' and Management Fees		23	20
Interest		1,800	4
Rentals and Leases		72	15
<b>TOTAL EXPENSES</b>		<u>8,144</u>	<u>817</u>
<b>SURPLUS FROM GAS TRADING</b>		<u>5,530</u>	<u>463</u>
<b>Other Income</b>			
Miscellaneous Income (net)		1,015	2,270
Application Fee		36	31
Interest Income		269	1
<b>TOTAL OTHER INCOME</b>		<u>1,320</u>	<u>2,302</u>
<b>OPERATING SURPLUS BEFORE TAX</b>		6,850	2,765
<i>Less: Income Tax Expense</i>	2	2,510	1,013
<b>NET OPERATING SURPLUS</b>		<u>4,340</u>	<u>1,752</u>

*The attached notes form an integral part of, and should be read in conjunction with, these financial statements.*

**TRANSALTA NEW ZEALAND LIMITED**  
**CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY**  
 FOR THE TWELVE MONTHS ENDED 31 MARCH 1997

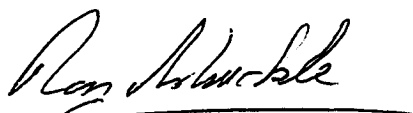
	Notes	<b>DISTRIBUTION</b>	<b>RETAIL</b>
		31-Mar-97 \$000	31-Mar-97 \$000
<b>Equity at Beginning of Period</b>		59,843	155
Operating Surplus for the Period		4,340	1,752
Less: Distributions to Owners		1,297	523
		<u>62,886</u>	<u>1,384</u>
Elimination of Antecedent Companies Equity Upon Amalgamation		(61,898)	(985)
Issuance of Share Capital	3	16,554	43
Issuance of Capital Notes	3	13,267	34
<b>Equity at End of Period</b>		<u>30,809</u>	<u>476</u>

*The attached notes form an integral part of, and should be read in conjunction with, these financial statements.*

**TRANSALTA NEW ZEALAND LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 AS AT 31 MARCH 1997

	<i>Notes</i>	<b>DISTRIBUTION</b> 31-Mar-97 \$000	<b>RETAIL</b> 31-Mar-97 \$000
<b>Equity</b>			
Share Capital	3	16,554	43
Retained Earnings		988	399
<b>SHAREHOLDERS' FUNDS</b>		<u>17,542</u>	<u>442</u>
Capital Notes	3	13,267	34
<b>TOTAL SHAREHOLDERS' FUNDS AND CAPITAL NOTES</b>		30,809	476
<b>Non-Current Liabilities</b>			
Bonds	4	25,759	67
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>25,759</u>	<u>67</u>
<b>Current Liabilities</b>			
Trade Creditors	5	691	1,027
Other Liabilities		3,093	1,326
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,784</u>	<u>2,353</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>60,352</u>	<u>2,896</u>
<b>Current Assets</b>			
Accounts Receivable	6	2,385	2,046
Inventories		452	-
Other Current Assets		2,460	549
<b>TOTAL CURRENT ASSETS</b>		<u>5,297</u>	<u>2,595</u>
<b>Non-Current Assets</b>			
Deferred Taxation Asset	2	151	61
Deferred Costs		57	-
Fixed Assets	7	54,847	240
<b>TOTAL NON-CURRENT ASSETS</b>		<u>55,055</u>	<u>301</u>
<b>TOTAL ASSETS</b>		<u>60,352</u>	<u>2,896</u>

*The attached notes form an integral part of, and should be read in conjunction with, these financial statements.*



Director  
19 December 1997



Director  
19 December 1997

**TRANSALTA NEW ZEALAND LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE TWELVE MONTHS ENDED 31 MARCH 1997

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**1 STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

The Financial Statements have been extracted from the unaudited Financial Statements of Capital Power Limited for the six months ended 30 September 1996, the unaudited Financial Statements of EnergyDirect Corporation for the six months ended 30 September 1996, and the audited Group Financial Statements of TransAlta New Zealand Limited for the six months ended 31 March 1997.

Capital Power Limited and EnergyDirect Corporation Limited amalgamated with effect from 1 October 1996. The figures in these Financial Statements represent the consolidated activity of all three companies as if the three companies had been a single entity for the full twelve months ended 31 March 1997. The Statement of Financial Position and notes related to that Statement are stated as at 31 March 1997 and reflect the activities of the new company which was formed as a result of the amalgamation, namely TransAlta New Zealand Limited. Adjustments have been made to reflect the altered capital structure of the amalgamated company, including retained earnings, upon amalgamation.

TransAlta New Zealand Limited (the "Company") was formed on 1 October 1996 following the amalgamation of EnergyDirect Corporation Limited and Capital Power Limited under the Companies Act 1993. The Company is a public company registered under the Companies Act 1993 and is listed on the New Zealand Stock Exchange. The Company is an issuer for the purposes of the Financial Reporting Act 1993.

The Financial Statements have been prepared in accordance with the methodology required by the Gas (Information Disclosure) Regulations 1997, the Companies Act 1993, the Financial Reporting Act 1993, and in accordance with generally accepted accounting practice.

The Group consists of:

- TransAlta New Zealand Limited, the parent company;
- Citipower Limited, an in-substance subsidiary of TransAlta New Zealand Limited which has a lease expiring on 30 November 2001 for the electricity distribution system from Nelson Electricity Limited and in which the parent company has a 49% interest;
- Pacific Energy Limited, an associate company in which the parent company has a 25% shareholding which purchases and sells electricity on behalf of its customers at the wholesale level;
- Energy Supply Limited, a wholly owned subsidiary of TransAlta New Zealand Limited which markets and sells propane gas; and
- National Electricity Trading Company, a wholly owned non-trading subsidiary of TransAlta New Zealand Limited.

These companies all have balance dates of 31 March.

**Gas (Information Disclosure) Regulations 1997**

Where practical, all costs, revenues, assets and liabilities have been directly allocated to the appropriate Distribution or Retail businesses. Other costs, revenues, assets and liabilities are allocated using the allocation bases as disclosed.

**Measurement Base**

The Financial Statements have been prepared on an historical cost basis, modified by the revaluation of certain assets as detailed below in the specific accounting policies. Accrual accounting is used to match revenues and expenses. Reliance is placed on the fact that the Company is a going concern.

**TRANSALTA NEW ZEALAND LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
 FOR THE TWELVE MONTHS ENDED 31 MARCH 1997

**I STATEMENT OF ACCOUNTING POLICIES (continued)**

**Specific Accounting Policies**

*(a) Valuation of Assets at 1 October 1996*

The assets of the Company on amalgamation of the predecessor companies EnergyDirect Corporation Limited and Capital Power Limited at 1 October 1996 were recorded at cost. The basis used to arrive at cost for the gas network distribution asset was at an amount that approximated Optimised Deprival Value (ODV). For all other assets and liabilities, cost was based on net current value.

*(b) Basis of Consolidation*

The Financial Statements include those of the Company and its subsidiaries which are consolidated using the purchase method. The results of any subsidiaries acquired or disposed of during the year are consolidated from the effective date of acquisition and up to the effective dates of disposal. All inter-entity transactions, profits and balances are eliminated on consolidation.

*(c) Income Recognition*

Gas sales represent customer usage during the financial period. Allowance is made in the sales of gas for unbilled sales being unread meters and unbilled distribution charges as at balance date.

*(d) Valuation of Fixed and Long Term Assets*

Assets are stated at cost.

Fixed and Long Term Assets are depreciated on a straight line basis. Depreciation is provided on all fixed assets at rates calculated to allocate the cost of acquisition, less estimated residual value, over their estimated useful lives.

Fixed and Long Term assets comprise:

	Depreciation Period
Gas Distribution Equipment	40 years
Motor Vehicles, Plant, Tools and Equipment	5 years

*(e) Accounts Receivable*

Accounts receivable are stated at their estimated net realisable value.

*(f) Inventories*

Inventories are valued at the lower of cost (determined on a weighted average basis) and net realisable value. Allowance is made for damaged and obsolete inventory.

*(g) Other Investments*

Marketable securities and investments held for resale are stated at market value. Other investments are stated at cost with due allowance being made for any permanent diminution in value.

*(h) Taxation*

Income tax expense is calculated using the liability method. Deferred tax is accounted for on a partial basis. Deferred tax assets are recognised only to the extent that there is virtual certainty of recovery.

*(i) Operating Lease Payments*

Operating lease payments are expensed in the period in which they are incurred.

*(j) Deferred Costs*

Deferred costs are amortised over future periods on a basis related to expected future revenue. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable and any amount so identified is written off.



**TRANSALTA NEW ZEALAND LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
 FOR THE TWELVE MONTHS ENDED 31 MARCH 1997

**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

*(k) Financial Instruments*

The Company has various financial instruments for the primary purpose of reducing its exposure to interest rates. The hedging contracts are accounted for on the same basis as the underlying transactions.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the period.

<b>DISTRIBUTION</b>	<b>RETAIL</b>
31-Mar-97	31-Mar-97
\$000	\$000

**2 INCOME TAX EXPENSE**

The Income Tax Expense has been calculated as follows:

Prima Facie Income Tax Expense at 33% of Net Surplus

before Tax	2,261	912
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Increase in Income Tax Expense due to:-

Permanent Differences	249	101
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	249	101
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**TOTAL INCOME TAX EXPENSE**

	2,510	1,013
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Income Tax Expense Comprises:

Current Tax	2,067	835
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Deferred Income Tax	443	178
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**TOTAL INCOME TAX EXPENSE**

	2,510	1,013
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**DEFERRED INCOME TAX**

Balance at the Beginning of the Period	594	239
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Transferred to Statement of Financial Performance	(433)	(178)
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**BALANCE AT THE END OF THE PERIOD**

	151	61
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Deferred tax liabilities are not provided for if there is a reasonable probability that the deferred tax liability will not be payable in the foreseeable future.

The tax effect of timing differences which have not been provided for in the deferred tax account amount to \$34,184,000. This amount is for TransAlta New Zealand Limited group and has not been allocated to the business segments. These timing differences are mainly attributable to the difference between the acquisition cost of network assets and the underlying historical cost used for tax purposes. There are income tax losses to be carried forward of \$3,836,508 subject to the requirements of the Income Tax Act 1994.

**TRANSALTA NEW ZEALAND LIMITED****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

AS AT 31 MARCH 1997

	<b>DISTRIBUTION</b>	<b>RETAIL</b>
	31-Mar-97	31-Mar-97
	\$000	\$000
<b>3 SHARE CAPITAL</b>		
Share Capital of 221,687,419 Fully Paid Ordinary Shares	16,554	43
Capital Notes	13,267	34

The Capital Notes were issued under a Trust Deed between the Company and The New Zealand Guardian Trust Company Limited as Trustee.

The Capital Notes are unsecured, subordinated, fixed interest securities of the Company issued at a face value of \$1.00 (the "Principal Value"). The Notes are subject to early redemption or conversion at the option of the company on 1 October each year prior to 1 October 2001 (the "Maturity Date"). Noteholders may be required to convert their Capital Notes into ordinary shares of the Company on the "Maturity Date" at a value equal to the Principal Value plus accrued and unpaid interest on the Capital Notes. For this purpose, ordinary shares will be valued at 98% of the then market price. Alternatively, the Company may elect to purchase, redeem, or extend the terms of the Capital Notes on the Maturity Date. Noteholders can trade their Capital Notes on the New Zealand Stock Exchange. The interest rate on the Capital Notes is 9.84% pa, payable semi-annually in arrears on 1 April and 1 October each year, beginning 1 April 1997.

**4 BONDS**

Bonds were issued under a Trust Deed between the Company and The New Zealand Guardian Trust Company Limited as Trustee. The Bonds constitute unsecured, unsubordinated, fixed interest securities of the Company at a face value of \$1.00 each. The Bonds were issued on 1 October 1996 in two tranches of \$110,843,725 each, maturing on 1 October 2003 and 1 October 2006. The interest rates on the Bonds are 8.81% and 8.86% respectively, payable semi-annually in arrears on 1 April and 1 October each year, beginning 1 April 1997. The Company may, at any time, purchase Bonds for its own account, which may be cancelled or reissued. The Company repurchased and cancelled Bonds with a total face value of \$6,474,000 in the six month period to 31 March 1997.

	<b>DISTRIBUTION</b>	<b>RETAIL</b>
	31-Mar-97	31-Mar-97
	\$000	\$000
<b>5 CURRENT LIABILITIES</b>		
<b>TRADE CREDITORS</b>		
Total Trade Creditors	691	1,027
<b>OTHER LIABILITIES</b>		
Bank Overdraft	346	101
Sundry Creditors and Accruals	733	119
Provision for Employee Entitlements	221	45
Current Portion of Accrued Interest on Bonds	1,140	2
Current Portion of Accrued Interest on Capital Notes	653	1
Provisions	-	1,058
Total Other Liabilities	3,093	1,326
<b>TOTAL CURRENT LIABILITIES</b>	3,784	2,353

**TRANSALTA NEW ZEALAND LIMITED****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

AS AT 31 MARCH 1997

**5 CURRENT LIABILITIES (continued)**

**Credit Facilities** The Company has arranged a \$100 million committed cash advance facility with a syndicate of three registered banks. The term of the facility is committed for five years and was undrawn at 31 March 1997.

	<b>DISTRIBUTION</b>	<b>RETAIL</b>
	31-Mar-97	31-Mar-97
	\$000	\$000
<b>6 CURRENT ASSETS</b>		
Accounts Receivable	2,385	2,046
Inventories	452	-
Prepaid Income Tax	263	106
Assets Intended for Sale <sup>(a)</sup>	2,197	443
<b>TOTAL CURRENT ASSETS</b>	<b>5,297</b>	<b>2,595</b>

(a) This amount reflects an allocation of the estimated net realisable assessed value of assets of the Company which have been identified as being surplus to its requirements as a result of the merger and accordingly are being held for sale.

	<b>DISTRIBUTION</b>	<b>RETAIL</b>
	31-Mar-97	31-Mar-97
	\$000	\$000
<b>7 FIXED ASSETS</b>		
Distribution Equipment	55,189	-
Less: Accumulated Depreciation	983	-
	<u>54,206</u>	<u>-</u>
Motor Vehicles, Plant and Equipment	795	315
Less: Accumulated Depreciation	154	75
	<u>641</u>	<u>240</u>
<b>TOTAL FIXED ASSETS</b>	<b>54,847</b>	<b>240</b>

**8 COMMITMENTS**

Capital Expenditure Contracted for at Balance Date	560	2
Lease Commitments Under Non-Cancellable Operating Leases are:		
Not Later Than One Year	338	1
Later Than One Year But Not Later Than Two Years	335	1
Later Than Two Years But Not Later Than Five Years	625	3
Later Than Five Years	31	-
<b>TOTAL COMMITMENTS</b>	<b>1,889</b>	<b>7</b>

**TRANSALTA NEW ZEALAND LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
AS AT 31 MARCH 1997

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**9 CONTINGENT LIABILITIES**

At 31 March 1997, the Company had the following contingent liability:

**Natural Gas Corporation - Take Or Pay Contract**

At 31 March 1997 the Natural Gas Corporation (NGC) had filed a claim against the company involving its take-or-pay obligation for \$5.7 million. The company believed that it had strong grounds to successfully contest this claim and accordingly no provision was included in the financial statements. Subsequent to 31 March 1997 this claim was withdrawn by NGC in consideration for the company entering into a new supply contract with NGC.

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**10 RELATED PARTY TRANSACTIONS**

The immediate parent company of TransAlta New Zealand Limited is Trans New Zealand Energy Limited and the ultimate controlling party is TransAlta Energy Corporation.

During the period, the Company had the following transactions with related parties:

Purchases of electricity totalling \$20,964,000 (1996: \$49,313,000) from Pacific Energy Limited (Associate Company). The balance owing at 31 March 1997 was \$4,833,000 (1996: \$4,218,000).

At 31 March 1997 amounts accrued to TransAlta Energy Corporation for services provided with respect to the installation and implementation of a new electricity network automated asset information and management system totalled \$302,000 (1996: nil).

The Group paid subvention payments to Trans New Zealand Energy Limited of \$851,663 and to that company's parent Trans New Zealand Limited \$2,807,707. These were pre-existing obligations of the antecedent company Capital Power Limited at 1 October 1996.

At 31 March 1997 interest on capital notes and bonds accrued and owing to Trans New Zealand Energy Limited totalled \$3,419,360 (1996: nil).

No related party debts have been written off or forgiven during the year.

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**11 FINANCIAL INSTRUMENTS**

**Credit Risk** Financial instruments which potentially subject the company to credit risk principally consist of bank balances, accounts receivable and electricity hedge contracts.

The Company performs credit evaluations on customers where possible and requires deposits to be paid when customers demonstrate inadequate credit history.

Investments are made with financial institutions and other organisations with a minimum credit rating of A long term and A-1 short term from Standards & Poors (or equivalent rating). The company also has a limit on concentration of investments with any one institution.

**TRANSALTA NEW ZEALAND LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
AS AT 31 MARCH 1997

**11 FINANCIAL INSTRUMENTS (continued)**

Maximum exposures to credit risk as at 31 March 1997 were:

	<b>DISTRIBUTION</b>	<b>RETAIL</b>
	31-Mar-97 \$000	31-Mar-97 \$000
Accounts Receivable	2,385	2,046

The above maximum exposures are net of any recognised provision for losses on these financial instruments.

The Company is not exposed to any significant concentrations of credit risk.

**Interest Rate Risk** The Company is exposed to interest rate risk on investments in bank deposits and government stock. This risk is managed within exposure limits set. The Company is not exposed to interest rate risk on capital notes and bonds as the interest rates are fixed for the term of the obligations.

**Currency Risk** The Company has no significant exposure to currency risk at 31 March 1997.

**Fair Values** There are no material differences between the fair value and carrying amounts of financial instruments at 31 March 1997 with the exception of the following:

	Face Value/Contract Amount		Fair Value		Carrying Amount	
	\$000	\$000	\$000	\$000	\$000	\$000
	Distribution	Retail	Distribution	Retail	Distribution	Retail
Capital Notes Due 1 October 2001	13,267	34	13,668	35	13,267	34
Bonds Due 1 October 2003	12,879	33	13,169	34	12,879	33
Bonds Due 1 October 2006	12,880	34	13,226	35	12,880	34

**12 EVENTS OCCURRING AFTER BALANCE DATE**

Subsequent to 31 March 1997 the Company has agreed to purchase the interests of TransAlta Energy Corporation in the Southdown generating station in Auckland, and the Taranaki Combined Cycle Station near Stratford. If the transactions proceed 25.2 million shares at an issue price of \$1.75 per share will be issued to TransAlta Energy Corporation. This will increase TransAlta Energy Corporation's interest in TransAlta New Zealand Limited from approximately 63% to approximately 66%. The above transactions are subject to shareholder and regulatory approval. The financial effect of these transactions has not been recognised in these Financial Statements. Subsequent to 31 March 1997 the necessary approvals were obtained and the transaction was completed effective 1 September 1997.



**PART TWO**

**PERFORMANCE MEASURES AND STATISTICS  
FOR THE YEAR ENDED 31 MARCH 1997**

**Pursuant To Regulations 15,16, 17 and 18 of the  
Gas (Information Disclosure) Regulations 1997**

**TRANSALTA NEW ZEALAND LIMITED**  
**PERFORMANCE MEASURES AND STATISTICS**  
 For The Year Ended 31 March 1997

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 31-Mar-97
 

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**Regulations 15 and 16**

**1 FINANCIAL PERFORMANCE MEASURES**

Accounting Return on Total Assets:

$\frac{\text{Earnings Before Interest \& Tax}}{\text{Average Total Funds Employed}}$	14.9%
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Accounting Return on Equity:

$\frac{\text{Net Profit after Tax}}{\text{Average Total Shareholders' Funds}}$	24.7%
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Accounting Rate of Profit:

$\frac{\text{EBIT - Cash Tax - Interest Tax Shield + Revaluations}}{\text{Average Total Funds Employed - Revaluations/2}}$	9.8%
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**2 EFFICIENCY PERFORMANCE MEASURES**

Direct Distribution Cost per Kilometre:

$\frac{\text{Direct Expenditure}}{\text{System Length (km)}}$	\$3,191.90
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Indirect Distribution Costs per Gas Customer:

$\frac{\text{Indirect Expenditure}}{\text{Total Customers}}$	\$69.35
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**Regulation 17**

**3 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS**

Load Factor	60.9%
Unaccounted-for gas ratio	2.0%
System length (km)	906.2
Maximum monthly amount of gas entering the system (gigajoules)	340,920
Total amount of gas conveyed through the system during the year (gigajoules)	2,443,550
Total number of customers	23,576

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**TRANSALTA NEW ZEALAND LIMITED**  
**PERFORMANCE MEASURES AND STATISTICS (Continued)**  
For The Year Ended 31 March 1997

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31-Mar-97

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**Regulation 18**

**4 RELIABILITY PERFORMANCE MEASURES**

Planned - Transmission    Not Collected prior to the Gas (Information Disclosure) Regulations 1997 being enacted  
Planned - Distribution    Nil

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**PART THREE**

**CERTIFICATION  
FOR THE YEAR ENDED 31 MARCH 1997**

**Pursuant To Regulations 31 and 32 of the  
Gas (Information Disclosure) Regulations 1997**

**Deloitte Touche  
Tohmatsu**



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**Chartered Accountants**

Deloitte House  
61 Molesworth Street  
Wellington  
New Zealand

PO Box 1990  
Telephone 64-4-472 1677  
Facsimile 64-4-472 8023

**CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by TransAlta New Zealand Limited and dated 31 March 1997 for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997.

We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

Deloitte Touche Tohmatsu  
Chartered Accountants  
Wellington  
New Zealand

19 December 1997

**Deloitte Touche  
Tohmatsu****Chartered Accountants**Deloitte House  
61 Molesworth Street  
Wellington  
New ZealandPO Box 1990  
Telephone 64-4-472 1677  
Facsimile 64-4-472 8023**CERTIFICATION OF PERFORMANCE MEASURES BY AUDITOR**

We have examined the attached Information, being -

- (a) Financial performance measures specified in clause 1 of Part 2 of Schedule 1 of the Gas (Information Disclosure) Regulations 1997;
- and
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part 2 of that schedule, -

and having been prepared by TransAlta New Zealand Limited and dated 31 March 1997 for the purposes of regulation 15 and 16 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 requirements of the Gas (Information Disclosure) Regulations 1997.

Deloitte Touche Tohmatsu  
Chartered Accountants  
Wellington  
New Zealand

19 December 1997



**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY PIPELINE OWNERS**

We, Ronald Hugh Arbuckle and Donald William Huse, directors of TransAlta New Zealand Limited certify that, having made all reasonable enquiry, to the best of our knowledge,

- (a) The attached audited financial statements of TransAlta New Zealand Limited, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery performance measures and statistics, and reliability performance measures in relation to TransAlta New Zealand Limited, and having been prepared for the purposes of regulations 15 to 19 of the Gas (Information Disclosure) Regulations 1997, complies with the requirements of those regulations.

A handwritten signature in cursive script, appearing to read "Ron Arbuckle".

Ronald Hugh Arbuckle  
Director

A handwritten signature in cursive script, appearing to read "Don Huse".

Donald William Huse  
Director

Dated 19 December 1997

PRIVATE BAG 31908, LOWER HUTT, NEW ZEALAND.

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TE TARI TAIWHENUA

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