

New Zealand Gazette

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CENTRALPOWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

CENTRALPOWER GROUP
LINE BUSINESS AND ELECTRICITY RETAILING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

CENTRALPOWER GROUP

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CENTRALPOWER GROUP**Line Business and Electricity Retailing Business****Statement of Financial Performance****For the Year Ended 31 March 1998**

| | Note | Line Business \$000 | Electricity Retailing \$000 |
|--|------|---------------------------|-----------------------------------|
| Operating Revenue | | <u>39,067</u> | <u>34,799</u> |
| Surplus Before Taxation for the Year | 2 | 13,537 | 295 |
| Income tax expense | 3 | (3,989) | (87) |
| Surplus After Taxation for the Year | | <u>9,548</u> | <u>208</u> |
| Share of retained surplus of associates for the year | | | 33 |
| Net Surplus for the Year | | <u><u>9,548</u></u> | <u><u>241</u></u> |

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Statement of Financial Position**

As at 31 March 1998

| | Note | Line Business \$000 | Electricity Retailing \$000 |
|---------------------------|------|---------------------------|-----------------------------------|
| Current Assets | | | |
| Cash and deposits | | 4,874 | 2,212 |
| Provision for tax | | (92) | 215 |
| Receivables | 4 | 1,183 | 5,722 |
| Land & buildings | 5 | 567 | 3 |
| Inventories | | - | 816 |
| | | <u>6,532</u> | <u>8,968</u> |
| Non-Current Assets | | | |
| Fixed assets | 5 | 142,714 | 8,355 |
| Deferred tax | | 121 | 94 |
| Investments | | - | 170 |
| | | <u>142,835</u> | <u>8,619</u> |
| Total Assets | | <u><u>149,367</u></u> | <u><u>17,587</u></u> |

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Statement of Financial Position (cont.)**

As at 31 March 1998

| | Note | Line Business \$000 | Electricity Retailing \$000 |
|-------------------------------------|------|---------------------------|-----------------------------------|
| Current Liabilities | | | |
| Bank overdraft | | - | 618 |
| Unsecured loans | 6 | - | 300 |
| Payables and accruals | | 548 | 10,393 |
| Provision for dividends | | 5,922 | 133 |
| | | <u>6,470</u> | <u>11,444</u> |
| Non-Current Liabilities | | | |
| Unsecured term loans | 6 | 3,150 | 350 |
| | | <u>3,150</u> | <u>350</u> |
| Equity | | | |
| Share capital | | 29,758 | 3,306 |
| Asset revaluation reserve | | 69,458 | - |
| Retained surplus | | 12,407 | (636) |
| | | <u>111,623</u> | <u>2,670</u> |
| Convertible notes | | 28,124 | 3,123 |
| Total Liabilities And Equity | | <u><u>149,367</u></u> | <u><u>17,587</u></u> |

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Notes to and forming part of the Financial Statements****For the Year Ended 31 March 1998****1. Statement of Accounting Policies****Basis of Reporting**

The financial statements presented here are for the reporting entities, being the Line Business and Electricity Retailing businesses of CentralPower Group.

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

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Group with the exception that certain fixed assets have been revalued.

a) Revenue Recognition

Electricity sales represent customer usage during the reported period. An allowance (which is not expected to vary by greater than 10% from actual billings), has been made for unbilled electricity sales (unread meters and unbilled line charges).

Contract revenue is recognised using the percentage of completion method where revenue can be reliably estimated. Where revenue is unreliable, contract revenue is recognised at completion of the contract.

b) Investments

Short-term deposits are stated at cost.

Long-term investments are stated at cost, and investments held for resale are stated at the lower of cost and net realisable value.

Investments in associated companies are accounted for on an equity basis.

c) Fixed Assets

Land and buildings are initially recorded at cost. Land and buildings are subsequently revalued to net current value or, where the land and building are for resale, to the lower of cost and net realisable value as determined by an independent valuer.

Network assets are revalued to Optimised Deprival Value (ODV) as determined by an independent valuer.

All other fixed assets are recorded at cost.

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Notes to and forming part of the Financial Statements (cont.)****For the Year Ended 31 March 1998****d) 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 estimated residual value, over their estimated useful lives.

Major depreciation rates are:

| | |
|---------------------|----------------|
| Buildings | 25 to 50 years |
| Network | 35 to 70 years |
| Motor vehicles | 3 to 10 years |
| Plant and equipment | 3 to 15 years |

e) Income Tax

The income tax expense charged to the statement of financial performance includes both the current year liability and the income tax effects of timing differences after allowing for non-assessable income and non-deductible expenses.

Deferred taxation is calculated using the liability method on a partial basis. Debit balances in the deferred tax account arising from net accumulated timing differences and future income tax benefits arising from income tax losses carried forward are only recognised if there is virtual certainty of realisation.

f) Inventories

Inventories are valued at the lower of cost or net realisable value including a share of fixed and variable overheads where appropriate. Cost is determined using the average cost method.

A provision for obsolescence is made for inventory which represents the average cost of all inventory items considered obsolete.

Work in progress on construction contracts is valued at the lower of cost and contract expenses, valued using the percentage of completion method.

g) Contributions for new Subdivision/Uneconomic Lines

Capital contributions received from customers towards the cost of reticulating new subdivisions and constructing uneconomic lines are included in the surplus before taxation.

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Notes to and forming part of the Financial Statements (cont.)****For the Year Ended 31 March 1998****h) Accounts Receivable**

Accounts receivable have been valued at estimated realisable value after making provision for doubtful debts.

i) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

j) Goods And Services Tax (GST)

The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables which include GST invoiced.

k) Research Costs

Costs incurred on all research projects are written off as they are incurred.

l) Financial Instruments

Financial instruments recognised in the statement of financial position include deposits with banks, trade receivables, other receivables, investments and debt. These instruments are entered into in the normal course of business.

The Group does not undertake speculative trading transactions. Accordingly, financial instruments are "marked to market" for disclosure purposes but are not adjusted in the financial statements.

Electricity hedging contracts for differences are not undertaken for speculative purposes.

m) Foreign Currencies

Transactions in foreign currencies covered by a specified forward exchange contract are translated at the New Zealand rate of exchange under the contract. All other transactions are translated at the New Zealand rate of exchange ruling at the date of the transaction.

At balance date foreign monetary assets and liabilities are translated at the closing rate and exchange variations arising from these transactions are included in the statement of financial performance as operating items.

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Notes to and forming part of the Financial Statements (cont.)****For the Year Ended 31 March 1998****n) Principles of Consolidation**

The consolidated financial statements include those of the holding Group and its subsidiaries accounted for using the purchase method. All intercompany balances and unrealised profits and losses on transactions between group companies have been eliminated.

o) Disclosure of methodologies for allocation of costs, revenues, assets and liabilities

The costs, revenues, assets and liabilities of the company have been allocated on the basis consistent with the previous year between the Energy and Line businesses and in accordance with the methodology set out in the Ministry of Commerce Guidelines with the following variations:

Billing and Metering

Billing and metering costs have been allocated 100% to Electricity Retailing for the year ended 31 March 1998. Previously billing and metering costs were allocated between the Line and Energy businesses on a 50:50 basis.

Interest Costs

Interest Costs have been allocated on the basis of total fixed assets. The methodology set out in the Ministry of Commerce Guidelines suggests allocating interest costs on the basis of notional debt base. This departure in allocating interest costs increases the Electricity Retailing business surplus after tax and retained earnings by \$976,190 and decreases the Line business surplus after tax and retained earnings by \$976,190.

Bank Deposits

Bank Deposits have been allocated on the basis of; 50% based on turnover and 50% based on total fixed assets. The methodology set out in the Ministry of Commerce Guidelines suggests allocating bank deposits on the basis of the working capital base. This departure in allocating bank deposits increases the Line business balance by \$1,169,000 and decreases the Electricity Retailing business balance by \$1,169,000.

p) Changes In Accounting Policies

There have been no material changes in accounting policies during the year. All policies have been applied on bases consistent with previous years, with the exception of the following:

Customer Contributions – New Subdivisions/Uneconomic lines

Capital contributions from customers towards the cost of reticulating new subdivisions and constructing uneconomic lines in the 1998 financial year are classified as revenue in the statement of financial performance. Previously capital contributions were shown as a decrease in asset values in the statement of financial position. The effect on the financial statements is an increase in Line business revenue of \$968,295.

CENTRALPOWER GROUP

Line Business and Electricity Retailing

Notes to and forming part of the Financial Statements (cont.)

For the Year Ended 31 March 1998

2. Surplus Before Taxation for the Year

Has been determined:

| | Line Business \$000 | Electricity Retailing \$000 |
|---|---------------------------|-----------------------------------|
| <i>After charging:</i> | | |
| Audit fees and expenses | 78 | 2 |
| Other fees paid to auditors | 81 | 89 |
| Depreciation | 4,420 | 1150 |
| Directors' fees | 161 | 14 |
| Interest | 2,779 | 164 |
| Rental and leasing costs | - | 18 |
| Bad debts written off (net) | 3 | 239 |
| Changes in the provision for doubtful debts | 5 | 1 |
| Other merger proposal expenses | - | 113 |
| Wind farm expenses | - | 94 |
| Foreign exchange loss | - | 13 |
| Diminution of fixed assets | - | 148 |
| <i>After crediting:</i> | | |
| Interest | 601 | 51 |
| Rental income | - | 25 |
| Sundry income | 59 | 475 |
| Gain/(Loss) on sale of fixed assets | 59 | 263 |
| Customer contributions | 968 | - |

3. Taxation

Taxation has been prorated between Line and Electricity Retailing businesses using net profit before taxation as the allocation basis.

4. Receivables

| | Line Business \$000 | Electricity Retailing \$000 |
|------------------------------|---------------------------|-----------------------------------|
| Trade receivables | 1,228 | 5,646 |
| Non-trade receivables | | 121 |
| Provision for Doubtful Debts | (45) | (45) |
| | 1,183 | 5,722 |

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Notes to and forming part of the Financial Statements (cont.)****For the Year Ended 31 March 1998****5. Fixed Assets**

| | Line Business \$000 | Electricity Retailing \$000 |
|--------------------|------------------------------------|--|
| | Net Book Value | Net Book Value |
| Freehold land | 1,636 | 182 |
| Freehold buildings | 4,491 | 499 |
| Network | 135,401 | - |
| Other Fixed Assets | 1,753 | 7,677 |
| | <u>143,281</u> | <u>8,358</u> |

Fixed Assets are classified as follows:

| | Line Business \$000 | Electricity Retailing \$000 |
|--------------------------|------------------------------------|--|
| Current fixed assets | 567 | 3 |
| Non-current fixed assets | 142,714 | 8,355 |
| | <u>143,281</u> | <u>8,358</u> |

Current fixed assets represent land and buildings formerly owned by Electro Power Limited which the Group intends to realise. These properties are valued at the lower of cost or valuation.

Valuations

Freehold non-current land and buildings have been revalued and are stated at net current value as determined by an independent registered valuer Mr G J Blackmore (FNZIV), of the firm Blackmore and Associates Limited, as at 31 March 1998.

Network lines and equipment have been revalued and are stated at Optimal Deprival Value (ODV) as determined by Worley Consultants Limited, registered valuers, and Mr W M Cook, of the firm Coopers & Lybrand, as at 31 March 1998.

CENTRALPOWER GROUP

Line Business and Electricity Retailing

Notes to and forming part of the Financial Statements (cont.)

For the Year Ended 31 March 1998

6. Unsecured Loans

| | Line Business \$000 | Electricity Retailing \$000 |
|---|------------------------------------|--|
| Fixed term loans with Bank of New Zealand Limited | 3,150 | 350 |
| Short-term advances facility with The National Bank of New Zealand Limited | | 300 |
| Schedule of maturities: | | |
| Due within 1 year | | 300 |
| Due 1 to 2 years | 3,150 | 350 |

The interest rate on the fixed-term loan with Bank of New Zealand is 8.11%.

The interest rate on the short-term advances facility with The National Bank of New Zealand limited is 11.95%.

7. Capital Commitments

| | Line Business \$000 | Electricity Retailing \$000 |
|--|------------------------------------|--|
| Estimated capital expenditure contracted, but not provided for, at balance date | 350 | 43,522 |

8. Related Parties

Related party payables and receivables outstanding at balance date relate to normal trade transactions based on standard terms of trade and funding with the Group's subsidiaries and associates.

9. Segmental Reporting

CentralPower Group operates predominantly in one industry; the generation, distribution and supply of electricity within the Manawatu/Tararua area. All operations are carried out within New Zealand.

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Notes to and forming part of the Financial Statements (cont.)****For the Year Ended 31 March 1998****10. Financial Instruments***Credit*

In the normal course of business the Group incurs credit risk from trade debtors and financial institutions. There are no significant concentrations of credit risk. The Group has a treasury policy which is used to manage this exposure to credit risk. As part of this policy, limits on exposures have been set and are monitored on a regular basis.

The Group does not require any collateral or security to support deposits held with banks in New Zealand and overseas due to the quality of the financial institutions dealt with. With respect to accounts receivable, credit evaluations are performed on customers requiring credit and the Group reserves the right to request a bond.

Concentrations of credit risk are limited due to the large number of customers in the Group's customer base.

Interest Rate

The Group has long term fixed rate borrowings used to fund ongoing activities. Currently the Group does not hedge the interest rate exposure.

The Group has no off balance sheet financing.

Foreign Exchange

The Group has entered into foreign exchange contracts at balance date in order to hedge Deutschmark (DEM) exposure for the purchase of wind farm development equipment from Vestas Danish Wind Technology A/S by Tararua Wind Power Limited.

Fair Values

The carrying values of cash and bank balances, short term deposits, accounts receivable, and sundry creditors are equivalent to their fair value.

The Group established a short-term advances facility (\$5,000,000) with The National Bank of New Zealand Limited. This facility was undrawn at balance date.

The Group established an overdraft facility with The National Bank of New Zealand Limited (\$100,000). The facility was undrawn at balance date.

The Group established a letter of credit facility (\$37,000,000) with The Bank of New Zealand in relation to the purchase of wind farm equipment from Vestas Danish Wind Technology A/S, in relation to the development of a wind farm in the Tararua Ranges.

CENTRALPOWER GROUP**Line Business and Electricity Retailing****Notes to and forming part of the Financial Statements (cont.)****For the Year Ended 31 March 1998****10. Financial Instruments (continued)**

The Group has provided the following financial guarantees:

A guarantee of Energy Connections Limited's overdraft facility (\$100,000), and short term advances facility (\$300,000), with the National Bank of New Zealand Limited.

A guarantee of Energy Brokers New Zealand Limited's credit facility (\$40,000,000) with Westpac Banking Corporation, limited by CentralPower Group's shareholding of 25.0%.

A guarantee of the energy purchase contract between Energy Brokers New Zealand Limited and Electricity Market Group Limited to the level of the expected share of energy purchases made on behalf of CentralPower Group.

A group banking deed guarantee with the National Bank of New Zealand Limited relating to additional bank accounts operated by the CentralPower Group

The CentralPower Employee Share Purchase Trust rules release employees from the obligation to repay the balance of any outstanding interest-free loans in respect of shares purchased under the scheme, should CentralPower Group be placed into liquidation.

The company has agreed to indemnify Merrill International (NZ) Limited against all claims and damages relating to the purchase of wind farm equipment from Vestas Danish wind Technology A/S.

The company has guaranteed the contract between Tararua Wind Power Limited and Vestas Danish Wind Technology A/S for the purchase and installation of wind turbines.

CENTRALPOWER GROUP

Disclosure of financial and efficiency performance measures as required by regulations 13, 14, 15 and 16 of the Electricity (Information Disclosure) regulations 1994.

| | Year ended 31 March | | |
|--|---------------------|-------|--------|
| | 1998 | 1997 | 1996 |
| <i>Regulation 13</i> | | | |
| 1. Financial performance measures | | | |
| (a) Accounting return on total assets | 12.9% | 5.6% | 6.6% |
| (b) Accounting return on equity | 7.6% | 4.5% | 3.9% |
| (c) Accounting rate of profit | 14.6% | 15.8% | (6.1)% |
| 2. Efficiency performance measures | | | |
| (a) Direct line costs per kilometre | \$912 | \$858 | \$564 |
| (b) Indirect line costs per electricity customer | \$75 | \$175 | \$344 |
| 3. (a) Load Factor | 62.4% | 62.3% | 63.8% |
| (b) Loss Ratio | 5.4% | 6.0% | 6.8% |
| (c) Capacity Utilisation | 30.1% | 31.8% | 46.1% |

Regulation 14a

4. The Optimised Deprival Valuation is \$135.4 million

Regulation 15

Statistics

| | | | | |
|---|-------------|-------------|-------------|---------|
| (a) System lengths (kms) | | | | |
| - 33kV | 286 | 284 | 267 | |
| - 11kV | 2658 | 2733 | 2587 | |
| - 400V | 1368 | 1210 | 877 | |
| Total | 4312 | 4227 | 3731 | |
| (b) Circuit lengths (overhead) (kms) | | | | |
| - 33kV | 264 | 260 | 261 | |
| - 11kV | 2400 | 2498 | 2479 | |
| - 400V | 821 | 659 | 618 | |
| Total | 3485 | 3417 | 3358 | |
| (c) Circuit length (underground) (kms) | | | | |
| - 33kV | 23 | 24 | 7 | |
| - 11kV | 233 | 235 | 111 | |
| - 400V | 547 | 551 | 265 | |
| Total | 803 | 810 | 383 | |
| (d) Transformer capacity (kVA) | 407,210 | 400,765 | 180,000 | 290 |
| (e) Maximum Demand (kW) | 122,572 | 127,410 | 83,052 | 85 |
| (f) Total electricity supplied (kWh) | 669,466,947 | 694,216,524 | 464,223,000 | 445,426 |
| (g) Total electricity conveyed on behalf of other persons | 83,040,966 | 125,540,210 | 0 | |
| (h) Total customers | 49,717 | 50,913 | 32,060 | 32 |

| | | Year ended 31 March | | | |
|----------------------------------|--|---------------------|------------|------------|------------|
| | | 1998 | 1997 | 1996 | 1995 |
| <i>Regulation 16</i> | | | | | |
| Reliability Performance Measures | | | | | |
| 5. | (1) Total number of interruptions | | | | |
| | Class A | 0 | 0 | 0 | 0 |
| | Class B | 356 | 457 | 360 | 423 |
| | Class C | 302 | 313 | 284 | 336 |
| | Class D | 0 | 2 | 1 | 1 |
| | Class E | 0 | 0 | 0 | 0 |
| | Class F | 0 | 0 | 0 | 0 |
| | Class G | 0 | 0 | 0 | 0 |
| | Total | <u>658</u> | <u>772</u> | <u>645</u> | <u>760</u> |
| | (2) Total number of faults per 100 circuit kilometres of prescribed voltage electric Lines | 9.8 | 10.7 | 10.0 | 11.0 |
| | (3) Total number of faults per 100 circuit kilometres of underground prescribed voltage electric lines | | | | |
| | - 33kV | 4.4 | 0 | 0 | 0 |
| | - 11kV | 3.4 | 5.2 | 9.6 | 5.6 |
| | - Total | 3.5 | 4.5 | 9.0 | 5.3 |
| | (4) Total number of faults per 100 circuit kilometres of overhead prescribed voltage electric lines | | | | |
| | - 33kV | 4.6 | 7.3 | 7.7 | 3.5 |
| | - 11kV | 11.7 | 11.7 | 10.0 | 12.6 |
| | - Total | 11.0 | 11.3 | 10.0 | 11.7 |
| | (5) The SAIDI for total of interruptions | 140.0 | 177.0 | 227.0 | 230.0 |
| | (6) The SAIDI for total of interruptions within each interruption class - | | | | |
| | Class A | 0 | 0 | 0 | 0 |
| | Class B | 55.0 | 77.9 | 109.0 | 103.0 |
| | Class C | 84.2 | 95.5 | 117.0 | 120.0 |
| | Class D | 0 | 3.6 | 2.0 | 7.0 |
| | Class E | 0 | 0 | 0 | 0 |
| | Class F | 0 | 0 | 0 | 0 |
| | Class G | 0 | 0 | 0 | 0 |

| | Year ended 31 March | | | |
|--|---------------------|-------|-------|-------|
| | 1998 | 1997 | 1996 | 1995 |
| (7) The SAIFI for total of interruptions | 2.6 | 3.5 | 5.4 | 4.4 |
| (8) The SAIFI for total of interruptions within each interruption class - | | | | |
| Class A | 0 | 0 | 0 | 0 |
| Class B | 0.4 | 0.5 | 1.0 | 1.0 |
| Class C | 2.2 | 2.7 | 4.4 | 3.0 |
| Class D | 0 | 0.3 | 0 | 0 |
| Class E | 0 | 0 | 0 | 0 |
| Class F | 0 | 0 | 0 | 0 |
| Class G | 0 | 0 | 0 | 0 |
| (9) The CAIDI for total interruptions | 53.5 | 52.1 | 49.0 | 53.0 |
| (10) The CAIDI for total of interruptions within each interruption class - | | | | |
| Class A | 0 | 0 | 0 | 0 |
| Class B | 152.7 | 165.2 | 170.0 | 169.0 |
| Class C | 37.6 | 36.0 | 31.0 | 35.0 |
| Class D | 0 | 13.2 | 6.0 | 27.0 |
| Class E | 0 | 0 | 0 | 0 |
| Class F | 0 | 0 | 0 | 0 |
| Class G | 0 | 0 | 0 | 0 |

ARTHUR ANDERSEN

Certification by Auditor in Relation to Financial Statements

I have examined the attached financial statements prepared by CentralPower Group and dated 31 March 1998 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.



Kevin J Fox
24 July 1998

ARTHUR ANDERSEN

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
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of that Schedule

and having been prepared by CentralPower Group and dated 31 March 1998 for the purposes of regulation 13 of those regulations.

I certify that, having made all reasonable enquiries, to the best of my knowledge, the information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994.

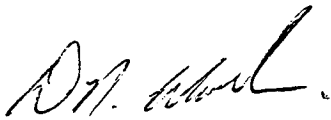


Kevin J Fox
24 July 1998

Form 4

**CERTIFICATION OF FINANCIAL STATEMENTS BY
DIRECTORS OF THE COMPANY**

We, Derek Neil Walker, and William Cameron McPhail, being directors of CentralPower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge, the attached audited financial statements, having been prepared for the purposes of regulation 4 of the Electricity (Information Disclosure) Regulations 1994, gives a true and fair view of the matters to which it relates and complies with the requirements of those regulations.

.....
Director.....
Director

23 July 1998

.....
Date

Form 7

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

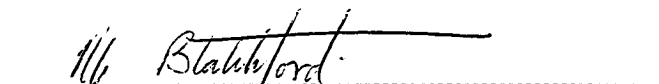
I, Derek Neil Walker, of 41A Elmira Avenue, Palmerston North, being a director of CentralPower Limited, solemnly declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public pursuant 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.



.....
D N Walker

Declared at Palmerston North this 28th day of July 1998



.....
Justice of the Peace

Form 5

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

We, Derek Neil Walker and William Cameron McPhail, directors of CentralPower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) The attached audited financial statements of CentralPower 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 CentralPower 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 1998.



.....
D N Walker - Managing Director

Date: 23 July 1998.....



.....
W C McPhail - Director

Date: 28th July 1998.....

Coopers
& Lybrand

chartered accountants
and business advisers

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

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

7 May 1998



Mr R Blatchford
Finance Manager
CentralPower New Zealand Limited
Private Bag 11024
PALMERSTON NORTH

Dear Mr Blatchford

I enclose my certificate covering the ODV valuation of the lines business as at 31 March 1998.

Yours faithfully
COOPERS & LYBRAND

w.m. cook

W M Cook

encl.

Coopers
& Lybrand

chartered accountants
and business advisers

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

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

7 May 1998

The Directors
Centralpower New Zealand Limited
Private Bag 11024
PALMERSTON NORTH

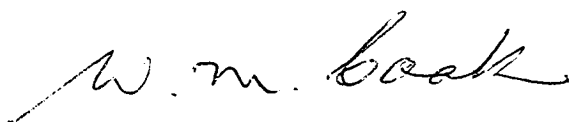
Dear Directors

**Certificate by Auditor in Relation to ODV Valuation
of Centralpower Limited Lines Business**

I have examined the valuation report prepared by Coopers & Lybrand and dated 4 May 1998, this report contains valuations as at 31 March 1998.

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.

Yours faithfully
COOPERS & LYBRAND



W M Cook



