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COUNTIES POWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

**COUNTIES POWER LIMITED DISCLOSURE OF FINANCIAL STATEMENTS PURSUANT TO
REGULATION 6 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

FOR THE YEAR ENDED 31 MARCH 1998

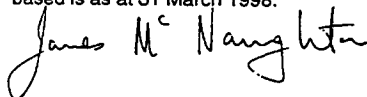
Counties Power's electricity business consists of line business activities and electricity retailing. To provide the best service to customers these activities are undertaken as a single operation. Accordingly statutory financial reporting and management reporting do not distinguish between line business and electricity retailing activities. For the purposes of these regulations a methodology has been adopted to provide an accounting separation.

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

We, James McNaughton and John Kenneth Trigance, principals of Counties Power Limited certify that, having made all reasonable enquiry, to the best of our knowledge, -

- a) The attached audited financial statements of Counties Power 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 Counties Power 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 ODV valuation on which those financial performance measures are based is as at 31 March 1998.



J. McNaughton
Chief Executive Officer



J.K. Trigance
Director

1 July 1998

**DISCLOSURE OF FINANCIAL STATEMENTS PURSUANT TO
REGULATION 6 OF THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994**

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

CERTIFICATION BY AUDITORS IN RELATION TO FINANCIAL STATEMENTS

We have examined for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994, the Counties Power Limited Line and Other Business financial statements for the year ended 31 March 1998, as appearing on pages 1 to 6.

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.



D.P. Scott
COOPERS & LYBRAND
Chartered Accountants
On behalf of the Controller and Auditor-General
1 July 1998

**DISCLOSURE OF FINANCIAL STATEMENTS PURSUANT TO
REGULATION 6 OF THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994**

**Counties Power Limited
STATEMENT OF FINANCIAL PERFORMANCE - LINE BUSINESS
For the Year ended 31 March 1998**

	Notes	31 March 1998 \$000	31 March 1997 \$000
OPERATING REVENUE	(2)	22,760	20,098
OPERATING SURPLUS BEFORE TAXATION	(3)	3,234	1,373
Taxation Expense	(4)	1,102	344
NET PROFIT AFTER TAXATION		2,132	1,029

**STATEMENT OF MOVEMENTS IN EQUITY - LINE BUSINESS
For the Year Ended 31 March 1998**

	31 March 1998 \$000	31 March 1997 \$000
EQUITY AT BEGINNING OF YEAR	30,831	29,802
NET PROFIT FOR YEAR	2,132	1,029
DIVIDEND		
Ordinary Shares	-	-
EQUITY AT END OF YEAR	32,963	30,831

These financial statements are to be read in conjunction with the notes on pages 2 to 6 and the Certificates on page 1.

**Counties Power Limited
STATEMENT OF FINANCIAL POSITION - LINE BUSINESS
As at 31 March 1998**

	Notes	31 March 1998 \$000	31 March 1997 \$000
SHAREHOLDERS' FUNDS			
Share Capital	(5)	13,514	13,514
Share Premium Reserve	(6)	15,797	15,797
Retained Earnings		3,652	1,520
TOTAL SHAREHOLDERS' FUNDS		32,963	30,831
CURRENT ASSETS			
Cash		-	-
Accounts Receivable	(7)	2,711	3,104
Inventories	(8)	-	19
TOTAL CURRENT ASSETS		2,711	3,123

	31 March 1998 \$000	31 March 1997 \$000
CURRENT LIABILITIES		
Bank Overdraft and Short Term Loan (9)	3,636	2,630
Accounts Payable (10)	2,570	2,439
Provision for Replacement of Uneconomic Lines (12)	322	330
TOTAL CURRENT LIABILITIES	<u>6,528</u>	<u>5,399</u>
Working Capital	(3,817)	(2,276)
FIXED ASSETS (11)		
Distribution System Less Provision for Depreciation	35,814	31,390
Land	869	871
Buildings Less Provision for Depreciation	1,791	1,847
Plant and Equipment Less Provision for Depreciation	1,202	1,257
Motor Vehicles Less Provision for Depreciation	533	538
TOTAL FIXED ASSETS	<u>40,209</u>	<u>35,903</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>36,392</u>	<u>33,627</u>
LESS TERM LIABILITIES		
Term Loan (9)	2,250	1,750
Provision for Replacement of Uneconomic Lines (12)	-	208
Deferred Taxation (4)	1,179	838
TOTAL TERM LIABILITIES	<u>3,429</u>	<u>2,796</u>
NET ASSETS	<u>32,963</u>	<u>30,831</u>

**Counties Power Limited
STATEMENT OF FINANCIAL PERFORMANCE - OTHER BUSINESS
For the Year Ended 31 March 1998**

	Notes	31 March 1998 \$000	31 March 1997 \$000
OPERATING REVENUE	(2)	<u>21,593</u>	<u>21,674</u>
OPERATING SURPLUS BEFORE TAXATION	(3)	327	580
Taxation Expense (4)		108	191
NET PROFIT AFTER TAXATION		<u>219</u>	<u>389</u>

**STATEMENT OF MOVEMENTS IN EQUITY - OTHER BUSINESS
For the Year Ended 31 March 1998**

	31 March 1998 \$000	31 March 1997 \$000
EQUITY AT BEGINNING OF YEAR	2,490	2,101
NET PROFIT FOR YEAR	219	389
EQUITY AT END OF YEAR	<u>2,709</u>	<u>2,490</u>

These financial statements are to be read in conjunction with the notes on pages 2 to 6 and the Certificates on page 1.

**Counties Power Limited
STATEMENT OF FINANCIAL POSITION - OTHER BUSINESS
As at 31 March 1998**

	Notes	31 March 1998 \$000	31 March 1997 \$000
SHAREHOLDERS' FUNDS			
Share Capital (5)		1,486	1,486
Retained Earnings		1,223	1,004
TOTAL SHAREHOLDERS' FUNDS		<u>2,709</u>	<u>2,490</u>
CURRENT ASSETS			
Cash		1,475	892
Accounts Receivable (7)		2,391	2,722
Inventories (8)		220	287
TOTAL CURRENT ASSETS		<u>4,086</u>	<u>3,901</u>
CURRENT LIABILITIES			
Accounts Payable (10)		2,269	2,040
TOTAL CURRENT LIABILITIES		<u>2,269</u>	<u>2,040</u>
Working Capital		1,817	1,861
FIXED ASSETS (11)			
Plant and Equipment Less Provision for Depreciation		188	166
Motor Vehicles Less Provision for Depreciation		704	463
TOTAL FIXED ASSETS		<u>892</u>	<u>629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,709</u>	<u>2,490</u>
NET ASSETS		<u>2,709</u>	<u>2,490</u>

**Counties Power Limited
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 31 March 1998**

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are presented in accordance with Regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

The financial statements for the year ended 31 March 1997 include the dormant subsidiary as disclosed in Note 17. This subsidiary was liquidated during the current year and accordingly consolidated financial statements have not been prepared for the year ended 31 March 1998. As the subsidiary did not trade and had no assets or liabilities the figures for 31 March 1997 remain comparable.

GENERAL ACCOUNTING POLICIES

The general accounting policies recognised as appropriate for the measurement and reporting of results and the financial position based on historical cost, have been followed. Accrual accounting is used to match expenses and revenues.

Reliance is placed on the fact that the Company is a going concern.

PARTICULAR ACCOUNTING POLICIES

The following particular accounting policies which materially affect the measurement of financial performance and financial position are consistently applied:

Sales

Sales shown in the statement of financial performance comprise the amounts received and receivable by the Company for goods supplied to customers in the ordinary course of business. The sales are shown exclusive of Goods and Services Tax collected from customers.

Electricity Sales

Electricity meters are read on the basis of constant cycles each year. Interim assessed monthly bills are issued for most customers. Unbilled sales at the financial year end have been accrued.

Accounts Receivable

Accounts receivable are stated at expected net realisable value after providing against debts where collection is doubtful.

Financial Instruments

Counties Power Limited has financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to fluctuations in electricity spot market prices. While these financial instruments are subject to risk that market rates may change subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged.

The Company has entered into electricity price hedging contracts with electricity generators in order to minimise the risk of price fluctuations on the electricity spot market. Assets, liabilities, and any unrealised revenues and expenses associated with these instruments as at balance date are not recognised in the financial statements. Realised revenues and expenses are recognised in the statement of financial performance on maturity of the hedging contracts and are incorporated as part of the cost of wholesale electricity.

Full disclosure of information about electricity price hedging contracts to which the Company is a party is provided in note 15.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined at average in store prices. Allowance for obsolescence is made when necessary.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation, less any amount written off for permanent impairment in value.

The cost of fixed assets created or enhanced by the Company (self-constructed assets) is direct expenses incurred and an appropriate proportion of indirect expenses.

The cost of purchased fixed assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Depreciation

Fixed assets have been depreciated, so as to write off cost less estimated residual value over their estimated useful lives, on the following basis:

Distribution System	4% straight line 22% DV for system automation equipment
Buildings	2% straight line for majority of buildings (some at 1% straight line)
Plant & Equipment	40% DV for computer hardware and software 20% and 25% DV for other items
Motor Vehicles	20% and 25% DV for majority of vehicles

Taxation

The statements of financial performance and movements in equity includes taxation expense on operating results.

The income tax expense charged to earnings includes both the income tax payable on assessable income in the period and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting is applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

CHANGES IN ACCOUNTING POLICY

During the period there have been no changes in accounting policies.

2. OPERATING REVENUE

External sales to customers included:

	Line Business 1998 \$000	Other Business 1998 \$000	Line Business 1997 \$000	Other Business 1997 \$000
Electricity Sales	22,132	19,130	19,630	18,557
Other sales including:				
CP Construction)			
Retail Appliances sales) 628	2,463	468	3,117
Other Electrical)			
	<u>22,760</u>	<u>21,593</u>	<u>20,098</u>	<u>21,674</u>

3. OPERATING SURPLUS BEFORE TAXATION

	Line Business 1998 \$000	Other Business 1998 \$000	Line Business 1997 \$000	Other Business 1997 \$000
Resulting operating surplus before taxation is stated	3,234	327	1,373	580
After charging:				
Directors Remuneration	95	5	89	6
Audit Fees	29	3	26	3
Other fees Paid or Due to Auditors	26	3	10	-
Depreciation	2,804	215	2,703	180
Rent	-	53	-	43
Interest Paid	294	-	120	-
Bad Debts Written Off	89	60	118	-
Customer Discounts	2,367	124	2,451	-
Loss on Disposal of Fixed Assets	27	6	6	-
After crediting:				
Interest and Sundries	-	18	77	-
Gain on Disposal of Fixed Assets	4	-	10	-

4. TAXATION

	Line Business 1998 \$000	Other Business 1998 \$000	Line Business 1997 \$000	Other Business 1997 \$000
Accounting profit before taxation	3,234	327	1,373	580
Prima facie taxation	1,067	108	454	191
Plus/(less) taxation effect of				
Non deductible expenses	19	-	20	-
Other permanent differences	16	-	-	-
Tax effect of timing differences and overprovision in prior years	-	-	(130)	-
	<u>1,102</u>	<u>108</u>	<u>344</u>	<u>191</u>

Line Business	Other Business	Line Business	Other Business
1998	1998	1997	1997
\$000	\$000	\$000	\$000

The taxation charge is represented by:

Current Taxation	761	108	130	191
Deferred Taxation	341	-	214	-
	<u>1,102</u>	<u>108</u>	<u>344</u>	<u>191</u>
	=====	=====	=====	=====

Deferred taxation is represented by:

Deferred taxation 1 April 1997	838	-	624	-
Current charge	341	-	214	-

Deferred taxation 31 March 1998	<u>1,179</u>	<u>-</u>	<u>838</u>	<u>-</u>
	=====	=====	=====	=====

Imputation credit account:

Balance as at 1 April 1997	971	-	345	-
Imputation credits attached to dividends paid during the period	-	-	-	-
Tax refunds received	-	-	-	-
Other credit adjustments	-	-	7	-
Income tax payments made during the period	500	-	619	-
	<u>1,471</u>	<u>-</u>	<u>971</u>	<u>-</u>
	=====	=====	=====	=====

5. SHARE CAPITAL

Line Business	Other Business	Line Business	Other Business
1998	1998	1997	1997
\$000	\$000	\$000	\$000

Issued and Paid In Capital 15,000,000 Ordinary Shares of \$1 each fully paid	13,514	1,486	13,514	1,486
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

6. SHARE PREMIUM RESERVE

Line Business	Other Business	Line Business	Other Business
1998	1998	1997	1997
\$000	\$000	\$000	\$000

Share Premium Reserve	15,797	-	15,797	-
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The Establishment Plan for Counties Power Limited provided for the issue of ordinary shares for \$15,000,000. The balance of corporate ownership of Franklin Electric Power Board at the date of incorporation of the Company (17 May 1993) was allocated to a Share Premium Reserve.

7. ACCOUNTS RECEIVABLE

Line Business	Other Business	Line Business	Other Business
1998	1998	1997	1997
\$000	\$000	\$000	\$000

Accounts Receivable from normal trading	2,554	2,337	2,501	2,607
Finance Agreements/HP	-	1	3	87
Other Receivables	92	92	153	78
Tax Refund Due	115	11	497	-
Provision for Bad Debts	(50)	(50)	(50)	(50)
	<u>2,711</u>	<u>2,391</u>	<u>3,104</u>	<u>2,722</u>
	=====	=====	=====	=====

8. INVENTORIES

Line Business	Other Business	Line Business	Other Business
1998	1998	1997	1997
\$000	\$000	\$000	\$000

Inventories on hand comprise:

General Reticulation	-	-	19	-
Retail Appliances	-	220	-	287
	<u>-</u>	<u>220</u>	<u>19</u>	<u>287</u>
	=====	=====	=====	=====

9. BORROWINGS

Line Business	Other Business	Line Business	Other Business
1998	1998	1997	1997
\$000	\$000	\$000	\$000

CURRENT

Bank Overdraft	106	-	134	-
Short-term Money Market Facility	1,225	-	1,438	-
Term Loan - Current Portion	1,000	-	250	-
Other Short-term Borrowings	1,305	-	808	-
	<u>3,636</u>	<u>-</u>	<u>2,630</u>	<u>-</u>

NON-CURRENT

Term Loan	2,250	-	1,750	-
	<u>5,886</u>	<u>-</u>	<u>4,380</u>	<u>-</u>
	=====	=====	=====	=====

None of the borrowings are secured over the assets of the company, although a negative pledge agreement exists. The Term Loan is repayable in quarterly instalments of \$250,000.

Interest rates as at 31 March 1998 were: Overdraft 10.55%, Short-term Money Market Facility 10.60% and Term Loan 8.75% to 9.35%.

10. ACCOUNTS PAYABLE

Line Business	Other Business	Line Business	Other Business
1998	1998	1997	1997
\$000	\$000	\$000	\$000

Trade Creditors	1,853	1,950	1,826	1,586
Non Trade Creditors	25	23	21	20
Customer Deposits	524	99	338	319
Employee Entitlements	168	197	254	115
	<u>2,570</u>	<u>2,269</u>	<u>2,439</u>	<u>2,040</u>
	=====	=====	=====	=====

11. FIXED ASSETS

Line Business

	1998			1997		
	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Distribution System	52,861	17,047	35,814	46,333	14,943	31,390
Land	869	-	869	871	-	871
Buildings	2,291	500	1,791	2,288	441	1,847
Plant & Equipment	3,705	2,503	1,202	3,685	2,428	1,257
Vehicles	1,179	646	533	1,323	785	538
	<u>60,905</u>	<u>20,696</u>	<u>40,209</u>	<u>54,500</u>	<u>18,597</u>	<u>35,903</u>
	=====	=====	=====	=====	=====	=====

Other Business

	1998			1997		
	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Plant and Equipment	583	395	188	457	291	166
Vehicles	1,805	1,101	704	1,282	819	463
	<u>2,388</u>	<u>1,496</u>	<u>892</u>	<u>1,739</u>	<u>1,110</u>	<u>629</u>
	=====	=====	=====	=====	=====	=====

The major property holding of the company was valued as at February 1996 as follows:

	\$000
Land & Buildings	2,055
(Main Depot complex at Glasgow Road/Nelson Street, Pukekohe)	

The valuers used by Counties Power were Marsh & Irwin Limited who are Associates of the New Zealand Institute of Valuers. The accounting book value in the Financial Statements in respect of this property as at 31 March 1998 was \$1,947,000.

Other properties with a total accounting book value amounting to \$713,000 were not included in the above valuation.

Depreciation charged in total amounted to:

	Line Business 1998 \$000	Other Business 1998 \$000	Line Business 1997 \$000	Other Business 1997 \$000
Distribution System	2,103	-	1,911	-
Buildings	59	-	59	-
Plant & Equipment	469	51	575	38
Motor Vehicles	173	164	158	142
	<u>2,804</u>	<u>215</u>	<u>2,703</u>	<u>180</u>

12. PROVISION FOR REPLACEMENT OF UNECONOMIC LINES

Section 62 of the Electricity Act 1992 requires Counties Power to maintain line services for the next 15 years. A provision of \$1,392,000 for the replacement of some uneconomic lines was created at the 31 March 1993 year end of which \$216,000 has been utilised during the current year. The basis of charging the provision is the cost of actual work carried out during the year.

	Line Business 1998 \$000	Other Business 1998 \$000	Line Business 1997 \$000	Other Business 1997 \$000
Balance remaining - current	322	-	330	-
- term	-	-	208	-
	<u>322</u>	<u>-</u>	<u>538</u>	<u>-</u>

13. OPERATING LEASE COMMITMENT

Obligations payable after balance date on non-cancellable operating leases are as follows:

	Line Business 1998 \$000	Other Business 1998 \$000	Line Business 1997 \$000	Other Business 1997 \$000
Within one year	-	37	-	59
One to two years	-	37	-	59
Three to five years	-	74	-	133
Over five years	-	-	-	-
	<u>-</u>	<u>148</u>	<u>-</u>	<u>251</u>

There is a right of renewal on the leases for a further term of three years.

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Counties Power had no material commitments for future capital expenditure at 31 March 1998 (1997: \$176,000 - relating to the improvement of the Pahurehure/Karaka area supply and the new Pukekohe substation).

Two legal claims relating to the Line Business were lodged during the year against Counties Power. The company is defending these actions and the directors are of the opinion that no significant liability will eventuate. There were no material contingent liabilities at 31 March 1997.

15. FINANCIAL INSTRUMENTS

(A) Nature of activities and management policies with respect to financial instruments.

(i) In the normal course of its business the Company incurs credit risk from trade debtors and financial institutions.

The Company has a credit 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 Company does not have any significant concentrations of credit risk. The Company does not require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with.

(ii) Provision for uneconomic lines (refer note 12).

(iii) The Company does not generally undertake any transactions denominated in foreign currencies apart from the purchase of distribution system equipment and does not hold any long term borrowings.

(iv) *Revenue - electricity price hedging contracts*

Counties Power Limited has entered into electricity price hedges with its generators. Under these agreements the Company agrees with its electricity generators a fixed price (hedge price) for a percentage of its estimated electricity needs. It is the Company's current policy to hedge between 70 - 90% of its estimated electricity needs. It is the Company's policy not to enter into any speculative position in relation to electricity price hedging contracts.

On maturity of the electricity price hedges any difference between the hedge price and the spot market price is settled between the parties. Settlement occurs irrespective of the amount of electricity actually supplied. If the spot market price is greater than the hedge price, electricity generators must settle the difference with the Company. Conversely if the spot market price is less than the hedge price, the Company must settle the difference with the electricity generators.

Credit Risk - electricity price hedging contracts

With respect to electricity price hedges, the Company's exposure is on any potential difference between the spot price and the hedge price, where on maturity of these agreements the spot price is greater than the hedge price. The Company does not anticipate any non-performance of any obligations which may exist on maturity of these agreements.

Fair value - electricity price hedging contracts

The fair value of electricity price hedging contracts can vary from day to day as the spot market price for electricity varies. As at balance date the secondary market for electricity price hedging contracts was not sufficiently active in order to obtain a reliable measure of the fair value of the Company's hedging contracts. On maturity of these agreements there is potentially an asset or liability in relation to the electricity price hedges which has not been recognised in the financial statements. As at balance date the contract amount of the electricity hedging activity amounted to \$28,647,000 (1997 \$5,925,000).

(B) Fair Values

Cash and Liquid Deposits, Short and Long Term Loans, Accounts Payable and Receivable, Provision for Uneconomic Lines and Investments.

The carrying value of these items is equivalent to their fair value.

16. RELATED PARTY TRANSACTIONS

There have been no material transactions with related parties during the period.

17. SUBSIDIARY

Cambie Corporation Limited was a shell company controlled by Counties Power Limited which was included in Other Business. It was wound up during the year ended 31 March 1998. Cambie Corporation had no assets or liabilities and it did not trade during the years ended 31 March 1998 and 31 March 1997.

18. ODV VALUATION

The ODV valuation of Counties Power Limited Lines Business Distribution System assets was calculated at \$75,160,940 as at 31 March 1998 by Worley Consultants.

COUNTIES POWER LIMITED

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 1994

CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

We have examined the information appearing on page 6 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 Counties Power Limited for the year ended 31 March 1998 for the purposes of regulation 13 of those regulations.

We 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.P. Scott
COOPERS & LYBRAND
Chartered Accountants
On behalf of the Controller and Auditor-General
1 July 1998

1 April 1997 to 31 March 1998**1. Financial Performance Measures**

	1998	1997	1996	1995
(a) Accounting return on total assets, being earnings before interest and tax, divided by average total funds employed	4.1%	2.2%	3.1%	3.0%
(b) Accounting return on equity, being net profit after tax, divided by average total shareholders' funds	3.0%	1.8%	2.1%	2.1%
(c) Accounting rate of profit	18.5%	1.2%	2.3%	1.5%

The Accounting rate of profit ("ARP") calculation specified in Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 requires that the fixed asset ODV revaluation gain be included as part of the calculation. If no revaluation had been undertaken, the ARP would have been 3.6% for the year ended 31 March 1998. The previous revaluation was undertaken three years prior, as at 31 March 1995.

2. Efficiency Performance Measures

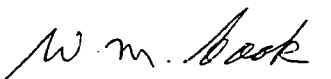
	1998	1997	1996	1995
(a) Direct line cost per kilometre	\$1,218	\$1,176	\$1,091	\$1,067
(b) Indirect line cost per electricity customer	\$84	\$79	\$96	\$87

Certificate by Auditor in Relation to ODV Valuation of Counties Power Limited Lines Business

I have examined the valuation report prepared by Worley Consultants Limited and dated 17 June 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 for Optimised Deprival Valuation of Electricity Line Businesses, 28 May 1998.

Yours faithfully



WM Cook
Coopers & Lybrand
Chartered Accountants
1 July 1998

**COUNTIES POWER LIMITED
DISCLOSURE OF ENERGY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS PURSUANT TO REGULATION 15 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

YEAR TO 31 MARCH: 1998 1997 1996 1995

Energy delivery efficiency performance measures

(a) Load Factor	56.8%	57.2%	57.1%	57.6%
(b) Loss ratio	7.7%	7.8%	8.2%	8.4%
(c) Capacity utilisation	35.9%	35%	37.8%	35.5%

Statistics**(a) System length, broken down by voltage**

400 V	1,297km	1,273km	1,262km	1,257km
33 kV	169km	173km	173km	173km
22 kV	78km	78km	22km	22km
11 kV	1,677km	1,471km	1,477km	1,445km
Total	3,221km	2,995km	2,934km	2,897km

(b) Circuit length of overhead lines, broken down by voltage

400 V	1,144km	1,110km	1,104km	1,104km
33 kV	169km	173km	173km	173km
22 kV	77km	77km	22km	22km
11 kV	1,602km	1,410km	1,454 km	1,423km
Total	2,992km	2,770km	2,753km	2,722km

(c) Circuit length of underground cables, broken down by voltage

400 V	153km	163km	158km	153km
33 kV	Nil	Nil	Nil	Nil
22 kV	1km	1km	Nil	Nil
11 kV	75km	61km	23km	22km
Total	229km	225km	181km	175km

(d) Transformer capacity 217,405kVA 229,808kVA 197,000kVA 197,246kVA

(e) Maximum demand 78,034kW 75,335kW 79,493kW 70,055kW

(f) Total electricity supplied from the system 358.23GWh 348.06GWh 342.59GWh 324.83GWh

(g) Total electricity conveyed through the system Nil 1,831,400kWh 1,477,600kWh Nil

(h) Total customers (average for period) 30,478 29,977 29,860 29,049

DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES PURSUANT TO REGULATION 16 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994

YEAR TO 31 MARCH 1998 1997 1996 1995

1. Total number of interruptions 365 465 527 511

(a) Planned interruptions by Transpower Nil Nil Nil Nil

(b) Planned interruptions by Counties Power 217 207 305 312

(c) Unplanned interruptions originating within Counties Power system 148 258 221 198

(d) Unplanned interruptions originating with Transpower system Nil Nil 1 1

(e) Unplanned interruptions originating with E.C.N.Z. Nil Nil Nil Nil

(f) Unplanned interruptions originating with Generators other than E.C.N.Z. Nil Nil Nil Nil

(g) Interruptions not included in (a) to (f) Nil Nil Nil Nil

The Nil interruption reported in categories (a), (e), (f) and (g) mean that the SAIDI, SAIFI and CAIDI data reported below are also Nil for each of these five categories of interruption.

2. Total number of faults per 100 circuit kilometres of prescribed voltage electric line 7.85 17.09 13.28 11.93

3. Total number of faults per 100 circuit kilometres of underground prescribed voltage line and per different nominal line voltages:-

11kV underground	3.95	1.64	8.7	4.55
22 kV underground	Nil	Nil	Nil	Nil
Total	3.95	1.64	8.7	4.55

4. Total number of faults per 100 circuit kilometres of overhead prescribed voltage line and per different nominal line voltages:-

11 kV overhead	7.99	15.46	13.69	13.28
22 kV overhead	7.79	27.27	18.18	22.73
33 kV overhead	6.51	10.40	9.83	2.31
Total	7.85	15.48	13.34	12.24

5. The SAIDI for the total of interruptions (minutes) 238.69 414.00 468.58 464.42

6. The SAIDI for the total number of interruptions within each interruption class:-

(b) Planned interruptions by Counties Power (minutes)	96.73	78.61	171.46	179.74
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(c) Unplanned interruptions originating within Counties Power system (minutes)	141.96	335.38	295.03	283.40
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(d) Unplanned interruptions originating with Transpower system	Nil	Nil	2.09	1.28
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7. The SAIFI for the total number of interruptions 4.31 7.40 5.60 5.19

8. The SAIFI for the total number of interruptions within each interruption class:-

(b) Planned interruptions by Counties Power	0.59	0.51	0.86	1.08
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(c) Unplanned interruptions originating within Counties Power system	3.71	6.89	4.69	4.06
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(d) Unplanned interruptions originating with Transpower system	Nil	Nil	0.05	0.05
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9. The CAIDI for the total of all interruptions (minutes) 55.38 55.97 83.72 89.50

10. The CAIDI for the total number of interruptions within each interruption class:-

(b) Planned interruptions by Counties Power (minutes)	163.95	154.57	199.16	166.60
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(c) Unplanned interruptions originating within Counties Power system (minutes)	38.26	48.69	62.9	69.8
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(d) Unplanned interruptions originating within Transpower system (minutes)	Nil	Nil	45.56	25.0
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Number of customers has been calculated as the average of opening and closing figures for the year.

