

# New Zealand Gazette

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OF THURSDAY, 10 SEPTEMBER 1998

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## BULLER ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

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This publication sets out the information required to be publicly disclosed by Buller Electricity Limited as a "Line Owner" pursuant to Regulation 6, 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994.

The information herein describes the line owners:

- (a)** Financial Statements
- (b)** Performance Measures

The information in this publication is actual and was prepared by Buller Electricity Limited after making all reasonable enquiry and to the best of the knowledge of the company complies with the above sections of the Electricity (Information Disclosure) Regulations 1994.

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

**WE, Peter Roselli and Ken Munro**, directors of Buller Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-

- (a) The attached audited financial statements of Buller 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 measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Buller 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 March 31 1998.



**K MUNRO**



**P ROSELLI**



Audit New Zealand

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

I have examined the attached financial statements prepared by Buller Electricity Limited and dated 18 August 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.

J L Palmer  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
19 August 1998

## BULLER ELECTRICITY LIMITED

### STATEMENT OF ACCOUNTING POLICIES

#### 1. MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Company with the exception that certain Land and Buildings have been revalued.

The financial statements of Buller Electricity Limited have been prepared in accordance with the Electricity (Information Disclosure) Regulation 1994.

#### 2. METHODOLOGY

The methodology used to determine line function services at March 31 1998 have been based on Electricity Disclosure Guidelines on business procedures issued by the Energy Policy Group Ministry of Commerce Wellington dated June 23 1994.

#### 3. FIXED ASSETS

The Group has six classes of fixed assets:

- Land and Buildings
- Distribution System
- Meters & Load Control Equipment
- Plant, Tools and Equipment
- Computer Equipment
- Motor Vehicles

All fixed assets excluding Land and Buildings are shown at historical cost less accumulated depreciation.

Freehold land and buildings are revalued on a cyclical basis with no individual fixed asset being included at a valuation undertaken more than three years previously. Valuations are at net current value as determined by an independent valuer.

#### 4. DEPRECIATION

Depreciation is provided on a straight line and diminishing value 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 periods are:

Distribution Equipment	■ 20-40 years (DV & SL)
Freehold Buildings	■ 50 years (SL)
Motor Vehicles	■ 5 years (DV)
Plant and Equipment	■ 5 to 10 years (DV)
Office Furniture and Equipment	■ 5 to 10 years (DV)

Capital contributions towards the cost of reticulating new subdivisions and line extensions are recognised as revenue in the year received.

#### 5. INCOME TAX

The income tax expense charged against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences. The company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

**BULLER ELECTRICITY LIMITED****STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED MARCH 31 1998**

	Line Business		Note	Other Business	
	1998	1997		1998	1997
	\$	\$		\$	\$
<b>Operating Revenues</b>					
Sales of Electricity	3,317,793	3,609,090		4,660,261	3,727,738
Other Income	143,877	67,399		1,343,699	1,233,185
	<u>3,461,670</u>	<u>3,676,489</u>		<u>6,003,960</u>	<u>4,960,923</u>
<b>Operating Expenses</b>					
Cost of Electricity	1,215,101	1,650,644		4,204,544	3,114,728
Depreciation	341,462	434,581		172,466	53,258
Other Expenses	1,236,033	1,229,774		1,590,502	1,548,865
	<u>2,792,596</u>	<u>3,314,999</u>		<u>5,967,512</u>	<u>4,716,851</u>
<b>Surplus Before Taxation</b>	<b>669,074</b>	<b>361,490</b>		<b>36,448</b>	<b>244,072</b>
Taxation	230,381	127,536	(6)	12,865	80,657
<b>Surplus After Taxation</b>	<b>438,693</b>	<b>233,954</b>		<b>23,583</b>	<b>163,415</b>
<b>Deduct</b>					
Share of Retained Losses of Associates	-	-		5,216	1,835
<b>Net Surplus</b>	<u><b>\$438,693</b></u>	<u><b>\$233,954</b></u>		<u><b>\$18,367</b></u>	<u><b>\$161,580</b></u>

**BULLER ELECTRICITY LIMITED****STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED MARCH 31 1998**

	Line Business		Note	Other Business	
	1998 \$	1997 \$		1998 \$	1997 \$
<b>Equity at Start of Year</b>	4,373,244	4,158,697		3,036,254	2,925,276
Net Surplus for the Year	438,693	233,954		18,367	161,580
Increases/(Decreases) in Revaluation Reserves	0	46,607		0	(6,366)
<b>Total Recognised Reserves and Expenses for the Year</b>	438,693	280,561		18,367	155,214
<b>Distribution to Owners during the Year (Dividends)</b>	194,906	66,014		24,120	44,236
<b>Equity at End of Year</b>	<b>4,617,031</b>	<b>4,373,244</b>	<b>(7)</b>	<b>3,030,501</b>	<b>3,036,254</b>

## BULLER ELECTRICITY LIMITED

### STATEMENT OF FINANCIAL POSITION AS AT MARCH 31 1998

	Line Business		Note	Other Business	
	1998	1997		1998	1997
	\$	\$		\$	\$
<b>Shareholders Equity</b>					
Share Capital	3,573,579	3,573,579	(7)	2,676,421	2,676,421
Reserves	306,867	306,867		138,279	138,279
Retained Earnings	736,585	492,798		215,801	221,554
	4,617,031	4,373,244		3,030,501	3,036,254
<b>Assets</b>					
<b>Current Assets</b>					
Cash	54,381	(86,926)		54,500	125,056
Accounts Receivable	268,948	276,023	(1)	681,374	729,540
Inventories	-	77,689	(5)	421,500	504,370
Short Term Deposits	-	-		752,557	560,250
	323,329	266,786		1,909,931	1,919,216
<b>Non Current Assets</b>					
Accounts Receivable	-	-	(1)	50,588	61,536
Long Term Investments	132,443	107,748		-	-
Fixed Assets	4,647,603	4,393,159	(4)	1,879,846	1,795,279
Investments in Associate Companies	-	-		530	746
Deferred Taxation	(107,317)	(60,166)	(3)	25,053	22,457
	4,672,729	4,440,741		1,956,017	1,880,018
<b>Total Assets</b>	4,996,058	4,707,527		3,865,948	3,799,234
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	379,027	334,283	(2)	835,447	762,980
<b>Non Current Liabilities</b>					
Loan Finance	-	-		-	-
<b>Total Liabilities</b>	379,027	334,283		835,447	762,980
<b>Net Assets</b>	4,617,031	4,373,244		3,030,501	3,036,254

For and on Behalf of the Board

Directors:

  
P Roselli

  
K Munro

21 August 1998

Dated



**BULLER ELECTRICITY LIMITED****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Line Business		Note	Other Business	
	1998	1997		1998	1997
	\$	\$		\$	\$
<b>1. Accounts Receivable</b>					
Electricity	234,686	285,744		377,150	322,222
Provision for Doubtful Debts	(17,443)	(18,811)		(29,745)	(28,377)
Taxation Refund Due	11,533	2,238		3,253	2,238
Work in Progress	42,022	0		2,400	12,649
Other	(1,850)	3,134		28,660	7,626
Sundry Debtors -Current	-	3,718		299,656	413,182
-Non Current	-	-		50,588	61,536
	<b>268,948</b>	<b>276,023</b>		<b>731,962</b>	<b>791,076</b>
<b>2. Accounts Payable</b>					
Trade Creditors	126,708	115,758		435,326	484,576
Staff Entitlements	51,761	81,021		107,642	77,987
Other Accruals	61,336	37,612		184,224	88,996
Consumer Deposits	-	26,384		60,053	29,751
Provision for Dividend	135,879	66,014		24,121	44,236
Other	3,343	7,494		24,081	37,434
	<b>379,027</b>	<b>334,283</b>		<b>835,447</b>	<b>762,980</b>
<b>3. Deferred Taxation</b>					
Deferred Tax April 1	(60,166)	(37,549)		22,457	41,859
Less\Plus Deferred Tax	(47,151)	(22,617)	(6)	2,596	(19,402)
	<b>(107,317)</b>	<b>(60,166)</b>		<b>25,053</b>	<b>22,457</b>

**BULLER ELECTRICITY LIMITED****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Line Business		Note	Other Business	
	1998	1997		1998	1997
<b>4. Fixed Assets</b>					
Land (at valuation)	8,222	79,222		178,314	97,000
Buildings (at valuation)	216,247	538,406		667,000	343,000
Accumulated Depreciation	7,632	320		13,710	-
	<u>208,615</u>	<u>538,086</u>		<u>653,290</u>	<u>343,000</u>
Distribution System (at cost)	7,259,934	6,711,299		-	-
Accumulated Depreciation	3,214,571	2,930,026		-	-
	<u>4,045,363</u>	<u>3,781,273</u>		<u>-</u>	<u>-</u>
Metering & Load Control Equipment (at cost)	642,814	1,403,084		907,979	-
Accumulated Depreciation	305,751	474,463		271,492	-
	<u>337,063</u>	<u>928,621</u>		<u>636,487</u>	<u>-</u>
Plant & Equipment (at cost)	3,055	254,601		450,001	181,446
Accumulated Depreciation	1,922	165,237		311,844	130,911
	<u>1,133</u>	<u>89,364</u>		<u>138,157</u>	<u>50,535</u>
Computer Equipment (at cost)	34,149	46,510		169,570	130,311
Accumulated Depreciation	16,232	23,772		125,483	92,271
	<u>17,917</u>	<u>22,738</u>		<u>44,087</u>	<u>38,040</u>
Motor Vehicles (at cost)	41,938	470,900		507,108	71,300
Accumulated Depreciation	12,648	297,238		277,597	24,403
	<u>29,290</u>	<u>173,662</u>		<u>229,511</u>	<u>46,897</u>
	<u>4,647,603</u>	<u>5,612,966</u>		<u>1,879,846</u>	<u>575,472</u>
<b>Reallocated Non Core Assets</b>	-	(1,219,807)		-	1,219,807
<b>Total Fixed Assets</b>	<u>4,647,603</u>	<u>4,393,159</u>		<u>1,879,846</u>	<u>1,795,279</u>

During the 1998 financial year non core Line Business fixed assets amounting to \$1,219,807 were reallocated to other business units. Accordingly the 1997 comparative figures in Note 4 and the Statement of Financial Position have been altered to reflect this movement.

**BULLER ELECTRICITY LIMITED****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Line Business		Note	Other Business	
	1998	1997		1998	1997
<b>5.</b>					
During 1998 inventories amounting to \$274,412 were allocated from the Line Business to other business units. Accordingly the 1997 comparative information in the Statement of Financial Position have been altered to reflect this movement					
<b>6. Taxation</b>					
<b>Surplus Before Taxation</b>	669,074	361,490		36,448	244,072
Income Tax at 33¢	220,794	119,292		12,028	80,543
Plus Permanent Differences Tax Effect	9,587	8,244		837	114
<b>Tax Expense as per Statement of Financial Performance</b>	<b>230,381</b>	<b>127,536</b>		<b>12,865</b>	<b>80,657</b>
Comprising					
Current Tax	183,230	104,919		15,461	61,255
Deferred Tax	47,151	22,617	(3)	(2,596)	19,402
	<b>230,381</b>	<b>127,536</b>		<b>12,865</b>	<b>80,657</b>

**7.**

Because of the imminent changes due to the Electricity Industry reformat the company reallocated a number of non core assets away from the Line Business during 1997\1998. The total value of these transactions was \$1,494,219 and as a result the equity in the Line Business reduced by this amount. Accordingly the 1997 comparative information in the Statement of Financial Position and the Statement of Movements in Equity has been amended.



**Audit New Zealand**

**CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS**

I have examined the attached information being -

- (a) Financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of that Schedule -

and having been prepared by Buller Electricity Limited and dated 18 August 1998 for the purposes of regulation 13 of those regulations.

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

J L Palmer  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
19 August 1998

**BULLER ELECTRICITY LIMITED**  
**PERFORMANCE MEASURES YEAR ENDED MARCH 31 1998**

Disclosure of Financial and Efficiency Performance Measures as required by Regulations 13, 14, 15 and 16  
of the Electricity Information Disclosure Regulations 1994

	1998	1997	1996	1995
<b>1. Financial Measures</b>				
[a] Accounting Return on Total Assets [pre tax] [%]	6.19%	2.40%	2.52%	2.54%
[b] Accounting return on Equity [post tax] [%]	4.41%	1.45%	2.12%	1.58%
[c] Accounting Rate of Profit [post tax] [%]	7.26%	1.63%	2.32%	1.66%
<b>2. Efficiency Measures</b>				
[a] Direct Line Costs per Kilometre [\$/Km]	\$1,222.19	\$1,453.77	\$1,108.05	\$1,852.97
[b] Indirect Line Costs per Electricity Customer	\$168.54	\$188.64	\$175.28	\$167.13
<b>3. Energy Delivery Performance Measures</b>				
[a] Load Factor	64.66%	70.92%	67.16%	66.9%
[b] Loss Ratio	4.31%	4.27%	4.41%	4.1%
[c] Capacity Utilisation	62.3%	60.4%	63.0%	63.3%
<b>4. Statistics</b>				
[a] Total System Length Km				
[i] 33kV	111.31	111.30	111.30	111.30
11kV	332.82	330.35	330.06	330.00
230/400V	130.14	126.83	126.83	82.1
Total Length	574.27	568.48	568.19	523.40
[ii] 33kV	111.31	111.30	111.30	111.30
11kV	330.11	328.70	328.41	328.41
230/400V	119.25	116.33	116.33	71.76
Total Overhead Circuit Length Km	560.67	556.33	556.04	511.47
[iii] 11kV	2.71	1.65	1.65	1.59
230/400V	10.89	10.50	10.50	10.34
Total Underground Circuit Length Km	13.60	12.15	12.15	11.93
[b] Transformer Capacity	25,930 kVA	24,565 kVA	25,045 kVA	24,343 kVA
[c] Maximum Demand	16,150 kW	14,844 kW	15,781 kW	15,400 kW
[d] Total Electricity Supplied	87,525,038 kWh	88,284,057 kWh	88,788,774 kWh	88,529,531 kWh
[e] Total Amount of Electricity Conveyed on behalf of Electricity Retailers	0 kWh	0 kWh	0 kWh	0 kWh
[f] Total Customers	4,250	4,238	4,238	4,238

P Roselli: 

Date: 21/8/98

**BULLER ELECTRICITY LIMITED**  
**PERFORMANCE MEASURES YEAR ENDED MARCH 31 1998**

	1998	1997	1996	1995
<b>5. Reliability Performance Measures</b>				
1. Total Number of Interruptions	134	103	184	166
Class A	0	0	0	0
Class B	36	34	38	33
Class C	97	64	144	131
Class D	1	4	2	2
Class E	0	0	0	0
Class F	0	0	0	0
Class G	0	1	0	0
2. Total Number of Faults per 100 circuit Km of Electric Line	29.95	22.18	32.38	31.50
3. Total Number of Faults per 100 circuit Km of Underground Line 11kV	0 0	0 0	0 0	16.81 2
4. Total Number of Faults per 100 circuit Km of Overhead Line 33kV	30.13 2.70	22.27 8.08	33.09 0	31.16 0.39
11kV	39.38	27.07	55.3	30.91
5. The SAIDI for the total of Interruptions	369.80	597.10	649.91	575.8
6. The SAIDI for the total number of interruptions within each Interruption Class				
Class A	0	0	0	0
Class B	123.16	210.19	397.08	224.74
Class C	201.61	265.89	211.00	331.94
Class D	45.03	121.00	41.83	19.12
Class E	0	0	0	0
Class F	0	0	0	0
Class G	0	0.02	0	0
7. The SAIFI for the total number of Interruptions	4.9	7.41	3.81	4.74
8. The SAIFI for the total number of interruptions within each Interruption Class				
Class A	0	0	0	0
Class B	0.79	0.82	1.66	0.69
Class C	3.11	2.59	1.15	3.04
Class D	1.00	4.00	1.00	1.00
Class E	0	0	0	0
Class F	0	0	0	0
Class G	0	0	0	0
9. The CAIDI for the total of all Interruptions	75.50	80.63	170.41	148.88
10. The CAIDI for the total number of interruptions within each Interruption Class				
Class A	0	0	0	0
Class B	156.41	256.79	239.04	323.42
Class C	64.83	102.83	183.05	109.04
Class D	45.0	30.25	41.83	19.12
Class E	0	0	0	0
Class F	0	0	0	0
Class G	0	10.0	0	0
11. Disclosure of ODV Valuation Line Business Asset Value	\$13.205 M	\$12.93 M	\$12.93 M	\$12.93 M

P Roselli: 

Date: 21/8/98

PRICEWATERHOUSECOOPERS 

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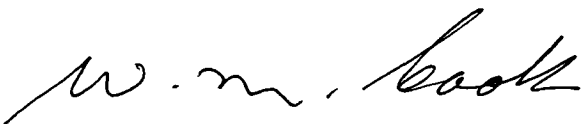
4 August 1998

The Directors  
Buller Electricity Limited  
P O Box 243  
WESTPORT 7615

**CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION OF  
BULLER ELECTRICITY'S DISTRIBUTION SYSTEM**

I have examined the valuation report prepared by PricewaterhouseCoopers and dated 3 August 1998, which report contains valuations as at 31 March 1998.

I hereby certify that, having made all reasonable enquiry, to the best of my knowledge, the valuations contained in the report have been made in accordance with the 2<sup>nd</sup> edition of the ODV Handbook dated 28 May 1998, as issued by the Ministry of Commerce.



**WILLIAM MURRAY COOK**  
4 August, 1998



