

# New Zealand Gazette

OF THURSDAY, 10 SEPTEMBER 1998

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## TASMAN ENERGY LIMITED

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994



**Audit New Zealand**

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

I have examined the attached financial statements prepared by Tasman Energy Limited and dated 11 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.

A handwritten signature in black ink, appearing to read 'K-J Boddy'. The signature is stylized with a large, sweeping initial 'K' and 'J'.

K-J Boddy  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
13 August 1998

TASMAN ENERGY LIMITED  
281 Queen Street, PO Box 3005  
Richmond 7031, New Zealand  
Telephone: 64-3-544 8098  
Facsimile: 64-3-544 6066



**IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994**

**Reg. 26 (2)**

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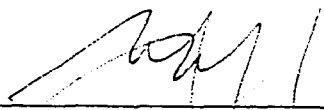
CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER FOR THE YEAR ENDING 31 MARCH 1998.


We, William James Luff and Micheal Andrew Boyce, principals of Tasman Energy Limited certify that, having made a reasonable enquiry, to the best of our knowledge, -

- (a) The attached audited financial statements of Tasman Energy 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 Tasman Energy 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.

SIGNATURES OF PRINCIPALS:

  
\_\_\_\_\_  
**W.J. Luff**  
11 August 1998

  
\_\_\_\_\_  
**M.A. Boyce**  
11 August 1998

TASMAN ENERGY LIMITED  
 281 Queen Street, PO Box 3005  
 Richmond 7031, New Zealand  
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IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION  
 DISCLOSURE) REGULATIONS 1994

Reg. 30 (1)

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STATUTORY DECLARATION IN RESPECT OF INFORMATION SUPPLIED IN  
 RESPECT OF REGULATION 9, 10, 11, 12, 18, 19 21 & 22 TO SECRETARY OF  
 COMMERCE.

I, Micheal Andrew Boyce, of Nelson, being the Chief Financial Officer of Tasman Energy Limited, solemnly and sincerely 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 made this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

\_\_\_\_\_  
 M.A. Boyce

Declared at Richmond this 11<sup>th</sup> day of August 1998.

  
 \_\_\_\_\_  
 Signature  
 Justice of the Peace (or Solicitor or other  
 person authorised to take at statutory declaration).

## **Information Disclosure Disclaimer**

These financial statements have been prepared in accordance with and for the specific use intended in the Electricity Act and information disclosure regulations. No responsibility will be accepted for any third party who may use or rely on this report or any part thereof without the express written permission of Tasman Energy Limited.

Except as allowed for by the Electricity Act 1992 and information disclosure regulations promulgated by the Act, neither the whole or any part of these financial statements or any reference thereto may be included in any published document, circular or statement or published in any way without Tasman Energy's written approval of the form and context in which it may appear.

**TASMAN ENERGY LIMITED**  
**LINE & OTHER BUSINESSES FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDING 31 MARCH 1998**

	Note	Line Business		Other Business	
		1998	1997	1998	1997
		\$000	\$000	\$000	\$000
<b>REVENUE</b>					
Distribution revenue (net of sales discounts)		22,610	23,328		
Interest received		217	367	43	49
Electricity sales and other income	3	1,473	6,556	34,006	36,053
	2	<u>24,300</u>	<u>30,251</u>	<u>34,049</u>	<u>36,102</u>
<b>OPERATING SURPLUS</b>					
After charging:					
Depreciation on fixed assets		3,015	1,679	363	372
Audit fees		45	41	21	1
Other fees paid to auditor		4	4	0	0
Directors fees		102	118	14	16
Loan interest		146	439	0	0
Lease of buildings				215	254
Bad debts written off		49	62	197	29
Increase (decrease) in estimated doubtful debts		0	0	(20)	17
Donations		21	7	0	0
<b>SURPLUS BEFORE TAXATION</b>	3	<b>2,422</b>	<b>8,666</b>	<b>1,530</b>	<b>418</b>
Provision for taxation	4,11	(130)	2,275	375	254
<b>SURPLUS AFTER TAXATION</b>		<u>2,552</u>	<u>6,391</u>	<u>1,155</u>	<u>164</u>
Retained earnings at beginning of year		13,651	7,460	1,009	845
Total available for appropriation		<u>16,203</u>	<u>13,851</u>	<u>2,164</u>	<u>1,009</u>
Dividends paid	5	200	200		
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>16,003</u>	<u>13,651</u>	<u>2,164</u>	<u>1,009</u>

**TASMAN ENERGY LIMITED**  
**LINE & OTHER BUSINESSES FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 1998**

	Note	Line Business		Other Business	
		1998 \$000	1997 \$000	1998 \$000	1997 \$000
<b>EQUITY</b>					
Share capital	6	14,280	11,590	1,081	2,980
Reserves	7	51,687	51,687	0	0
Retained earnings		16,003	13,651	2,164	1,009
<b>TOTAL EQUITY</b>		<b>81,970</b>	<b>76,928</b>	<b>3,245</b>	<b>3,989</b>
<i>Represented By:</i>					
<b>CURRENT ASSETS</b>					
Bank and cash		(70)	(11)	(56)	65
Short term deposits		3,255	2,461	520	279
Accounts receivable	8	3,066	3,567	4,983	5,995
Inventories		0	0	833	1,127
		<b>6,251</b>	<b>6,017</b>	<b>6,280</b>	<b>7,466</b>
<b>CURRENT LIABILITIES</b>					
Creditors and accruals	9	7,654	8,934	4,423	4,908
Term loans - current portion	12	52	2,024	156	78
		<b>7,706</b>	<b>10,958</b>	<b>4,579</b>	<b>4,986</b>
<b>WORKING CAPITAL</b>		<b>(1,455)</b>	<b>(4,941)</b>	<b>1,701</b>	<b>2,480</b>
<b>NON-CURRENT ASSETS</b>					
Fixed assets	10	81,960	81,894	1,469	1,663
Assets under construction		177	27	0	0
Investments		0	0	0	0
Deferred tax	11	1,288	0	87	0
		<b>83,425</b>	<b>81,921</b>	<b>1,556</b>	<b>1,663</b>
<b>NON-CURRENT LIABILITIES</b>					
Term liabilities	12	0	52	0	78
Deferred income		0	0	12	76
		<b>0</b>	<b>52</b>	<b>12</b>	<b>154</b>
<b>NET ASSETS</b>		<b>81,970</b>	<b>76,928</b>	<b>3,245</b>	<b>3,989</b>

# TASMAN ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. STATEMENT OF ACCOUNTING POLICIES

#### REPORTING ENTITY

Tasman Energy Limited is a public company registered under the Companies Act 1993. Tasman Energy Limited is a reporting entity for the purposes of the Financial Reporting Act 1993.

The consolidated financial statements are for the group comprising Tasman Energy Limited and its subsidiaries and have been prepared pursuant to the Energy Companies Act 1992 and in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993.

These accounts have been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994. Line Business and Other Business separation are as per regulation 6 of these regulations.

#### MEASUREMENT BASE

The financial statements have been prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are disclosed.

The assets and liabilities of Tasman Energy Limited were vested from the Tasman Electric Power Board on 1 May 1993 in accordance with the Establishment Plan approved by the Governor General by Order of Council on 26 April 1993.

#### ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

(a) **Basis of Consolidation**

No inter business transaction between the Line and Other businesses have been eliminated.

(b) **Recognition of Revenue**

Electricity meters are read on the basis of constant cycles each year. Sales of electricity include an estimated amount for accrued sales from meters unread as at 31 March 1998.

(c) **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.



(d) **Fixed Assets**

All fixed assets are initially recorded at cost.

Freehold land and buildings were subsequently revalued on 1 April 1991 to government valuation dated October 1990.

Distribution system assets were revalued in 1997 to a carrying value which equated to 80% of Optimised Deprival Value (ODV).

Motor vehicles are valued at book values established in April 1987, plus additions at cost less depreciation.

Plant and equipment and computer equipment are valued at cost less depreciation.

(e) **Taxation**

The income tax expense charged to the Statement of Financial Performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been 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.

(f) **Receivables**

Receivables are stated at their estimated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

(g) **Inventories**

Inventory has been stated at the lower of cost and net realisable value. Inventory has been valued on the basis of average cost during the year.

The reticulation inventory held for the purpose of supporting the existing distribution network is accounted for as a fixed asset.

(h) **Financial Instruments**

Pursuant to FRS 31 the company estimates that in respect of the reported financial instruments, being cash, short-term investments and debtors, fair value is equivalent to the carrying amount as stated in the Statement of Financial Position.

The company holds cash in minimal quantities and places short term investments with only registered banks and limits the amount of credit exposure to any one registered bank. Concentrations of credit risk with respect to debtors are limited due to the large number of customers included in the company's customer base.

Tasman Energy has entered into electricity price hedges with counterparties for the period 1 April 1998 to 30 September 2002. Under these contracts Tasman Energy has purchased a financial instrument that fixes the price of electricity in different daily and seasonal time slots. On maturity electricity is purchased at the spot price prevailing at the time of consumption. The difference between the price of the hedge and the spot price is then settled between the counterparties and Tasman Energy, regardless of whether any of the electricity for which the hedge was matched was actually purchased or not. The gain or loss on these hedge transactions is not quantifiable at balance date. As at 31 March 1998 the contract value of these hedges was \$39.6m.

(i) **Changes In Accounting Policies**

The following changes to the accounting policies have taken place during the current year.

- (i) The basis of accounting for deferred taxation has been changed from the partial basis to the comprehensive basis of applying the liability method. This is a reversal of the approach adopted in 1997 and is a result of identifying that all timing differences will reverse in the future. The effect of this change is to reinstate the deferred tax asset by posting a credit for taxation to the Statement of Financial Performance for both the Line Business and Other Business which reduces the taxation expense by \$1.06 million for the Line Business and \$0.298 million for the Other Business.
- (ii) The depreciation rate used for distribution assets has been changed following the revaluation, which took place on 31 March 1997. The change takes into consideration the standard life of these types of asset and depreciates the assets over their assessed residual lives as determined by the ODV valuation. The effect of this change is an increase in the depreciation charge to the Line Business Statement of Financial Performance of \$1.28m in comparison to the distribution assets being depreciated using historic cost and prior years' depreciation rates.

All other policies have been applied on bases consistent with those used in the previous year.

**SPECIFIC ACCOUNTING POLICIES – LINE BUSINESS****(a) Depreciation**

Fixed assets have been depreciated in order to write off cost less estimated residual value over their estimated useful life on the following basis:

Distribution System	depreciated based on assessed residual life	
Buildings (revalued)	2%	SL
Plant and Equipment	20%	DV
Motor Vehicles	20%	DV
Computer Equipment	48%	DV

**(b) Capital Contributions from Customers**

Capital contributions from customers are credited to the Statement of Financial Performance.

**(c) Term Liabilities**

The term liabilities were valued in the accounts so as to present a market value as at 31 March 1993. The purpose of the valuation was to reflect the difference between the future contracted expense and a then current market interest rate of 8%. The valuation was independently established by Landcorp Property limited, registered valuers, in their report dated 31 March 1993.

**SPECIFIC ACCOUNTING POLICIES – OTHER BUSINESS****(a) Depreciation**

Fixed assets have been depreciated in order to write off cost less estimated residual value over their estimated useful life on the following basis:

Buildings (revalued)	2%	SL
Plant and Equipment	20%	DV
Motor Vehicles	20%	DV
Computer Equipment	48%	DV

**(b) Receivables**

Hire purchase debtors exclude unearned interest. Total interest has been included at the time the contract was made and has been allocated over the term of the agreement using the rule of 78 method.

**TASMAN ENERGY LIMITED**  
**LINE & OTHER BUSINESSES FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

	<b>Line Business</b>		<b>Other Business</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>2. CONTINUING AND DISCONTINUED ACTIVITIES</b>				
<b>Continuing Activities</b>				
Operating revenue	<b>24,300</b>	30,251	<b>33,735</b>	31,735
Operating surplus after taxation	<b>2,552</b>	6,391	<b>1,231</b>	876
<b>Discontinued Activities</b>				
Operating revenue			<b>314</b>	4,367
Operating deficit after taxation			<b>(76)</b>	(712)
<b>Total Activities</b>				
Operating revenue	<b>24,300</b>	30,251	<b>34,049</b>	36,102
Operating surplus after taxation	<b>2,552</b>	6,391	<b>1,155</b>	164
<b>3. NON-RECURRING ITEMS</b>				
Surplus before taxation includes the following non-recurring items				
Deferred income reclassified		5,616	<b>0</b>	0
Restructuring costs	<b>930</b>	(358)	<b>126</b>	(470)
<b>4. TAXATION</b>				
Profit before taxation	<b>2,422</b>	8,666	<b>1,530</b>	418
Taxation at 33%	<b>799</b>	2,860	<b>505</b>	138
(Over) under provision from prior years	<b>170</b>	42	<b>165</b>	(10)
Plus (less) taxation effect of permanent and timing differences				
Deferred income reversal	<b>(392)</b>	(1,927)		
Depreciation	<b>373</b>	(50)		
Other permanent differences	<b>(19)</b>	76	<b>3</b>	(74)
Timing differences	<b>0</b>	213	<b>0</b>	(98)
Reinstatement of deferred tax (1997 reversal)	<b>(1,061)</b>	1,061	<b>(298)</b>	298
<b>Taxation Expense to Statement of Financial Performance</b>	<b>(130)</b>	<b>2,275</b>	<b>375</b>	<b>254</b>
The taxation charge is represented by:				
Current taxation	<b>1,158</b>	1,214	<b>462</b>	(44)
Deferred taxation	<b>(1,288)</b>	1,061	<b>(87)</b>	298
	<b>(130)</b>	<b>2,275</b>	<b>375</b>	<b>254</b>

**TASMAN ENERGY LIMITED**  
**LINE & OTHER BUSINESSES FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

	<b>Line Business</b>		<b>Other Business</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>5. DIVIDENDS</b>				
Distributions during the year				
Interim dividend paid	100	100		
Final dividend provided for	100	100		
	<b>200</b>	<b>200</b>	<b>0</b>	<b>0</b>
<b>6. SHARE CAPITAL</b>				
Authorised and Issued Capital				
29,500,000 ordinary shares of \$1	<b>14,280</b>	<b>11,590</b>	<b>1,081</b>	<b>2,980</b>
<b>7. RESERVES</b>				
Asset Revaluation Reserve	<b>49,749</b>	<b>49,749</b>	<b>0</b>	<b>0</b>
Share Premium Reserve	<b>1,938</b>	<b>1,938</b>	<b>0</b>	<b>0</b>
	<b>51,687</b>	<b>51,687</b>	<b>0</b>	<b>0</b>
<p>The electricity distribution system assets have been revalued as at 31 March 1997 to a carrying value which equates to 80% of Optimised Deprival Value (ODV). The 31 March 1997 ODV valuation and a carrying value opinion were prepared by Catherall Taylor Associates. The valuation report is dated 23 April 1997. The valuation was undertaken in accordance with the methodology detailed in Handbook for Optimised Deprival Valuation of Electricity Lines Businesses authorised by the Ministry of Commerce (Energy Policy Group) dated 23 June 1994. The share premium reserve was created on 1/5/93, recognising the difference between the share capital issued and the closing value of corporate ownership of the Tasman Electric Power Board at 30/4/93.</p>				
<b>8. ACCOUNTS RECEIVABLE</b>				
Trade debtors	<b>3,164</b>	<b>3,447</b>	<b>4,262</b>	<b>4,636</b>
Less doubtful debts	<b>43</b>	<b>43</b>	<b>132</b>	<b>152</b>
	<b>3,121</b>	<b>3,404</b>	<b>4,130</b>	<b>4,484</b>
Hire purchase debtors	<b>0</b>	<b>0</b>	<b>222</b>	<b>1,013</b>
Prepayments	<b>58</b>	<b>43</b>	<b>89</b>	<b>55</b>
Tax refund due	<b>(113)</b>	<b>120</b>	<b>542</b>	<b>443</b>
	<b>3,066</b>	<b>3,567</b>	<b>4,983</b>	<b>5,995</b>

**TASMAN ENERGY LIMITED**  
**LINE & OTHER BUSINESSES FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

	Line Business		Other Business	
	1998 \$000	1997 \$000	1998 \$000	1997 \$000
<b>9. CREDITORS AND ACCRUALS</b>				
Trade creditors	2,255	2,568	3,702	3,950
TransPower payments withheld	22	2,685	0	0
Leave provisions	311	473	500	556
Restructuring provisions	930	177	126	136
Interest restructuring provisions	1	134	0	0
Sales discount provision	3,882	2,742	0	0
Dividend provision	100	100	0	0
Sundry provisions	153	55	95	266
	<b>7,654</b>	<b>8,934</b>	<b>4,423</b>	<b>4,908</b>
<b>10. FIXED ASSETS</b>				
Land (at valuation)	1,765	1,743	0	0
Buildings (at valuation)	5,681	5,766	0	0
Accumulated depreciation	789	688	0	0
	<b>4,892</b>	<b>5,078</b>	<b>0</b>	<b>0</b>
Distribution system (at valuation)	76,512	73,695	0	0
Accumulated depreciation	2,444	0	0	0
	<b>74,068</b>	<b>73,695</b>	<b>0</b>	<b>0</b>
Plant and equipment	1,356	1,112	1,024	1,115
Accumulated depreciation	704	624	546	487
	<b>652</b>	<b>488</b>	<b>478</b>	<b>628</b>
Computer equipment (at cost)	1,700	1,584	182	157
Accumulated depreciation	1,274	1,011	110	82
	<b>426</b>	<b>573</b>	<b>72</b>	<b>75</b>
Motor vehicles (at cost)	299	499	1,319	1,330
Accumulated depreciation	142	182	400	370
	<b>157</b>	<b>317</b>	<b>919</b>	<b>960</b>
<b>Total Fixed Assets</b>	<b>81,960</b>	<b>81,894</b>	<b>1,469</b>	<b>1,663</b>

**TASMAN ENERGY LIMITED**  
**LINE & OTHER BUSINESSES FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

	<b>Line Business</b>		<b>Other Business</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>11. DEFERRED TAXATION</b>				
Opening Balance	0	(1,061)	0	(298)
Under (over) provision in prior years	(210)		(169)	
Deferred tax on timing differences	437		(42)	
Reinstate deferred tax	1,061	1,061	298	298
	<b>1,288</b>	<b>0</b>	<b>87</b>	<b>0</b>
<b>12. TERM LIABILITIES</b>				
Reserve Bank loans (interest rates 9.5% to 16.75%)	52	2,076		
Other			156	156
	<b>52</b>	<b>2,076</b>	<b>156</b>	<b>156</b>
Less current portion	52	2,024	156	78
	<b>0</b>	<b>52</b>	<b>0</b>	<b>78</b>
Repayable as follows :				
1 to 2 years	0	52		78
	<b>0</b>	<b>52</b>	<b>0</b>	<b>78</b>

A provision to reflect the difference between the actual and current market interest rates is included in the creditors and accruals and is being reversed as loans mature. Directors acknowledge this does not conform to current Generally Accepted Accounting Practice. Directors believe the treatment is appropriate given the statutory obligation to "value" the undertaking to ensure that the book value of assets and liabilities used for statutory vesting from Tasman Electric Power Board were realistic using current commercial acquisition practice. The reversal will be completed in May 1998.

**13. COMMITMENTS AND CONTINGENT LIABILITIES**

As at 31 March 1998 the group had no material commitments or contingent liabilities that are not included in these Financial statements.

**14. COMMITMENTS AND CONTINGENT LIABILITIES**

As at 31 March 1998 the billing and customer services functions of Tasman Energy Limited were transferred to Javelin Limited, a joint venture company formed by Tasman Energy Limited and Horowhenua Energy Limited to manage the outsourcing of these functions. Tasman Energy Limited has a commitment to purchase 50% of the shares in Javelin Limited as at 31 March 1998. As at 31 March 1998 the group has no material contingent liabilities that are not included in these financial statements.

**TASMAN ENERGY LIMITED  
LINE & OTHER BUSINESSES FINANCIAL STATEMENTS  
NOTES TO THE FINANCIAL STATEMENTS**

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**15. EVENTS SUBSEQUENT TO BALANCE DATE**

In April the Government announced an electricity industry reform package. Following this the Electricity Industry Reform Bill was introduced to parliament. This will have significant implications for Tasman Energy's future operation, especially in relation to the ownership separation of the electricity lines business and the electricity retail business. As at the date of this report no decisions on the future business structure have been made.





## 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 Tasman Energy Limited and dated 11 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.

K J Boddy

Audit New Zealand

On behalf of the Controller and Auditor-General  
13 August 1998

**TASMAN ENERGY  
STATEMENT OF PERFORMANCE MEASURES  
THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994  
FOR THE YEAR ENDING 31 MARCH 1998**

	1998	1997	1996	1995
<b>1. FINANCIAL PERFORMANCE MEASURES</b>				
Accounting Return on Total Assets	4.91%	10.08%	7.53%	3.91%
Accounting Return on Equity	5.09%	7.63%	5.55%	3.03%
Accounting Rate of Profit	-8.46%	27.96%	4.78%	2.64%
<b>Performance measures restated, excluding ODV revaluation and non recurring items</b>				
Accounting Return on Total Assets		5.33%		
Accounting Return on Equity		3.92%		
Accounting Rate of Profit		3.75%		
<b>2. EFFICIENCY PERFORMANCE MEASURES</b>				
Direct Line Costs per Kilometre	\$1,443	\$1,629	\$1,660	\$2,613
Indirect Line Costs per Electricity Customer	\$107	\$130	\$64	\$130
<b>3. ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES</b>				
Load Factor	63.26%	66.26%	61.55%	62.38%
Loss Ratio	6.05%	5.07%	6.49%	6.34%
Capacity Utilisation	37.56%	38.44%	42.76%	43.50%
<b>4. STATISTICS : (km)</b>				
<b>a. System Length</b>				
33 kV system	124	124	124	115
11 kV system	1,957	1,942	1,926	1,923
6.6 kV system	34	34	34	26
400 V system	964	954	948	938
Total Kilometres	3,079	3,054	3,032	3,001
<b>b. Overhead Line Length</b>				
33 kV system	121	121	121	112
11 kV system	1,855	1,842	1,829	1,825
6.6 kV system	33	33	33	24
400 V system	651	653	656	657
Total Kilometres	2,660	2,649	2,639	2,618

**TASMAN ENERGY  
STATEMENT OF PERFORMANCE MEASURES  
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	1998	1997	1996	1995
<b>c. Underground Cable Length</b>				
33 kV system	3	3	3	3
11 kV system	102	100	97	98
6.6 kV system	1	1	1	2
400 V system	313	301	292	281
<b>Total Kilometres</b>	<b>419</b>	<b>405</b>	<b>393</b>	<b>383</b>
Transformer Capacity (kVA)	296,476	277,849	256,279	236,185
Maximum Demand (kW)	111,370	106,804	109,597	102,745
Total Electricity Supplied (kWh)	580,688,970	566,924,039	554,962,010	538,132,943
Electricity Conveyed for Others (kWh)	158,085,189	157,340,504	155,471,693	135,441,303
Total Customers	29,272	28,982	28,806	27,960

**5. RELIABILITY PERFORMANCE MEASURES TO BE DISCLOSED BY LINE OWNERS**

**Total number of Interruptions**

Class A TransPower Planned	0	0	3	3
Class B Line Owner Planned	182	161	129	49
Class C Line Owner Unplanned	140	115	121	88
Class D TransPower Unplanned	6	1	6	9
Class E Unplanned ECNZ	0	0	0	0
Class F Unplanned Other Generator	0	0	0	0
Class G Other	0	0	0	0
<b>Total</b>	<b>328</b>	<b>277</b>	<b>259</b>	<b>149</b>

**Number of faults per 100km of prescribed voltage line**

	6.71	5.48	5.81	4.27
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**Number of faults per 100km of prescribed voltage underground line**

33 kV system	0	0	0	0
11 kV system	5.88	5.02	4.14	4.03
6.6 kV system	0	0	0	0
<b>Total</b>	<b>5.66</b>	<b>4.83</b>	<b>3.98</b>	<b>3.92</b>

**Number of faults per 100km of prescribed voltage overhead line**

33 kV system	2.48	2.48	0.83	0
11 kV system	7.06	5.75	6.34	4.54
6.6 kV system	6.06	3.03	0	0
<b>Total</b>	<b>6.77</b>	<b>5.51</b>	<b>5.9</b>	<b>4.28</b>

**TASMAN ENERGY**  
**STATEMENT OF PERFORMANCE MEASURES**  
**THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**  
**FOR THE YEAR ENDING 31 MARCH 1998**

CLASSIFICATION OF INTERRUPTIONS	1998	1997	1996	1995
	SAIDI Min/Con- Cust	SAIDI Min/Con- Cust	SAIDI Min/Con- Cust	SAIDI Min/Con- Cust
Class A TransPower Planned	0	0	65.06	9
Class B Line Owner Planned	100.27	78.25	101.01	24
Class C Line Owner Unplanned	147.62	152.13	127.48	123
Class D TransPower Unplanned	44.33	1.1	25.82	61
Class E Unplanned ECNZ	0	0	0	0
Class F Unplanned Other Generator	0	0	0	0
Class G Other	0	0	0	0
<b>Total</b>	<b>292.22</b>	<b>231.48</b>	<b>319.37</b>	<b>217</b>

CLASSIFICATION OF INTERRUPTIONS	SAIFI	SAIFI	SAIFI	SAIFI
	Int/Con- Cust	Int/Con- Cust	Int/Con- Cust	Int/Con- Cust
Class A TransPower Planned	0	0	0.204	0.05
Class B Line Owner Planned	0.76	0.64	0.667	0.14
Class C Line Owner Unplanned	2.02	2.03	1.369	1.3
Class D TransPower Unplanned	1.53	0.03	0.841	1.71
Class E Unplanned ECNZ	0	0	0	0
Class F Unplanned Other Generator	0	0	0	0
Class G Other	0	0	0	0
<b>Total</b>	<b>4.31</b>	<b>2.7</b>	<b>3.081</b>	<b>3.2</b>

CLASSIFICATION OF INTERRUPTIONS	CAIDI	CAIDI	CAIDI	CAIDI
	Min/Cust- Int	Min/Cust- Int	Min/Cust- Int	Min/Cust- Int
Class A TransPower Planned	0	0	318.74	180
Class B Line Owner Planned	131.93	122.27	151.38	174
Class C Line Owner Unplanned	73.08	74.94	93.07	95
Class D TransPower Unplanned	28.97	36.67	30.69	36
Class E Unplanned ECNZ	0	0	0	0
Class F Unplanned Other Generator	0	0	0	0
Class G Other	0	0	0	0
<b>Total</b>	<b>67.80</b>	<b>85.73</b>	<b>103.66</b>	<b>68</b>

**6. VALUATION OF ASSETS TO BE DISCLOSED BY LINE OWNERS**

ODV of Line Owner Assets 31 March 1998

\$93,417,000

Tasman Energy Network ODV

31 March 1998

## Certification By Auditor In Relation To ODV Valuation

Second Schedule to The Electricity (Information Disclosure) Regulations 1994

Form 3

I have examined the valuation report prepared by Neil F Catherall of Catherall Taylor Associates and dated 31 March 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 ODV Handbook.

Signature:

D Gorman

Name:

D Gorman B Com: ACA: ACIS

Date:

31/3/98



