

# New Zealand Gazette

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OF THURSDAY, 4 FEBRUARY 1999

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## NELSON ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

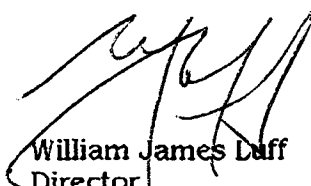
PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

**NELSON ELECTRICITY LIMITED****Electricity (Information Disclosure) Regulations 1994 – Regulation 26 (2)****Certification of financial statements, performance measures and statistics disclosed by Nelson Electricity Limited.**

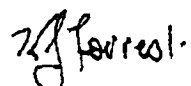
We, William James Luff and Kenneth John Forrest, directors of Nelson Electricity Limited certify that, having made all reasonable inquiry, to the best of our knowledge:

- (a) The attached audited financial statements of Nelson 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 performance measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Nelson 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.
- (c) The directors note that the use of the Catherall Taylor ODV for the calculation of the financial performance measures is an interim measure pending completion of a new ODV of the Nelson Electricity Network assets as at 31 March 1999.

The valuations on which those performance measures are based are as at 31 March 1998.



William James Luff  
Director  
15 January 1999



Kenneth John Forrest  
Director  
15 January 1999

## NELSON ELECTRICITY LIMITED

## Statement of Financial Performance for the 12 months ended 31 March 1998

	Notes	1998 Line Business \$000	1998 Other Business \$000	1997 Line Business \$000	1997 Other Business \$000	1996 Line Business \$000	1996 Other Business \$000	1995 \$000
<b>INCOME</b>								
Interest received		232	0	205	0	117	0	37
Lease revenue and participation fee		1,782	165	1,770	163	1,970	18	1,792
		<u>2,014</u>	<u>165</u>	<u>1,975</u>	<u>163</u>	<u>2,087</u>	<u>18</u>	<u>1,829</u>
<b>EXPENSES</b>								
Administration services		40	0	50	0	36	0	35
Financial		159	0	158	0	167	0	158
Depreciation		428	0	427	0	423	0	418
		<u>627</u>	<u>0</u>	<u>635</u>	<u>0</u>	<u>626</u>	<u>0</u>	<u>611</u>
<b>SURPLUS BEFORE TAXATION</b>		1,387	165	1,340	163	1,461	18	1,218
Provision for taxation	2	476	54	463	54	481	6	420
<b>SURPLUS AFTER TAXATION</b>		<u>911</u>	<u>111</u>	<u>877</u>	<u>109</u>	<u>980</u>	<u>12</u>	<u>798</u>
Retained earnings at beginning of year		1,252	121	1,235	12	655	0	263
Total available for appropriation		<u>2,163</u>	<u>232</u>	<u>2,112</u>	<u>121</u>	<u>1,635</u>	<u>12</u>	<u>1,061</u>
Dividends paid		1,000	0	880	0	400	0	406
Retained earnings at end of year		<u>1,163</u>	<u>232</u>	<u>1,252</u>	<u>121</u>	<u>1,235</u>	<u>12</u>	<u>655</u>

## NELSON ELECTRICITY LIMITED

## Statement of Financial Position as at 31 March 1998

Notes	1998	1998	1997	1997	1996	1996	1995
	Line Business \$000	Other Business \$000	Line Business \$000	Other Business \$000	Line Business \$000	Other Business \$000	\$000
<b>EQUITY</b>							
Share capital	5,000	0	5,000	0	5,000	0	5,000
Retained earnings	1,163	232	1,252	121	1,235	12	655
	<u>6,163</u>	<u>232</u>	<u>6,252</u>	<u>121</u>	<u>6,235</u>	<u>12</u>	<u>5,655</u>
<b>Represented By</b>							
<b>CURRENT ASSETS</b>							
Bank and cash	(7)	0	66	0	200	0	567
Accounts receivable	597	82	626	81	593	9	411
Intercompany debtors	0	0	0	0	71	0	117
Investments	2,446	204	2,001	94	1,336	9	425
	<u>3,036</u>	<u>286</u>	<u>2,693</u>	<u>175</u>	<u>2,200</u>	<u>18</u>	<u>1,520</u>
<b>CURRENT LIABILITIES</b>							
Creditors	132	0	122	0	102	0	253
Provision for taxation	0	54	0	54	0	6	62
	<u>132</u>	<u>54</u>	<u>122</u>	<u>54</u>	<u>102</u>	<u>6</u>	<u>315</u>
<b>WORKING CAPITAL</b>							
	2,904	232	2,571	121	2,098	12	1,205
<b>NON CURRENT ASSETS</b>							
Fixed assets	5,140	0	5,556	0	5,964	0	6,291
	<u>5,140</u>	<u>0</u>	<u>5,556</u>	<u>0</u>	<u>5,964</u>	<u>0</u>	<u>6,291</u>
<b>NON CURRENT LIABILITIES</b>							
Deferred taxation	87	0	83	0	37	0	53
Term Loan	1,794	0	1,792	0	1,790	0	1,788
	<u>1,881</u>	<u>0</u>	<u>1,875</u>	<u>0</u>	<u>1,827</u>	<u>0</u>	<u>1,841</u>
<b>NET ASSETS</b>	<u>6,163</u>	<u>232</u>	<u>6,252</u>	<u>121</u>	<u>6,235</u>	<u>12</u>	<u>5,655</u>

## **NELSON ELECTRICITY LIMITED STATEMENT OF ACCOUNTING POLICIES**

### **REPORTING ENTITY**

The Nelson City Council corporatised its electrical distribution assets on 1 September 1993 in the name of Nelson Electricity Limited. The Nelson City Council sold of its 100% shareholding in Nelson Electricity Limited on 19 June 1996.

As at 1 December 1991 the Council leased the distribution assets to Citipower Limited (a fully owned subsidiary of Capital Power Limited) for a period of ten years. At the time of the formation of Nelson Electricity Limited the lease was transferred to the new company.

### **ACCOUNTING POLICIES**

#### **(1) Authority**

These financial statements have been prepared in accordance with regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

#### **(2) Measurement Base**

Reliance has been placed on the fact that Nelson Electricity Limited remains a going concern that its funds will continue to be available to maintain operations. The measurement base adopted is historical cost.

#### **(3) Matching of Expenses and Revenue**

Accrual accounting has been employed in matching expenses and related revenue.

#### **(4) Separation of Line and Other Business**

The separation of revenue between line and other business was provided by Citipower Limited for the current year based on NEL's share of Citipower's profitability pursuant to the participation agreement.

#### **(5) Depreciation**

Depreciation has been provided on all major assets, excluding land, on the following bases and at the following rates calculated.

Buildings	2%	SL
Distribution System	4%	SL

#### **(6) Financial Instruments**

The company is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank, accounts receivable and payable, investments and loans which have all been recognised in the financial statements.

Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

The following methods and assumptions were used to value each class of financial instrument.

Debtors are recorded at expected realisable value.

Investments are recorded at the lower of cost or market value.

All other financial instruments are recognised at their fair value.

**(7) Fixed Assets**

Land is stated at cost, all other assets are stated at cost less accumulated depreciation.

**(8) Taxation**

The taxation charge against the profit of the period is an estimated liability in respect of that profit after allowance for permanent differences.

The company follows the liability method of accounting for deferred taxation and applies this on the comprehensive basis. A debit balance in the deferred tax account arising from timing differences is recognised only where there is virtual certainty of realisation.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes in the above accounting policies during the year.

## NELSON ELECTRICITY LIMITED

## Notes to the Financial Statements for the Year Ended 31 March 1998

		1998 Line Business \$000	1998 Other Business \$000	1997 Line Business \$000	1997 Other Business \$000	1996 Line Business \$000	1996 Other Business \$000	1995 \$000
<b>(1) Fixed Assets</b>								
Distribution system	cost	10,622	0	10,610	0	10,592	0	10,496
	accumulated depreciation	5,582	0	5,157	0	4,734	0	4,314
	book value	5,040	0	5,453	0	5,858	0	6,182
Land	cost	15	0	15	0	15	0	15
Buildings	cost	144	0	144	0	144	0	144
	accumulated depreciation	59	0	56	0	53	0	50
	book value	85	0	88	0	91	0	94
TOTAL FIXED ASSETS		5,140	0	5,556	0	5,964	0	6,291
<b>(2) Taxation</b>								
Surplus before taxation		1,387	165	1,340	163	1,461	18	1,218
Taxation at 33%		458	54	442	54	482	6	402
Plus permanent difference tax effect		18	0	18	0	20	0	18
Less prior year deferred tax adjustment		0	0	3	0	(21)	0	0
Tax expense per Statement of Financial Performance		476	54	463	54	481	6	420
Comprising:								
Current taxation		472	54	416	54	497	6	417
Deferred taxation		4	0	47	0	(16)	0	3
		476	54	463	54	481	6	420
<b>(3) Deferred Taxation</b>								
Balance 1/4/97		83	0	37	0	53	0	3
Deferred tax prior period		0	0	17	0	(21)	0	47
Deferred tax current period		4	0	29	0	5	0	3
Balance 31/3/98		87	0	83	0	37	0	53

## NELSON ELECTRICITY LIMITED

### Disclosure of financial and efficiency performance measures pursuant to Regulation 13 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994.

The financial measures pursuant to Regulation 13 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 have been derived from Nelson Electricity Limited accounts.

#### FINANCIAL PERFORMANCE MEASURES

	1998	1997	1996	1995
Accounting Return on Total Assets	8.39%	9.36%	10.63%	8.60%
Accounting Return on Equity	5.50%	6.20%	7.27%	5.80%
Accounting Rate of Profit	34.15%	8.38%	9.32%	5.80%

These financial performance measures were based on the adjusted line business financial statements, which incorporate the adjustments necessary to reflect the fixed assets at ODV. The ODV valuation was undertaken by Catherall Taylor and Associates.

#### Financial performance measures restated excluding ODV revaluation

Accounting Return on Total Assets	9.43%
Accounting Return on Equity	6.27%
Accounting Rate of Profit	9.02%

#### EFFICIENCY PERFORMANCE MEASURES

Citipower Limited leased the distribution system owned by Nelson Electricity Limited for the period under review. All information relating to efficiency performance has been provided by Citipower Limited. Enquiries for further information in respect of these should be directed to Citipower Limited.

Efficiency Performance Measures	1998	1997	1996	1995
Direct costs per km	\$1,594	\$4,386	\$5,318	\$7,370
Indirect costs per customer	\$ 45	\$ 413	\$ 435	\$ 381



**Disclosure of energy delivery efficiency performance measures and statistics pursuant to Regulation 15 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994.**

<b>Energy Delivery Efficiency Measures</b>	<b>1997/98</b>	<b>1996/97</b>	<b>1995/96</b>	<b>1994/95</b>
Load Factor	57.7%	58.1%	57.5%	56.8%
Loss Ratio	5.0%	5.0%	5.0%	5.5%
Capacity Utilisation	40.0%	38.27%	39.1%	40.7%

<b>Statistics</b>	<b>1997/98</b>	<b>1996/97</b>	<b>1995/96</b>	<b>1994/95</b>
<b>System Information (km)</b>	<b>33kV</b>	<b>33kV</b>	<b>33kV</b>	<b>33kV</b>
System length breakdown	22.5	22.5	22.5	22.5
Underground circuit length	9.9	9.9	9.9	9.9
Overhead circuit length	12.6	12.6	12.6	12.6
<b>System Information (km)</b>	<b>11kV</b>	<b>11kV</b>	<b>11kV</b>	<b>11kV</b>
System length breakdown	79.3	79.1	79.0	78.5
Underground circuit length	68.2	67.9	67.8	67.3
Overhead circuit length	11.1	11.2	11.2	11.2
<b>System Information (km)</b>	<b>400V</b>	<b>400V</b>	<b>400V</b>	<b>400V</b>
System length breakdown	115.8	115.2	114.3	112.0
Underground circuit length	89.1	88.0	86.9	84.6
Overhead circuit length	26.7	27.2	27.4	27.4
<b>System Information (km)</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
System length breakdown	217.6	216.8	215.8	213.0
Underground circuit length	167.2	165.8	164.6	161.8
Overhead circuit length	50.4	51.0	51.2	51.2
Transformer capacity (kVA)	70,470	72,520	71,820	66,815
Maximum demand (kilowatts)	28,185	28,095	28,100	27,200
Total electricity supplied (kWh)	142,458,214	143,529,169	141,566,178	135,441,303
Total conveyed-non-associated parties	0	0	0	0
Total customers	8,341	8,359	8,322	8,242

**Disclosure of reliability performance measures pursuant to Regulation 16 and Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994.**

<b>Total number of customers</b>	<b>8,341</b>
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<b>Total Number of Interruptions (above 3.3kV)</b>		<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
Planned interruption by Trans Power	Class A	0	0	0	0
Planned interruption by CitiPower	Class B	35	16	9	13
Unplanned interruption in CitiPower network	Class C	8	7	7	3
Unplanned interruption by Trans Power	Class D	2	0	0	4
Unplanned interruption in generation by ECNZ	Class E	0	0	0	0
Unplanned interruption by other generator	Class F	0	0	0	0
Other interruptions	Class G	0	0	0	0
	<b>Total</b>	<b>45</b>	<b>23</b>	<b>16</b>	<b>20</b>

Note: The interruption duration factor is the sum of customers affected by the time of interruption in minutes.

<b>Total number of faults per 100 circuit kilometres of prescribed voltage electric line</b>		<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
		<b>per 100km</b>	<b>per 100km</b>	<b>per 100km</b>	<b>per 100km</b>
	33kV	8.69	4.44	4.44	0.00
	11kV	10.12	7.59	5.06	3.82
	<b>Total</b>	<b>9.80</b>	<b>6.89</b>	<b>4.92</b>	<b>3.82</b>

<b>Total number of faults per 100 circuit kilometres of underground, by prescribed voltage</b>		<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
		<b>per 100km</b>	<b>per 100km</b>	<b>per 100km</b>	<b>per 100km</b>
	33kV	10.00	0.00	7.94	0.00
	11kV	7.35	5.89	4.43	1.48
	<b>Total</b>	<b>7.69</b>	<b>5.14</b>	<b>4.96</b>	<b>1.48</b>

<b>Total number of faults per 100 circuit kilometres of overhead, by prescribed voltage</b>		<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
		<b>per 100km</b>	<b>per 100km</b>	<b>per 100km</b>	<b>per 100km</b>
	33kV	7.69	10.11	0.00	0.00
	11kV	27.27	17.85	8.90	17.80
	<b>Total</b>	<b>16.66</b>	<b>14.20</b>	<b>4.72</b>	<b>17.80</b>

<b>SAIDI</b> (Interruption duration factor for all interruptions/total customers)		<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
SAIDI by interruption class (minutes)	Class A	0.00	0.00	0.00	0.00
	Class B	29.29	3.19	4.24	3.49
	Class C	22.31	25.10	49.26	11.95
	Class D	43.08	0.00	0.00	0.00
	Class E	0.00	0.00	0.00	0.00
	Class F	0.00	0.00	0.00	0.00
	Class G	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>94.68</b>	<b>28.29</b>	<b>53.50</b>	<b>15.44</b>

<b>SAIFI</b> (sum affected customers/total number of customers)		<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
SAIFI by interruption class (proportion of customers affected)	Class A	0.00	0.00	0.00	0.00
	Class B	0.20	0.01	0.04	0.04
	Class C	0.33	0.81	3.06	0.11
	Class D	1.40	0.00	0.00	0.00
	Class E	0.00	0.00	0.00	0.00
	Class F	0.00	0.00	0.00	0.00
	Class G	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>1.93</b>	<b>0.82</b>	<b>3.11</b>	<b>0.15</b>

<b>CAIDI</b> (total duration factors/sum of customers affected)		<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>
CAIDI by interruption class (minutes/customer affected)	Class A	na	na	na	na
	Class B	146.91	192.51	96.96	na
	Class C	67.99	30.98	16.08	98.82
	Class D	80.89	na	na	na
	Class E	na	na	na	na
	Class F	na	na	na	na
	Class G	na	na	na	na
	<b>Total</b>	<b>49.05</b>	<b>273.49</b>	<b>17.22</b>	<b>98.82</b>

#### Valuation of assets to be disclosed by line owners

ODV of line owner assets at 31 March 1998

\$18,737,000

The ODV was undertaken by Catherall Taylor Associates and is an interim measure as it is intended to complete a new ODV as at 31 March 1999.

*Citipower Network ODV-2<sup>nd</sup> edition**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:



Name:

**D Gorman** B Com; ACA; ACIS

Date:

31/3/98



**Hinton & Associates**  
**HELPING TO GROW YOUR BUSINESS**

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## CERTIFICATE BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

I have examined the attached financial statements prepared by Nelson Electricity Limited and dated 15 January 1999 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 Electricity (Information Disclosure) Regulations 1994.

A K Hinton  
Hinton & Associates  
15 January 1999



**Hinton & Associates**  
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### **CERTIFICATE OF PERFORMANCE MEASURES BY AUDITORS**

I have examined the attached information, being the financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994 and having been prepared by Nelson Electricity Limited and dated 15 January 1999 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.

A K Hinton  
Hinton & Associates  
15 January 1999

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

We have examined the attached information, being

- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of the First Schedule, and having been prepared by Citipower Limited and dated 31 March 1998 for the purposes of regulation 13 of those regulations.

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

Deloitte Touche Tohmatsu  
Chartered Accountants  
Wellington  
New Zealand

21 August 1998



