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## OTAGO POWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1999

OTAGO POWER LIMITEDELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999STATEMENT OF ACCOUNTING POLICIES**GENERAL ACCOUNTING POLICIES****SPECIAL PURPOSE FINANCIAL STATEMENTS**

These Financial Statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1999.

These Financial Statements relate to the Company's Line business incorporating the conveyance of electricity, ownership of Works for conveyance of electricity and provision of line function services in accordance with Section 6 of the Regulations.

Otago Power is registered under the Companies Act 1993 and also registered under the Co-operative Companies Act 1996.

These Financial Statements should be read in conjunction with the Financial Statements and Notes issued to Shareholders for the year ended 31 March 1999.

**MEASUREMENT BASE**

The measurement base adopted is that of historical cost except for the revaluation of certain fixed assets as stated. Reliance is placed on the fact that Otago Power Limited is a going concern.

Accrual Accounting is used to match expenses and revenues.

**PARTICULAR ACCOUNTING POLICIES****1. Valuation of Assets**

- (a) Investments are recorded at cost plus accumulated interest.
- (b) Debtor balances are at estimated realisable value after writing off bad debts for the period and making an allowance for doubtful debts.

**2. Fixed Assets**

The assets of the Otago Electric Power Board (O.E.P.B.) were transferred to the Company under the Energy Companies Act 1992 in accordance with the Establishment Plan. The value of assets acquired from O.E.P.B. were determined as set out below with subsequent additions at cost.

- (a) Distribution system assets, except standby transformers, are valued at cost less accumulated depreciation. Standby transformers are recorded at a current market value established in 1991, as valued by B. Wilkes an independent valuer, less depreciation. This is a departure from the historical cost measurement base.
- (b) Buildings, Plant and Equipment are recorded at historic cost less accumulated depreciation.
- (c) Land and Roving is recorded at historic cost.
- (d) Motor Vehicles are recorded at historic cost less accumulated depreciation.

All assets, except freehold land and roads are depreciated over their estimated useful lives on a straight line basis or diminishing value basis as considered appropriate, commencing from the time the asset is held ready for use.

The Economic life ranges for the various classes of assets are:-

Buildings and Residences	39 to 48 years
Distribution Equipment	16 to 25 years
Tools, Plant and Equipment	5 years
Motor Vehicles	5 years

### 3. Taxation

The Taxation charge against the result for the year is the estimated liability in respect of that result after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. The Company follows the liability method of accounting for deferred taxation. Deferred taxation benefits are only recognised when there is virtual certainty of recovery in future periods.

### 4. G.S.T.

These accounts are prepared exclusive of GST except for Accounts Receivable and Accounts Payable which are inclusive of GST.

### 5. ASSET ALLOCATION

Under the Electricity (Information Disclosure) Regulations 1999, Otago Power Limited is defined as a line business.

The methodology for allocating costs, revenues, assets and liabilities between the businesses is on the same basis as outlined in the Electricity Disclosure Guidelines as issued by the Ministry of Commerce.

### CHANGES IN ACCOUNTING POLICIES

The basis for allocating Costs, Revenues Assets and liabilities have changed in accordance with the mandatory requirements in the Information Disclosure guidelines.

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 1999

	NOTE	31.3.99 \$	31.3.98 \$
REVENUE	1	9,882,797	9,756,654
Operating Surplus before Rebates and Interest	2	2,092,463	1,574,969
Rebates		-	312,500
Earnings before Interest and Tax		2,092,463	1,262,469
Interest Expense			8,899
Surplus before Tax		2,092,463	1,253,570
Taxation Expense		-	393,304
Net Profit after Tax		2,092,463	860,266
Dividends on Preference Shares Paid & Proposed		197,404	195,627
Transferred to Retained Earnings		1,895,059	664,639

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 1999

	NOTE	31.3.99 \$	31.3.98 \$
<b>Total Shareholder Funds</b>	3	<b>14,599,744</b>	<b>17,851,960</b>
<i>These funds are represented by:</i>			
Fixed Assets	4	12,380,317	14,890,939
Current Assets	5	5,583,041	4,191,601
Total Assets		17,963,358	19,082,540
<i>Less</i>			
Current Liabilities	6	3,363,614	1,230,580
Total Liabilities		3,363,614	1,230,580
<b>Net Assets in excess of Liabilities</b>		<b>14,599,744</b>	<b>17,851,960</b>

**STATEMENT OF MOVEMENTS IN EQUITY**

for the year ended 31 March 1999

	31.3.99 \$	31.3.99 \$	31.3.98 \$
<b>Equity at start of Year</b>		<b>17,851,960</b>	<b>16,853,832</b>
Adjustment due to Allocation Method change		(2,389,948)	
Adjusted Equity at start of year		15,462,012	
Net Surplus after Tax	2,092,463		860,266
Total Recognised Revenues Less Expenses		2,092,462	860,266
		<b>17,554,474</b>	<b>17,714,098</b>
<b>Add Contributions from Owners during Year</b>			
Transfer from Capital Redemption Reserve			462,799
Rebate B Shares Issued	128,855		2,268
Retained Earnings Adjustment	-		1,114
		<b>128,855</b>	<b>466,181</b>
<b>Deduct Distributions to Owners during the Year</b>			
Redemption Ordinary Shares	195,324		109,886
Redemption Ordinary Share Premium	-		21,549
Dividend on Preference Shares	197,404		195,627
Rebate B Shares Redeemed	7,562		143
Writedown of Share Premium	-		1,114
Transfer Preference Shares to Current Liabilities	2,683,295		-
		<b>3,083,585</b>	<b>328,319</b>
<b>Equity at end of Year</b>		<b>14,599,744</b>	<b>17,851,960</b>

**STATEMENT OF CASH FLOWS**

for the year ended 31 March 1999

	31.3.99 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<i>Cash was provided from:</i>	
Receipts from Customers	9,250,230
Interest Received	126,132
Taxes Refunded	347,110
	9,723,472
<i>Cash was disbursed to:</i>	
Payment to Suppliers and Employees	6,846,930
Taxes Paid	258,645
Rebates on Ordinary shares	6,146
	7,111,721
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2,611,751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
<i>Cash was provided from:</i>	
Proceeds from the Sale of Fixed Assets	1,724,288
<i>Cash was applied to:</i>	
Purchase of Fixed Assets	1,036,471
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>687,817</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
<i>Cash was applied to:</i>	
Ordinary Share Redemption	202,886
Dividend on Preference Shares	196,549
	399,435
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(399,435)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>2,900,133</b>
Opening Cash Brought Forward	1,806,213
Adjustment Methodology Change	(260,815)
Ending Cash Carried Forward	4,445,531

**NOTES TO THE FINANCIAL STATEMENT**

for the year ended 31 March 1999

	31.3.99	31.3.98
	\$	\$
<b>1. Revenue</b>		
Revenue from Line/Access Charges:		
Revenue from Line/Access charges invoiced to customers by that Line Owner	9,407,726	9,483,949
Revenue from Line/Access charges invoiced to customers by Electricity Retailers who are not in prescribed business relationships with the Line Owner	-	-
Revenue from other Business for services carried out by the Line business	332,532	-
Income from Interest and Short Term Investments	124,231	272,705
AC Loss Rental Rebates	-	-
Electricity Hedges	-	-
Other Revenue not listed	18,308	-
<b>Total Revenue</b>	<b><u>9,882,797</u></b>	<b><u>9,756,654</u></b>
<b>2. Operating Surplus before Rebates</b>		
The Operating Surplus before Rebates was arrived at after providing for the following Expenses:		
<b>Expenditure</b>		
Payment for Transmission charges	2,728,370	-
Expense of Assets maintenance carried out by other business	2,548,724	-
Expense of consumer disconnection and reconnections carried out by other business	7,213	-
Expense of providing Meter Data carried out by other business	16,946	-
Expense of providing consumer based load control services carried out by other business	400	-
Expense of Avoided transmission charges on account of own generation	78,912	-
Expense of other Goods and Services provided by other business	231,803	-
Expenses to non-related entities for asset maintenance services	-	-
Expenses to non-related entities for disconnections/ reconnections services	-	-
Payment to non-related entities for providing Meter Data	-	-
Payment to non-related entities for providing consumer based load control services	-	-
Employee Salaries & Redundancies	327,635	-
Consumer Billing and Information System expense	-	-
Depreciation Expense	305,637	-
on System Fixed Assets	876,385	-
on Capital Works under Construction	-	-
Total depreciation expense	1,182,022	1,278,518
Corporate and Administration	343,872	-
Total other Human Resource Expenses	-	-
Marketing/Advertising	-	-

Merger and Acquisition Expenses	-	-
Takeover Defense Expenses	-	-
Research and Development Expenses	-	-
Consultancy and Legal Expenses	88,244	-
Electricity Hedges	-	-
Amortised Goodwill	-	-
Subvention Payments	-	-
Other Expenditure not listed	164,643	-
Operating Expenses	-	6,764,722
Bad Debts	-	22,584
Auditors Remuneration	26,989	16,165
Other Audit Fees	4,675	3,109
Directors Fees	39,886	50,400
Superannuation	-	46,187
<b>Total Expenditure</b>	<b><u>7,790,334</u></b>	<b><u>8,181,685</u></b>

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	31.3.99	31.3.98
	\$	\$
<b>3. Shareholder Funds</b>		
<b><u>Issued Capital – Fully Paid</u></b>		
<b>Ordinary Shares</b>		
Opening Balance of 10,440,921 Ordinary Shares @ \$1.00 per Share	10,440,921	7,164,505
Shares Issued on Transfer Share Premium Account	-	3,386,302
Transfer to 'other' Business due to Allocation method change	(1,645,053)	-
Ordinary Shares Redeemed @ \$1.00 each	195,324	109,886
<b>Closing Balance of 8,600,544 Ordinary Shares @ \$1.00 per Share</b>	<u><b>8,600,544</b></u>	<u><b>10,440,921</b></u>
<b>Rebate Shares</b>		
Opening Balance of 278,233 Rebate Shares @ \$1.00 per Share	278,233	276,108
Transfer to 'other' Business due to Allocation method change	(43,838)	-
Rebate Shares of \$1.00 each Issued in Lieu of Rebate and purchased for cash	128,855	2,268
Rebate Shares Redeemed @ \$1.00 each	7,562	143
<b>Closing Balance of 355,688 Rebate Shares @ \$1.00 per Share</b>	<u><b>355,688</b></u>	<u><b>278,233</b></u>
<b>Redeemable Preference Shares</b>		
Opening Balance of 2,683,295 Redeemable Preference Shares of \$1.00 Each	2,683,295	2,683,295
Transferred to Current Liabilities	(2,683,295)	-
<b>Closing Balance</b>	<u><b>-</b></u>	<u><b>2,683,295</b></u>
<b>Share Premium Reserve</b>		
Opening Balance	-	408,965
Redemptions	-	21,549
Writedown Premium Reserve to Retained Earnings	-	1,114
Transfer to Ordinary Shares	-	3,386,302
<b>Closing Balance</b>	<u><b>-</b></u>	<u><b>-</b></u>

**Rights of Share on Issue****Ordinary Shares:**

The Nominal Value of Ordinary Shares is \$1.00 each. These shares rank pari passu on return of capital upon liquidation. The return on shares is calculated on the basis of electricity consumption. The shares are not tradeable. Ordinary shares will have 1 vote for each Ordinary share held, but a holder will not be able to exercise more than 10% of the total votes cast at a meeting of the Company.

**Rebate Shares:**

The Nominal Value of Rebate Shares is \$1.00 each. These shares rank pari passu with the Ordinary Shares on issue. Return on shares is calculated on the basis of electricity consumption. The shares are not tradeable.

Rebate Shares will have 1 vote for each Rebate Share held, but a holder will not be able to exercise more than 10% of the total votes cast at a meeting of the Company.

**Preference Shares:**

The Nominal Value of Preference Shares is \$1.00 each. Dividends are paid on 1 October and 1 April each year. The dividend rate is 7.35% fully imputed. Preference Shares rank ahead of Ordinary Shares and Rebate Shares on dividend distribution and winding up of the Company.

The Preference Shares have no voting rights except as to Dividend when a Dividend payment is not made, or when the Preference Shares are converted to Ordinary Shares which then take on the rights of Ordinary Shares.

The Directors have the right to redeem the Preference Shares in part or in whole or convert the Preference Shares to Ordinary Shares so that three Preference Shares become two Ordinary Shares. The shares are fully transferable.

The Preference Shares were redeemed on 30 April 1999.

	31.3.99	31.3.98
<b>Retained Earnings</b>		
	\$	\$
Opening Balance	4,449,511	3,320,959
Transfer from Statement of Financial Performance	1,895,059	664,639
Transfer from Share Premium Reserve	-	1,114
Transfer from Capital Redemption Reserve	-	462,799
Transfer to 'other' Business due to Allocation Method change	(701,058)	-
<b>Closing Balance</b>	<u>5,643,512</u>	<u>4,449,511</u>
<b>Capital Redemption Reserve</b>		
Opening Balance	-	462,799
Transfer to Retained Earnings	-	462,799
<b>Closing Balance</b>	<u>-</u>	<u>-</u>
<b>Total Shareholders Funds</b>	<u>14,599,744</u>	<u>17,851,960</u>



5. **Current Assets**

	31.3.99	31.3.98
	\$	\$
Bank Cash Short Term Investments	4,445,531	1,806,213
Trade Debtors	910,459	306,752
Other Debtors	-	-
Prepayments	-	-
Electricity Hedges	-	-
Other Current Assets	227,051	2,078,636
<b>Total Current Assets</b>	<b><u>5,583,041</u></b>	<b><u>4,191,601</u></b>

6. **Current Liabilities**

	31.3.99	31.3.98
	\$	\$
Accounts Payable	572,446	581,533
Accrued Payroll	9,254	29,757
Other Accruals	-	-
Dividend Provision	98,619	97,764
Electricity Hedges	-	-
Other Current Liabilities	2,683,295	209,026
Provision for Rebate	-	312,500
<b>Total Current Liabilities</b>	<b><u>3,363,614</u></b>	<b><u>1,230,580</u></b>

7. **Cash Flow Reconciliation with Reported Operating Surplus**

	31.3.99	31.3.99
	\$	\$
Reported Net Profit after Tax and Rebates		2,092,463
<i>Add/(Less) non-cash items:-</i>		
Depreciation	1,182,022	
Rebates Applied to Share Capital	128,855	
Gain on Sale of Fixed Assets	(415,194)	
		<b>2,988,146</b>
<i>Add/(Less) Movements in other working Capital items:</i>		
Accounts Receivable	86,256	
Accounts Payable	(9,088)	
Other Current Assets	88,465	
Provision for Rebates/Dividend	(312,500)	
Other Current Liabilities	(229,528)	
		<b>376,395</b>
<b>Net Cash Flows from Operating Activities</b>		<b>2,611,751</b>

<b>8. Intangible Assets</b>		
	31.3.99	31.3.98
	\$	\$
Goodwill Assets	Nil	Nil
Other Intangibles not listed	Nil	Nil
	<u>Nil</u>	<u>Nil</u>
<b>Total Intangible Assets</b>		
<hr/>		
<b>9. Total Assets</b>		
	31.3.99	31.3.98
	\$	\$
Current Assets	5,583,041	4,191,601
Fixed Assts	12,380,317	14,890,939
Other Tangible Assets	Nil	Nil
	<u>17,963,358</u>	<u>19,082,540</u>
Total Tangible Assets		
Intangibles	Nil	Nil
	<u>17,963,358</u>	<u>19,082,540</u>
<b>Total Assets</b>		
<hr/>		
<b>10. Funding</b>		
	31.3.99	31.3.98
	\$	\$
Long term Debt	Nil	Nil
Equity	14,599,744	17,851,960
Other Funding not listed	Nil	Nil
	<u>14,599,744</u>	<u>17,851,960</u>
<b>Total Funding</b>		
	<u>3,363,614</u>	<u>1,230,580</u>
<b>Current Liabilities</b>		
	<u>17,963,358</u>	<u>19,082,540</u>
<b>Total Equity and Liabilities</b>		

**11. Financial Instruments**Interest Rate Risk

The Company is subject to normal fluctuations of interest rates.

Concentration of Credit Risk

The concentrations of credit risk in respect of energy retailers using the Network is limited because any retailer is required to maintain certain prudential requirements including an acceptable long term credit rating of at least A3 (Moody's Investor Service Inc), A – (Standard and Poors Rating Group) or B+ (AM Best). If no such rating is provided by a retailer Otago Power Limited has the ability to charge a cash bond equal to an estimated 3 months charge payable by the retailer with a review of the level of Bond every six months.

Fair Values

All financial instruments shown in the Statement of Financial Position are recorded at fair value.

Currency Risk

The Company is not exposed to any direct currency risk.

**12. Contingent Liabilities**

Otago Power Limited is currently involved in a Tax dispute with the Inland Revenue Department. The Company has made a voluntary payment of the full amount of disputed tax of which the Line business share is carried as an asset pending the outcome of the dispute. Depending on the outcome of the dispute Otago Power may have a contingent asset or will have to write off the remaining amount carried.

**13. Capital Commitments**

There are no capital commitments as at 31 March 1999.

**14. Events Subsequent to Balance Date**

Subsequent to Balance date the Directors resolved to redeem all Preference Shares at 30 April 1999.

**15. Related Party Transactions**

There are no related Party Transactions.

Derivation Table	Sym bol in form ula	Calculations	ROF	ROE	ROI
Earnings before interest and tax (EBIT)	a		2,092,464	N/A	2,092,464
Net profit after tax (NPAT)	n		N/A	2,092,464	N/A
Amortised Goodwill	g		add	add	add
Subvention Payment	s		add	add	add
Depreciation of SFA at BV	d		add	add	add
Depreciation of SFA at ODV			deduct	deduct	deduct
ODV Depreciation tax adjustment	b		N/A	deduct	deduct
Subvention Payment tax adjustment		s*t	N/A	deduct	deduct
Interest Tax Shield	q		N/A	N/A	deduct
Revaluations	r		N/A	N/A	add
Income tax	p		N/A	N/A	deduct
<b>Numerator (as adjusted)</b>			$= a + g + s + d$	$= n + g + s - s^*t + d - b$	$= a + g - q + r + s + d - p - s^*t - b$
Fixed Assets at year beginning (FA <sub>0</sub> )			14,890,939	N/A	14,890,939
Fixed Assets at year end (FA <sub>1</sub> )			add		add
Net Working Capital at year beginning (NWC <sub>0</sub> )			12,380,317	N/A	12,380,317
Net Working Capital at year end (NWC <sub>1</sub> )			add		add
<b>Average total funds employed (ATFE)</b>	c	$= (FA_0 + FA_1 + NWC_0 + NWC_1)/2$	add		add
Total Equity at year beginning (TE <sub>0</sub> )			16,225,853	N/A	divide by 2
Total Equity at year end (TE <sub>1</sub> )			N/A	17,851,960	N/A
Average total equity	k	$= (TE_0 + TE_1)/2$		add	
WUC at year beginning (WUC <sub>0</sub> )			N/A	divide by 2	N/A
WUC at year end (WUC <sub>1</sub> )			0	0	0
Average total Works under	e	$= (WUC_0 + WUC_1)$	add	add	add
			divide by 2	divide by 2	divide by 2

Construction		WUC <sub>t</sub> /2							
Revaluations	r								
Goodwill asset at year beginning (GW <sub>0</sub> )									0 N/A
Goodwill asset at year end (GW <sub>1</sub> )									0 N/A
Average Goodwill asset	m	$= (GW_0 + GW_1)/2$							0 N/A
Subvention payment at year beginning (S <sub>0</sub> )									0 N/A
Subvention payment at year end (S <sub>1</sub> )									0 N/A
Subvention payment tax adjustment at year beginning			$= s_{0,t}$						0 N/A
Subvention payment tax adjustment at year end			$= s_{1,t}$						0 N/A
Average subvention payment & related tax adjustment	v	$= (s_0 + s_1 + s_{0,t} + s_{1,t})/2$							0 N/A
System Fixed assets at year beginning at book value (SFA <sub>bo</sub> )									11,240,555
System Fixed assets at year end at book value (SFA <sub>be</sub> )									11,058,173
Average value of system fixed assets at book value	f	$= (SFA_{bo} + SFA_{be})/2$							11,149,364
System Fixed assets at year beginning at ODV value (SFA <sub>odv</sub> )									51,313,000
System Fixed assets at year end at ODV value (SFA <sub>odv</sub> )									51,313,000
Average value of system fixed assets at ODV value	h	$= (SFA_{odv} + SFA_{odv})/2$							51,313,000
<b>Denominator (as adjusted)</b>									$= c - e - f + h$ 56,389,490
<b>Financial Performance Measure:</b>									$EBIT^{ADJ}/ATFE^{AD}$ $\times 100/1 =$ 2.93%



STATEMENT OF PERFORMANCE MEASUREMENTINFORMATION DISCLOSURESASSET VALUATION

For the purposes of these Financial Performance Measures and Efficiency Performance Measures Otago Power Limited has used the Optimised Deprival Value method of valuing Assets. This method is a requirement of the Electricity (Information Disclosure) Regulations 1999.

FINANCIAL PERFORMANCE MEASURES

	1999	1998	1997	1996
Return on Funds	2.55%	5.33%	7.08%	10.22%
Return on Equity	2.93%	4.49%	5.49%	8.04%
Return on Investment	2.93%	46.00%	5.56%	8.01%

EFFICIENCY PERFORMANCE MEASURES

	1999	1998	1997	1996
Direct Line Costs per Kilometre	\$736.36	\$505.65	\$461.82	\$451.75
Indirect Line Costs per Electricity Customer	\$46.63	\$157.21	\$127.38	\$156.96

ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES

	1999	1998	1997	1996
Load Factor	72.82%	67.67%	64.8%	62.473%
Loss Ratio	7.52%	4.89%	6.55%	6.70%
Capacity Utilisation	35.22%	39.57%	36.56%	38.89%

ODV Valuation for Line Business Assets	\$51,313,000	\$51,313,000	\$37,064,261	\$37,064,261
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**STATISTICS**

	1999	1998	1997	1996
	km's	km's	km's	km's
System Length	4062.80	4039.68	4674.414	4659.053
Broken down as follows:				
66kV	29.673	29.50	29.50	29.5
33kV	518.344	516.191	480.29	480.29
22kV	245.074	246.628	231.174	230.77
11kV	2826.45	2812.686	2763.412	2748.455
6.6kV	61.614	59.864	35.69	35.69
LV	381.645	374.811	1134.348	1134.348
	4062.80	4039.68	4674.414	4659.053
Circuit Length (Overhead)				
66kV	29.673	29.50	29.50	29.5
33kV	518.036	515.882	480.29	480.29
22kV	245.074	246.628	231.174	230.77
11kV	2822.071	2808.527	2763.412	2749.455
6.6kV	60.315	58.565	35.69	35.69
LV	366.20	359.366	1118.903	1118.903
	4041.369	4018.468	4658.969	4643.608
Circuit Length (Underground)				
33kV	.308	.308	-	-
11kV	4.379	4.160	-	-
66kV	1.299	1.299	-	-
LV	15.445	15.445	15.445	15.445
	21.431	21.212	15.445	15.445

	1999	1998	1997	1996
Transformer Capacity	124848kVA	118164kVA	126463kVA	122713kVA
Maximum Demand	43972kW	46760kW	46240kW	47726kW
Total Electricity Supplied from the System	259409222kWh	262850444kWh	245285407kWh	243684288kWh
Total Electricity Conveyed through the System on behalf of other Persons	Nil	Nil	Nil	Nil
Total Customers	14861	14480	14637	14012

**Reliability Performance Measures**

Total number of interruptions together with a breakdown of the total according to interruptions

**TOTAL NUMBER OF INTERRUPTIONS (together with a breakdown of that total according to Interruptions Class)****INTERRUPTION CLASS****Number of Interruptions**

	1999	1998	1997	1996
Class A - Planned interruption by Transpower	1	0	0	1
Class B - being a planned interruption by the principal line owner (other than Transpower)	184	289	248	203
Class C - being an unplanned interruption originating within the works of the principal line owner, where those works are used for carrying out line business activities	291	153	246	238
Class D - being an unplanned interruption originating within the works of Transpower, where those works are used for carrying out line business activities	4	0	0	3
Class E - being an unplanned interruption originating within works used, by the principal line owner, for the generation of electricity	0	0	0	0
Class F - being an unplanned interruption originating within works used, by persons other than the principal line owner, for the generation of electricity	0	0	0	0
Class G - being an unplanned interruption caused by another line owner	0	0	0	0
Class H - being a planned interruption caused by another line owner	0	0	0	0
Class I - being an interruption not referred to in any of paragraphs (a) to (h)	0	0	0	0
<b>Total number of Interruptions</b>	<b>480</b>	<b>442</b>	<b>494</b>	<b>445</b>

**INTERRUPTION TARGETS**

	2000	5 Year Average
Class B - being a planned interruption by the principal owner (other than Transpower)	170	150
Class C - being an unplanned interruption originating within the works of the principal line owner where those works are used for carrying out line business activities	270	250
<b>Restoration Times</b>	<b>1999</b>	
The proportion (expressed as a percentage of the total number of Class C interruptions not restored within:		
3 hours	15.4%	
24 hours	0%	

	1999	1998	1997	1996
Total number of faults per 100 circuit kilometres of prescribed voltage electric line	8.1	8.2	6.9	6.8

	2000	5 Year Average
Total target number of faults per 100 circuit kilometres of prescribed voltage electric line:	7.5	7.0
33kV	2.5	2.3
22kV	5.3	4.9
11kV	8.6	8.1

Total number of faults per 100 circuit kilometres of prescribed voltage electric line together with a breakdown according to nominal line voltages				
	1999	1998	1997	1996
33kV	2.7	2.2	4.3	2.9
22kV	5.8	3.2	4.8	3.6
11kV	9.3	9.7	7.6	7.8
<b>Total number of faults per 100 circuit kilometres</b>	<b>8.1</b>	<b>8.2</b>	<b>6.9</b>	<b>6.8</b>

Total number of faults per 100 circuit kilometres of underground prescribed voltage electric line together with a breakdown according to nominal live voltages				
	1999	1998	1997	1996
33kV	0	0	0	0
22kV	0	0	0	0
11kV	0	0	0	0
<b>Total number of faults per 100 circuit kilometres</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Total number of faults per 100 circuit kilometres of overhead prescribed voltage electric lines				
	1999	1998	1997	1996
33kV	2.7	2.2	4.3	2.9
22kV	5.8	3.2	4.8	3.6
11kV	9.3	9.7	7.6	7.8
<b>Total number of faults per 100 circuit kilometres of overhead prescribed voltage electric lines</b>	<b>8.1</b>	<b>8.2</b>	<b>6.9</b>	<b>6.8</b>

#### INTERRUPTION INDICES

#### SAIDI

	1999	1998	1997	1996
Class A - planned interruption by Transpower	64.8	0	0	25.9
Class B - being a planned interruption by the principal line owner (other than Transpower)	119.8	157.4	82.7	68
Class C - being an unplanned interruption originating within the works of the principal line owner, where those works are used for carrying out line business activities	220.8	295.6	113.4	82.6
Class D - being an unplanned interruption originating within the works of Transpower, where those works are used for carrying out line business activities	88.1	0	0	23.3
Class E - being an unplanned interruption originating within works used, by the principal line owner, for the generation of electricity	0	0	0	0
Class F - being an unplanned interruption originating within works used, by persons other than the principal line owner, for the generation of electricity	0	0	0	0
Class G - being an unplanned interruption caused by another line owner	0	0	0	0
Class H - being a planned interruption caused by another line owner	0	0	0	0
Class I - being an interruption not referred to in any of paragraphs (a) to (h)	0	0	0	0
<b>Total number of Interruptions</b>	<b>493.4</b>	<b>453</b>	<b>196</b>	<b>200</b>

<b>SAIDI Targets</b>	<b>2000</b>	<b>5 Year Average</b>
Class B - being a planned interruption by the principal line owner (other than Transpower)	104	84
Class C - being an unplanned interruption originating within the works of the principal line owner where those works are used for carrying out line business activities	195	156

**INTERRUPTION INDICES****SAIFI**

	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
Class A - Planned interruption by Transpower	0.22	0	0	0.11
Class B - being a planned interruption by the principal line owner (other than Transpower)	0.87	1.16	0.68	0.70
Class C - being an unplanned interruption originating within the works of the principal line owner, where those works are used for carrying out line business activities	1.58	2.20	1.04	1.16
Class D - being an unplanned interruption originating within the works of Transpower, where those works are used for carrying out line business activities	0.86	0	0	0.27
Class E - being an unplanned interruption originating within works used, by the principal line owner, for the generation of electricity	0	0	0	0
Class F - being an unplanned interruption originating within works used, by persons other than the principal line owner, for the generation of electricity	0	0	0	0
Class G - being an unplanned interruption caused by another line owner	0	0	0	0
Class H - being a planned interruption caused by another line owner	0	0	0	0
Class I - being an interruption not referred to in any of paragraphs (a) to (h)	0	0	0	0
<b>The SAIFI for the total number of interruptions</b>	<b>3.53</b>	<b>3.4</b>	<b>1.7</b>	<b>2.2</b>

<b>SAIFI Targets</b>	<b>2000</b>	<b>5 Year Average</b>
Class B - being a planned interruption by the principal line owner (other than Transpower)	0.8	0.7
Class C - being an unplanned interruption originating within the works of the principal line owner where those works are used for carrying out line business activities	1.5	1.3

**INTERRUPTION INDICES****CAIDI**

	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
Class A - Planned interruption by Transpower	300.0	0	0	240
Class B - being a planned interruption by the principal line owner (other than Transpower)	137.5	135.3	121.1	97.3
Class C - being an unplanned interruption originating within the works of the principal line owner, where those works are used for carrying out line business activities	139.6	134.1	109.2	71.5
Class D - being an unplanned interruption originating within the works of Transpower, where those works are used for carrying out line business activities	102.0	0	0	84.9
Class E - being an unplanned interruption originating within works used, by the principal line owner, for the generation of electricity	0	0	0	0

Class F - being an unplanned interruption originating within works used, by persons other than the principal line owner, for the generation of electricity	0	0	0	0
Class G - being an unplanned interruption caused by another line owner	0	0	0	0
Class H - being a planned interruption caused by another line owner	0	0	0	0
Class I - being an interruption not referred to in any of paragraphs (a) to (h)	0	0	0	0
<b>The CAIDI for the total number of interruptions</b>	<b>139.7</b>	<b>134</b>	<b>114</b>	<b>89</b>

<b>CAIDI Targets</b>	<b>2000</b>	<b>5 Year Average</b>
Class B - being a planned interruption by the principal line owner (other than Transpower)	130	120
Class C - being an unplanned interruption originating within the works of the principal line owner where those works are used for carrying out line business activities	130	120

**AUDITORS REPORT FOR THE READERS OF THE FINANCIAL STATEMENTS OF OTAGO POWER LIMITED**

We have audited the accompanying Financial Statements of Otago Power Limited. The Financial Statements provide information about the past financial performance of Otago Power Limited and its financial position as at 31 March 1999. This information is stated in accordance with the accounting policies set out at the beginning of this document.

**Directors' Responsibilities**

The Electricity (Information Disclosure) Regulations 1999 require the Directors to prepare financial statements which give a true and fair view of the financial position of Otago Power Limited as at 31 March 1999 and results of operations and cash flows for the year then ended.

**Auditor's Responsibilities**

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

**Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Otago Power Limited's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary. We obtained sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Controller & Auditor General, and the provision of taxation advice, we have no relationship with or interests in Otago Power Limited.

**Qualified Opinion – Comparative Figures Omitted**

Paragraph 2.18 of the Electricity Information Disclosure Handbook issued by the Ministry of Commerce permits energy companies to exclude comparative figures where disclosures are made for the first time for the current disclosure year. Otago Power Limited has taken advantage of this exemption and has not disclosed comparative figures in these circumstances. To this extent, the financial statements of Otago Power Limited do not comply with Financial Reporting Standard No. 2, *Presentation of Financial Reports*, or the Electricity (Information Disclosure) Regulations 1999.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by Otago Power Limited as far as appears from our examination of those records.

In our opinion, except for the omission of comparative figures referred to above, the financial statements of Otago Power Limited:

- Comply with generally accepted accounting practice; and
- Give a true and fair view of:
  - the financial position as at 31 March 1999; and
  - the results of its operations and cash flows for the year ended on that date; and
- Comply with the Energy (Information Disclosure) Regulations 1999.

Our audit was completed on 19 August 1999 and our qualified opinion is expressed as at that date.

Deloitte Touche Tohmatsu  
Dunedin



**CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS**

We have examined the attached information, being:-

- (a) The derivation table specified in Regulation 16; and
- (b) Financial Performance Measures specified in Clause 1 of Part 3 of Schedule 1 of the Electricity (Information Disclosure) Regulations 1999; and
- (c) Financial components of the efficiency performance measures specified in Clause 2 of Part 3 of that Schedule;

and having been prepared by Otago Power Limited and dated 31 March 1999 for the purposes of regulation 15 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 1999.

Deloitte Touche Tohmatsu  
Dunedin  
19 August 1999

**CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION**

We have examined the valuation report of Otago Power Limited and dated July 1998, which report contains valuations of System Fixed Assets as at 31 March 1998.

We certify that, having made all reasonable enquiry, to the best of our knowledge, the valuations contained in the report including the total valuation of System Fixed Assets of \$51,300,000 have been in accordance with the ODV Handbook.

Deloitte Touche Tohmatsu  
Dunedin  
19 August 1999

*Explanatory Note*

Otago Power Limited were assisted by Ernst & Young in the preparation of the 1998 ODV valuation. We have relied on the technical expertise and review of the valuation by Ernst & Young and Worleys Consultants Limited for the purposes of our examination of the valuation report.

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

We, Robert Adam Burnside and Duncan Lieshman Garvan, Directors of Otago Power Limited certify that, having made all reasonable enquiry, to the best of our knowledge:-

- a) The attached audited financial statements of Otago Power Limited, prepared for the purpose of regulation 6 of the Electricity (Information Disclosure) Regulations 1999, 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 the derivation table financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Otago Power Limited, and having been prepared for the purposes of regulations 15,16,21 and 22 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of those Regulations.
- c) The attached information contains data in comparative years that is not compatible with this years information due to Methodology changes brought about by changes in the Electricity (Information disclosure) Regulations 1999.

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

Signed: .....  
(Robert Adam Burnside)

Signed: .....  
(Duncan Lieshman Garvan)

26 August 1999



