

New Zealand Gazette

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NORTHPOWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1999



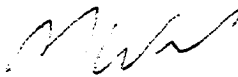
**Certification of Financial Statements, Performance Measures, and Statistics
Disclosed by Line Owners other than Transpower**

We, Warren William Moyes and John Joseph Ward, Directors of Northpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:-

- (a) The attached audited financial statements of Northpower Limited, prepared for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1999, 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 Northpower 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.

The valuations on which those financial performance measures are based as at 31 March 1999.

Dated this 26th day of August 1999.



Director



Director



Audit New Zealand

AUDITOR'S REPORT

TO THE READERS OF THE FINANCIAL STATEMENTS OF NORTHPOWER LIMITED'S LINE BUSINESS

We have audited the accompanying financial statements of Northpower Limited's Line Business on pages 1 to 8. The financial statements provide information about the past financial performance of Northpower Limited's Line Business and its financial position as at 31 March 1999. This information is stated in accordance with the accounting policies set out on pages 1 to 2.

Director's 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 Northpower Limited's Line Business 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.

The Controller and Auditor-General has appointed R H D Moore, of Audit New Zealand, to undertake the audit.

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 Northpower Limited's Line Business 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.

We have performed other assurance-related services for Northpower Limited. Other than these assignments, and in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in Northpower Limited.


Unqualified opinion

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

In our opinion:

- ▲ Proper accounting records have been maintained by Northpower Limited as far as appears from our examination of those records; and
- ▲ The financial statements of Northpower Limited's Line Business on pages 1 to 8 referred to above:
 - Comply with generally accepted accounting practice; and
 - Give a true and fair view of the financial position of Northpower Limited's Line Business as at 31 March 1999 and the results of its operations and cash flows for the year then ended; and
 - Comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 10 September 1999 and our opinion is expressed as at that date.



R H D Moore

Audit New Zealand

On behalf of the Controller and Auditor-General

Whangarei, New Zealand

NORTHPOWER LTD

STATEMENT OF ACCOUNTING POLICIES

For The Year Ended 31 March 1999

Reporting Entity

Northpower Ltd is a public company formed under the Energy Companies Act 1992 and registered under the Companies Act 1993.

The financial statements have been prepared in accordance with the Financial Reporting Act 1993.

Measurement Base

The general accounting policies recognised as appropriate for the measurement and reporting of results, cashflows and financial position under the historical cost method, as modified by the revaluation of land and buildings, have been followed in the preparation of these financial statements.

Particular Accounting Policies

The following particular accounting policies, which significantly affect the measurement of profit and of financial position, have been applied:

(i) **Sales**

Sales shown in the Statement of Financial Performance comprise the amounts received and receivable by the Company for goods and services supplied to customers in the ordinary course of business. Sales are stated exclusive of Goods and Services Tax collected from customers.

(ii) **Investments**

Investments are stated at cost.

(iii) **Properties Intended For Sale**

Properties intended for sale are classified as current assets if sale is expected within 1 year. Such properties are shown at carrying value unless this exceeds net realisable value.

(iv) **Cost of Fixed Assets**

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

The cost of assets constructed by the Company includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of production overhead. Costs cease to be capitalised as soon as the asset is ready for productive use.

All fixed assets are initially recorded at cost.

Land and buildings are subsequently valued by independent registered valuers on a three-yearly basis. The basis of the valuation is net current value.

(v) **Depreciation**

Depreciation is charged on a straight line basis so as to write off the cost or valuation of the fixed assets to their estimated residual value over their expected economic lives. The estimated economic lives are as follows:-

Distribution system	5-30 years
Buildings	50 years
Motor vehicles	5-10 years
Plant and equipment	5-10 years

(vi) **Inventories**

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

The cost of stocks is principally determined on a weighted average basis.

The cost of work-in-progress includes materials, and a portion of direct labour and production overhead appropriate to the stage of completion attained.

(vii) **Debtors**

Debtors are stated at estimated realisable value after providing against debts where collection is doubtful.

(viii) **Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences. This is the comprehensive basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation.

Future taxation benefits attributable to losses carried forward, or timing differences, are recognised in the financial statements only where there is virtual certainty of realisation.

(ix) **Research and Development Costs**

Research and development costs are normally expensed in the period incurred except that development costs are deferred where future benefits are expected to exceed these costs. Deferred development costs are amortised over future periods on a basis related to expected future revenue.

(x) **GST**

These Financial Statements are prepared on a GST exclusive basis.

Changes in Accounting Policies:

There have been no changes in accounting policies.

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL PERFORMANCE - LINE BUSINESS

For the 12 Months Ended 31 March 1999

	1999 \$	1998 \$
Operating Revenue	<u>27,323,437</u>	<u>25,660,300</u>
Operating Surplus Before Taxation	3,790,251	362,953
Taxation Expense	<u>(1,361,167)</u>	<u>(210,501)</u>
Operating Surplus After Taxation	<u>2,429,084</u>	<u>152,452</u>

STATEMENT OF MOVEMENTS IN EQUITY

For the 12 Months Ended 31 March 1999

	1999 \$	1998 \$
Equity at 1 April 1998	51,896,657	51,744,205
Net Surplus for Period	2,429,084	152,452
Share Repurchase	(20,139,844)	-
Dividends	-	-
Equity at 31 March 1999	<u>34,185,897</u>	<u>51,896,657</u>

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL POSITION - LINE BUSINESS

As At 31 March 1999

	1999 \$	1998 \$
CORPORATE OWNERSHIP:		
Share Capital	12,460,156	32,600,000
Asset Revaluation Reserve	5,250,224	5,250,224
Retained Earnings	<u>16,475,517</u>	<u>14,046,433</u>
TOTAL CORPORATE OWNERSHIP	<u>34,185,897</u>	<u>51,896,657</u>
CURRENT ASSETS		
Cash and Bank	267,889	-
Short Term Deposits	-	2,300,000
Accounts Receivable	2,729,014	3,328,373
Inventory	1,425,295	1,749,055
Tax Refund Due	1,210,514	1,899,358
Properties for Sale	-	80,000
GST Refund	120,399	-
TOTAL CURRENT ASSETS	<u>5,753,111</u>	<u>9,356,786</u>
CURRENT LIABILITIES:		
Bank Overdraft	-	(151,049)
Sundry Creditors	(15,306,110)	(5,529,951)
GST Owed	-	(15,350)
Employee Entitlements	(654,446)	(1,302,030)
TOTAL CURRENT LIABILITIES	<u>(15,960,556)</u>	<u>(6,998,380)</u>
WORKING CAPITAL	(10,207,445)	2,358,406
DEFERRED TAXATION	(3,276,568)	(1,927,725)
TERM RECEIVABLES	1,448,282	1,636,654
FIXED ASSETS	<u>46,221,628</u>	<u>49,829,322</u>
NET ASSETS	<u>34,185,897</u>	<u>51,896,657</u>



 DIRECTOR



 DIRECTOR

NORTHPOWER LIMITED

STATEMENT OF CASH FLOWS

For the Year Ended 31 March 1999

	1999 \$	1998 \$
Cash Flows From Operating Activities -		
Cash was provided from:		
Receipts from Customer	33,698,018	26,091,885
Interest Received	481,830	-
Tax Refund	676,520	-
Cash was distributed to:		
Payments to Suppliers	(11,142,514)	(16,665,408)
Payments to Employees	(6,735,668)	(6,203,297)
Interest Paid	(246)	(1,578)
Income Tax Paid	-	(1,362,132)
Net Cash Inflow from Operating Activities	<u>16,977,940</u>	<u>1,859,470</u>
Cash Flows from Investing Activities -		
Cash was provided from:		
Term Receivable	188,372	200,389
Sale of Investment Securities	2,300,000	3,700,000
Sale of Assets	2,982,444	-
Cash was applied to:		
Purchase of Fixed Assets	(1,889,974)	(4,039,020)
Net Cash Inflow from Investing Activities	<u>3,580,842</u>	<u>(138,631)</u>
Cash Flows from Financing Activities -		
Cash was applied to:		
Dividends Paid	-	(2,027,700)
Repay Shareholders	(20,139,844)	-
Net Cash Outflow from Financing Activities	<u>(20,139,844)</u>	<u>(2,027,700)</u>
Net Increase (Decrease) in Cash Held	418,938	(306,861)
Add Opening Cash Brought Forward	(151,049)	155,812
Ending Cash Carried Forward	<u>267,889</u>	<u>(151,049)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended 31 March 1999

	Line Business	
	1999 \$	1998 \$
1. Operating Revenue		
Line Charges	23,811,668	22,518,994
Loss Rental Rebate	1,276,080	1,201,876
Line Contributions	1,438,789	1,622,713
Interest Received	481,830	-
Application Fees etc.	315,070	316,717
	<u>27,323,437</u>	<u>25,660,300</u>
2. Operating Surplus Before Tax		
After Charging:		
Bad Debts Written Off	30,545	36,600
Depreciation	2,595,224	3,674,132
Directors' Fees	70,208	57,000
Interest	246	1,578
Rental and Operating Lease Costs	9,712	12,305
Research & Development	-	3,272
Donations	-	-
3. Auditors Remuneration		
Auditing Financial Statements	15,875	19,900
Other Services	6,850	9,000
4. Taxation		
Profit Before Taxation	3,790,251	362,953
Prima Facia Taxation @ 33%	1,250,782	119,774
Plus Tax Effect of Permanent Differences:		
Permanent Differences	110,385	106,600
Tax on Profits for Year	1,361,167	226,374
Prior Period Adjustment	-	(15,873)
	<u>1,361,167</u>	<u>210,501</u>
The Taxation Charge is Represented by:-		
Prior Period Adjustment	-	(15,873)
Current Taxation	34,173	96,747
Deferred Taxation	1,326,994	129,627
	<u>1,361,167</u>	<u>210,501</u>
Movements in Provision for Deferred Taxation:		
Opening Balance	(1,927,725)	(1,807,959)
Prior Period Adjustment	(21,849)	9,861
Current Movement in Timing Differences	(1,326,994)	(129,627)
	<u>(3,276,568)</u>	<u>(1,927,725)</u>
Imputation Credit Account:		
Opening Balance	3,106,192	3,377,238
Imputation credits attached to dividends paid	-	(996,429)
Income tax payments during year	138,777	725,388
	<u>3,244,969</u>	<u>3,106,192</u>
5. Fixed Assets		
System Assets - At Cost	65,540,389	68,037,948
Less Accumulated Depreciation	(32,004,082)	(31,498,587)
	<u>33,536,307</u>	<u>36,539,361</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Line Business	
	1999 \$	1998 \$
Centralised Load Equipment - At Cost	1,152,772	1,152,772
Less Accumulated Depreciation	(807,508)	(748,333)
	<u>345,264</u>	<u>404,439</u>
Computer Equipment - At Cost	1,537,312	2,156,201
Less Accumulated Depreciation	(773,007)	(1,063,869)
	<u>764,305</u>	<u>1,092,332</u>
Office Equipment - At Cost	2,110,714	2,787,723
Less Accumulated Depreciation	(934,041)	(1,031,095)
	<u>1,176,673</u>	<u>1,756,628</u>
Motor Vehicles - At Cost	4,621,265	3,418,237
Less Accumulated Depreciation	(2,534,667)	(1,967,379)
	<u>2,086,598</u>	<u>1,450,858</u>
Buildings - At Valuation	7,260,948	7,387,354
Less Accumulated Depreciation	(298,214)	(148,554)
	<u>6,962,734</u>	<u>7,238,800</u>
Land - At Valuation	<u>1,349,747</u>	<u>1,346,904</u>
Total Fixed Assets	<u>46,221,628</u>	<u>49,829,322</u>
Revalued Land and Buildings are stated at net current values as at 31 March 1997 as determined by Coutts Milburn Ltd, Registered Valuers of Whangarei.		
6. Share Capital:		
Authorised, issued and paid up capital, 32,600,000 ordinary shares of \$1 each, 31 March 1998	32,600,000	32,600,000
Shares Repurchased	(20,139,844)	-
Total Issued and Paid Up Capital	<u>12,460,156</u>	<u>32,600,000</u>
7. Asset Revaluation Reserve:		
Opening Balance	5,250,224	5,533,113
Transfer to Retained Earnings	-	(282,889)
Balance 31 March 1999	<u>5,250,224</u>	<u>5,250,224</u>
8. Retained Earnings:		
Balance as at 31 March 1998	14,046,433	13,611,092
Operating Surplus	2,429,084	152,452
Transfer from Asset Revaluation	-	282,889
Total Available for Appropriation	<u>16,475,517</u>	<u>14,046,433</u>
Dividends	-	-
Balance 31 March 1999	<u>16,475,517</u>	<u>14,046,433</u>
9. Reconciliation of Net Profit After Taxation with Cash Inflow from Operating Activities:		
Reported surplus After Taxation	2,429,084	152,452
Add (less) Non Cash Items:		
Depreciation	2,595,224	3,674,132
Movements Deferred Tax	1,348,843	119,776
Movements in Working Capital -		
Increase (Decrease) in Creditors	8,992,826	(960,084)
(Increase) Decrease in Taxation Refund	688,844	(1,271,397)
(Increase) Decrease Accounts Receivable	599,359	431,585
(Increase) Decrease in Inventory	<u>323,760</u>	<u>(286,994)</u>
Net Cash Flow From Operating Activities	<u>16,977,940</u>	<u>1,859,470</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

10. Financial Instruments:

Financial instruments which potentially subject the company to credit risk principally consist of cash bank balances, short term deposit, and accounts receivable. Northpower does not generally require collateral from customers.

Northpower places its cash and short term deposits with high credit quality financial institutions (A1 or better), and limits the amount of credit exposure to any one institution in accordance with company policy.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument: bank balances, short term deposits and receivables.

The carrying amount is the fair value for each of these classes of financial instrument.

11. Segment Information:

Northpower Ltd operates predominantly in the electricity network industry within the Northland area.

Northpower is also involved in generation and contracting, but neither activity is considered significant.

12. Contingent Liabilities:

Guarantee of subsidiaries bank overdraft \$75,000 (1998 \$75,000)

13. Commitments:

1999

1998

Nil

Nil

14. Related Parties:

The Northpower Electric Power Trust is the sole shareholder. Northpower purchased shares to the value of \$20,139,844.

15. Term Receivables:

The Term Receivables are repaid in annual amounts expiring in 2003.



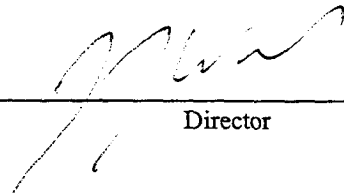
Certification of Valuation Report of Line Owners

We, Warren William Moyes and John Joseph Ward, Directors of Northpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:-

- (a) The attached valuation report of Northpower Limited, prepared for the purposes of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of those Regulations; and
- (b) The optimised Depreciated Replacement Cost of the line business system fixed assets of Northpower Limited, is \$104,684,340, and
- (c) The valuation of the line business assets of Northpower Limited, including system and non-system fixed assets and net working capital, is \$117,522,322, and
- (d) The values in (b) and (c) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 1999.

Dated this 26th day of August 1999.



Director



Director

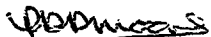
CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

I have examined the attached information, being:

- ▲ The derivation table specified in regulation 16; and
- ▲ Financial performance measures specified in clause 1 of Part 3 of Schedule 1 of the Electricity (Information Disclosure) Regulations 1999; and
- ▲ Financial components of the efficiency performance measures specified in clause 2 of Part 3 of that schedule,

And having been prepared by Northpower Limited and dated 26 August 1999 for the purposes of regulation 15 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 1999.



R H D Moore
Audit New Zealand
10 September 1999

DISCLOSURE OF FINANCIAL PERFORMANCE MEASURES AND EFFICIENCY PERFORMANCE MEASURES PURSUANT TO REGULATION 15 AND PART 3 OF THE FIRST SCHEDULE OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999.

1. Financial Performance Measures	1999	1998	1997	1996
(a) Return on Funds	3.6%	2.0%	7.0%	7.6%
(b) Return on Equity	2.2%	2.1%	5.3%	5.5%
(c) Return on Investment	2.2%	8.9%	6.5%	6.2%

2. Efficiency Performance Measures	1999	1998	1997	1996
(a) Direct line cost per kilometre	\$1,034	\$1,139	\$1,063	\$967
(b) Indirect line cost per electricity customer	\$57	\$83	\$79	\$79

DISCLOSURE OF ENERGY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS PURSUANT TO REGULATION 21 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999

1. Energy Delivery Efficiency Performance Measures	1999	1998	1997	1996
(a) Load Factor	70.59%	73.18%	68.70%	66.47%
(b) Loss Ratio	3.62%	3.64%	4.10%	4.94%
(c) Capacity Utilisation	34.78%	35.61%	39.60%	41.95%

2. Statistics	1999	1998	1997	1996
(a) System length, broken down by voltage:				
- 33 kV	202.6 km	202.6 km	191.8 km	191.8 km
- 11 kV	3163.3 km	3143.4 km	3081.3 km	3038.1 km
- 400 V	1704.2 km	1698.5 km	1714.1 km	1696.4 km
- Total	<u>5070.1 km</u>	<u>5044.5 km</u>	<u>4987.2 km</u>	<u>4926.3 km</u>
(b) Circuit length of overhead lines, broken down by voltage:				
- 33 kV	190.0 km	190.0 km	181.1 km	181.1 km
- 11 kV	3113.8 km	3094.6 km	3029.6 km	2989.8 km
- 400 V	1509.8 km	1508.1 km	1515.1 km	1511.4 km
- Total	<u>4813.6 km</u>	<u>4792.7 km</u>	<u>4725.8 km</u>	<u>4682.3 km</u>
(c) Circuit length of underground cables broken down by voltage:				
- 33 kV	12.6 km	12.6 km	10.7 km	10.7 km
- 11 kV	49.5 km	48.7 km	51.7 km	48.3 km
- 400V	194.4 km	190.4 km	199.0 km	185.0 km
- Total	<u>256.5 km</u>	<u>251.7 km</u>	<u>261.4 km</u>	<u>244.0 km</u>
(d) Transformer capacity	376,189 kVA	360,620 kVA	328,141 kVA	319,619 kVA
(e) Maximum demand	130,840 kW	128,298 kW	129,939 kW	134,095 kW
(f) Total electricity supplied from the system	779,779,003 kWh	792,983,840 kWh	758,234,709 kWh	736,177,108 kWh
(g) Total electricity conveyed through the system for other retailers:				
- Retailer 1	775,721,857	792,473,222	749,702,671	727,689,246
- Retailer 2	2,450,110	510,618	8,532,038	8,487,862
- Retailer 3	1,377,172			
- Retailer 4	229,864			
(h) Total customers	44,158	43,371	43,202	43,146

DISCLOSURE OF INFORMATION RELATING TO FINANCIAL STATEMENTS UNDER REGULATION 6
OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999, SCHEDULE 1 PART 2

	1999
1. Current Assets	
(a) Bank, cash, short-term investments	267,889
(b) Trade debtors	-
(c) Other debtors	2,729,014
(d) Prepayments	-
(e) Electricity hedges	-
(f) Other current assets not listed in (a) to (e)	2,756,208
(g) Total Current Assets	5,753,111
2. Fixed Assets	
(a) System fixed assets	33,536,307
(b) Centralised load control equipment	345,264
(c) Customer billing and information system assets	764,305
(d) Motor vehicles	2,086,598
(e) Office equipment	757,802
(f) Land and buildings	8,312,481
(g) Capital works under construction	-
(i) Subtransmission assets (transfer payments)	-
(ii) Zone substations (transfer payments)	-
(iii) Distribution lines and cables (transfer payments)	-
(iv) Medium voltage switchgear (transfer payments)	-
(v) Distribution transformers (transfer payments)	-
(vi) Distribution substations (transfer payments)	-
(vii) Low voltage lines and cables (transfer payments)	-
(viii) Other system fixed assets (transfer payments)	-
(h) Other fixed assets not listed in (a) to (g)	418,871
(i) Total Fixed Assets	46,221,628
(j) Other tangible assets not listed above	1,448,282
3. Total Intangible Assets	
(a) Goodwill	-
(b) Other intangible not listed in (a)	-
(c) Total intangible	-
4. Total Assets	53,423,021
5. Current Liabilities	
(a) Accounts payable	15,306,110
(b) Accrued payroll	654,446
(c) Other accruals	-
(d) Dividend provision	-
(e) Electricity hedges	-
(f) Other Current Liabilities not listed in (a) to (e)	3,276,568
(g) Total Current Liabilities (includes Deferred Taxation)	19,237,124
6. Funding	
(a) Long term debt	-
(b) Equity	34,185,897
(c) Other funding not listed in (a) or (b)	-
(d) Total funding	34,185,897
7. Total Equity and Liabilities (Total Assets)	53,423,021
8. Revenue	
(a) Revenue from line/access charges:	
(i) Revenue invoiced to consumers by electricity retailer	21,059,708
(ii) Revenue invoiced to consumers by line owner	2,751,960
(b) Revenue from "Other" business (transfer payment)	315,070
(c) Income from interest on short term investments	481,830
(d) AC loss-rental rebates	1,276,080
(e) Electricity hedges	-
(f) Other revenue not listed in (a) to (e)	1,438,789
(g) Total Revenue	27,323,437

9. Expenditure	
(a) Transmission Charges	13,176,453
Transfer payments to "Other" business	-
(b) Asset maintenance	3,116,293
(c) Consumer disconnections and reconnections	21,375
(d) Meter data	81,306
(e) Consumer based load control	5,698
(f) Avoided transmission charges for own generation	-
(g) Other goods and services	-
Payments to non-related entities	-
(h) Asset maintenance	-
(i) Consumer disconnections and reconnections	-
(j) Meter data	-
(k) Consumer based load control	-
(l) Employee salaries and redundancies	3,098,243
(m) Consumer billing and information system expense	148,017
(n) Depreciation expense on system fixed assets	-
(o) Depreciation on capital works under construction	-
(p) Total Depreciation Expense	2,595,224
(q) Corporate and administration	658,306
(r) Total other human resource expenses	300,079
(s) Marketing and advertising	84,929
(t) Merger and acquisition expenses	49,963
(u) Takeover defence expenses	-
(v) Research and development expenses	-
(w) Consultancy and legal expenses	64,270
(x) Electricity hedges	-
(y) Amortised goodwill	-
(z) Subvention payments	-
(za) Other expenditure not listed in (a) to (z)	132,784
(zb) Total Expenditure	23,532,940
10. Earnings before interest and tax	3,790,497
11. Interest	246

DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES UNDER REGULATION 22 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999.

	1999	1998	1997	1996
1. Total Number of Interruptions				
Class A - Planned - by Transpower	0	0	1	0
Class B - Planned - by Line Owners	372	628	460	477
Class C - Unplanned - by Line Owners	420	358	370	277
Class D - Unplanned - by Transpower	9	0	8	3
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	1
Class G - Any other loss of supply	0	0	0	0
Total	801	986	839	758
2. Interruption Targets for 1999/2000				
Class B - Planned - by Line Owners	350			
Class C - Unplanned - by Line Owners	340			
3. Average Interruption Targets for next 5 Years				
Class B - Planned - by Line Owners	325			
Class C - Unplanned - by Line Owners	320			
4. Proportion of Class C Interruptions not restored within:				
3 Hours	10%			
24 Hours	0%			
5. (a) Total No. of Faults per 100 circuit kilometres of prescribed voltage electric line	12.77	10.70	10.72	9.31
(b) Target for 1999/2000 Year	10.60			
(c) Average Target for 1999/2000 to 2003/4 Yrs	10.20			
6. Total No. of Faults per 100 circuit kilometres of underground prescribed voltage electric line				
11 kV	8.00	6.12	2.00	4.15
33 kV	0	0	0	9.37
7. Total No. of Faults per 100 circuit kilometres of overhead prescribed voltage electric line				
11 kV	12.78	10.79	11.78	8.80
33 kV	14.74	11.56	10.00	6.08
8. The SAIDI for the total No. of Interruptions	288.25	240.51	379.43	248.60
9. SAIDI Targets for 1999/2000				
Class B - Planned - by Line Owners	55			
Class C - Unplanned - by Line Owners	120			
10. Average SAIDI Target for 1999/2000 to 2003/4 Yrs				
Class B - Planned - by Line Owners	50			
Class C - Unplanned - by Line Owners	110			
11. SAIDI for Total No. of Interruptions within each Interruption Class				
Class A - Planned - by Transpower	0	0	19.28	0
Class B - Planned - by Line Owners	58.22	115.36	81.95	70.77
Class C - Unplanned - by Line Owners	158.48	125.16	205.95	156.75
Class D - Unplanned - by Transpower	71.55	0	71.67	18.06
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	0
Class G - any other loss of supply	0	0	0	0
12. SAIFI for the Total No. of Interruptions	6.04	4.03	7.66	5.20
13. SAIFI Targets for 1999/2000				
Class B - Planned - by Line Owners	0.44			
Class C - Unplanned - by Line Owners	3.00			
14. Average SAIFI target for 1999/2000 to 2003/4 Yrs				
Class B - Planned - by Line Owners	0.40			
Class C - Unplanned - by Line Owners	2.80			

	1999	1998	1997	1996
15. SAIFI for the Total No. of Interruptions within each Interruption Class				
Class A - Planned - by Transpower	0	0	0.07	0
Class B - Planned - by Line Owners	0.46	0.97	0.71	0.69
Class C - Unplanned - by Line Owners	4.28	3.06	4.58	3.61
Class D - Unplanned - by Transpower	1.30	0	2.30	0.68
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	0
Class G - Any other loss of supply	0	0	0	0
16. CAIDI for the Total No. of Interruptions	47.7	59.7	49.6	48.3
17. CAIDI Targets for 1999/2000				
Class B - Planned - by Line Owners	125			
Class C - Unplanned - by Line Owners	40			
18. Average CAIDI Target for 1999/2000 to 2003/4 Yrs				
Class B - Planned - by Line Owners	125			
Class C - Unplanned - by Line Owners	39			
19. CAIDI for the Total No. of Interruptions within each Interruption Class				
Class A - Planned - by Transpower	0	0	300.0	0
Class B - Planned - by Line Owners	126.8	119.0	115.7	102.3
Class C - Unplanned - by Line Owners	37.0	40.9	45.0	43.4
Class D - Unplanned - by Transpower	55.1	0	31.1	26.7
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	0
Class G - Any other loss of supply	0	0	0	0

Key:
 (= standard entry tax rate
 bv = book value
 ave = average
 av = as adjusted
 odv = optimized dividend
 valuation
 subscript 'v' = beginning
 of the financial year
 subscript 'f' = end of
 the financial year

Derivation Table	Symbol in formula	Input Column	Calculations	ROF	ROE	ROI
Electricity before interest and tax (EBIT)	e	3,700,497		3,700,497	N/A	3,700,497
Net profit after tax (NPAT)	n	2,429,084		N/A	2,429,084	N/A
Adjusted Goodwill	g	0		add	add	add
Subvention Payment	s	0		add	add	add
Depreciation of FA at BV	d	2,233,536		add	add	add
ODV Depreciation tax adjustment	b	1,994,899		deduct	deduct	deduct
Subvention Payment tax adjustment	q	188,107		deduct	deduct	deduct
Interest Tax Shield	r	182		deduct	deduct	deduct
Revaluations	f	0		N/A	N/A	182
Income tax	p	1,361,167		deduct	deduct	deduct
Minority (as adjusted)		No entry				1,361,167
Fixed Assets at year beginning (FA _v)		49,829,322		49,829,322	49,829,322	49,829,322
Fixed Assets at year end (FA _f)		48,221,828		add	add	add
Net Working Capital at year beginning (NWC _v)		2,358,406		add	add	add
Net Working Capital at year end (NWC _f)		-10,207,448		add	add	add
Average total funds employed (ATFE)	c	No entry	$= (FA_v + FA_f) + NWC_v + NWC_f / 2$	44,093,363	N/A	44,100,360
Total Equity at year beginning (TE _v)		51,808,857		N/A	51,808,857	N/A
Total Equity at year end (TE _f)		34,185,897		N/A	34,185,897	N/A
Average total equity	k	No entry	$= (TE_v + TE_f) / 2$	43,041,277	add	N/A
WUC at year beginning (WUC _v)		0		add	add	0
WUC at year end (WUC _f)		0		add	add	0
Average total Works under Construction	e	No entry	$= (WUC_v + WUC_f) / 2$	0	add	0
Revaluations	r	0		N/A	N/A	0
Goodwill asset at year beginning (GW _v)		0		N/A	N/A	N/A
Goodwill asset at year end (GW _f)		0		N/A	N/A	N/A
Average Goodwill asset	m	No entry	$= (GW_v + GW_f) / 2$	0	add	0
Subvention payment at year beginning (S _v)		0		N/A	N/A	N/A
Subvention payment at year end (S _f)		0		N/A	N/A	N/A
Subvention payment tax adjustment at year beginning		0		N/A	N/A	N/A
Subvention payment tax adjustment at year end		0		N/A	N/A	N/A
Average subvention payment & related tax adjustment	v	No entry	$= (S_v + S_f + s_t + s_f) / 2$	0	deduct	0
System Fixed assets at year beginning at book value (SF _{Av})		49,829,322		49,829,322	49,829,322	49,829,322
System Fixed assets at year end at book value (SF _{Af})		48,221,828		add	add	add
Average value of system fixed assets at book value	f	No entry	$= (SF_{Av} + SF_{Af}) / 2$	48,025,475	add	48,025,475
System Fixed assets at year beginning at ODV value (SF _{Av})		115,183,916		add	add	115,183,916
System Fixed assets at year end at ODV value (SF _{Af})		115,183,916		add	add	115,183,916
Average value of system fixed assets at ODV value	h	No entry	$= (SF_{Av} + SF_{Af}) / 2$	115,183,916	add	115,183,916
Denominator (as adjusted)			$= e - e - f + h$	110,179,716	$= k - e - m + v - f + h$	111,299,397
Financial Performance Measures:			$EBIT^{(a)} / ATFE^{(a)} \times 100\%$	3.62%	$PAT^{(b)} / ATFE^{(b)} \times 100\%$	2.22%
						$EBIT^{(c)} / ATFE^{(c)} \times 100\% = 2.22\%$



