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COUNTIES POWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1999

COUNTIES POWER LIMITED - LINE BUSINESS

DISCLOSURE OF FINANCIAL STATEMENTS PURSUANT TO REGULATION 6 OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999

FOR THE YEAR ENDED 31 MARCH 1999

Counties Power's electricity business for the year ended 31 March 1999 consisted of line business activities and electricity retailing. To provide the best service to customers these activities were undertaken as a single operation. Accordingly statutory financial reporting and management reporting do not distinguish between line business and electricity retailing activities. For the purposes of these financial statements the reporting entity has been established using the prescribed allocation methodology to provide accounting separation.

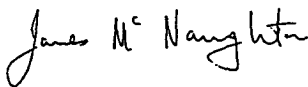
Note that the accompanying Statement of Accounting Policies and Notes form part of and are to be read in conjunction with these Financial Statements. These Financial Statements have been prepared solely for the purpose of complying with regulations 6 (2) and 6 (3) of the Electricity (Information Disclosure) Regulations 1999 and are not intended for any other purpose.

CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower

We, James McNaughton and Helen Russell, principals of Counties Power Limited certify that, having made all reasonable enquiry, to the best of our knowledge, -

- a) The attached audited financial statements of Counties Power Limited Line Business 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 Counties Power Limited's Line Business, 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 are as at 31 March 1998.



J. McNaughton
Chief Executive Officer

23 August 1999



H. Russell
Director

AUDITOR'S REPORT

To the readers of the financial statements of Counties Power Limited Line Business.

We have audited the accompanying line business financial statements of Counties Power Limited. The financial statements provide information about the past financial performance of the Company's Line Business and its financial position as at 31 March 1999. This information is stated in accordance with the accounting policies set out in the Statement of Accounting Policies.

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 the Company's Line Business as at 31 March 1999, and the 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 the Company'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.

Our firm carries out other assignments on behalf of the Company in the area of consulting advice. The firm has no interests in the Company.

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. Counties Power Limited Line Business has applied this exemption and has not disclosed comparative figures in these circumstances. To this extent, the financial statements of Counties Power Limited Line Business do not comply with Financial Reporting Standard No. 2, Presentation of Financial Reports, or the Electricity (Information Disclosure) Regulations 1999.

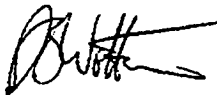
We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by Counties Power Limited Line Business 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 Counties Power Limited Line Business:

- 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 Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 23 August 1999 and our opinion is expressed as at that date.



A S Wotton
PricewaterhouseCoopers
Chartered Accountants
On behalf of the Controller and Auditor-General
23 August 1999
Auckland, New Zealand

Counties Power Limited – Line Business
STATEMENT OF FINANCIAL PERFORMANCE
For the Year ended 31 March 1999

	Notes	31 March 1999 \$000	31 March 1998 \$000
OPERATING REVENUE	(2)	22,233	22,760
OPERATING EXPENSES	(3)	16,160	19,232
EARNINGS BEFORE INTEREST & TAX	(3)	6,073	3,528
INTEREST EXPENSE		448	294
EARNINGS BEFORE TAX		5,625	3,234
TAXATION EXPENSE	(4)	1,051	1,102
NET PROFIT AFTER INTEREST & TAX		4,574	2,132

STATEMENT OF MOVEMENTS IN EQUITY
For the Year Ended 31 March 1999

	31 March 1999 \$000	31 March 1998 \$000
EQUITY AT BEGINNING OF YEAR	32,963	30,831
NET PROFIT FOR YEAR	4,574	2,132
TRANSFER OF METERS TO "OTHER" BUSINESS	(18) (3,674)	-
EQUITY AT END OF YEAR	33,863	32,963

Counties Power Limited – Line Business
STATEMENT OF FINANCIAL POSITION
As at 31 March 1999

	Notes	31 March 1999 \$000	31 March 1998 \$000
SHAREHOLDERS' FUNDS			
Share Capital	(5)	29,311	29,311
Retained Earnings		4,552	3,652
TOTAL SHAREHOLDERS' FUNDS		33,863	32,963
TERM LIABILITIES			
Term Loan	(7)	6,667	2,250
Deferred Taxation	(4)	1,713	1,179
TOTAL TERM LIABILITIES		8,380	3,429
TOTAL FUNDING		42,243	36,392
CURRENT LIABILITIES			
Bank Overdraft and Short Term Loan	(7)	2,000	3,636
Accounts Payable	(8)	2,978	2,570
Provision for Replacement of Uneconomic Lines	(10)	-	322
TOTAL CURRENT LIABILITIES		4,978	6,528
TOTAL EQUITY AND LIABILITIES		47,221	42,920

CURRENT ASSETS

Bank, Cash, Short-term Investments		4,647	-
Accounts Receivable	(6)	517	2,711
TOTAL CURRENT ASSETS		5,164	2,711
FIXED ASSETS	(9)	42,057	40,209
TOTAL ASSETS		47,221	42,920

Counties Power Limited – Line Business
STATEMENT OF CASH FLOWS
For the Year Ended 31 March 1999

	Notes	31 March 1999 \$000
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers		22,245
		22,245
Cash was applied to:		
Payments to suppliers and employees		(9,978)
Income tax paid		(870)
Interest paid		(448)
Net GST Paid		(832)
		(12,128)
Net cash flows from operating activities	(11)	10,117
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Proceeds from sale of plant and property		66
		66
Cash was applied to:		
Purchase and construction of fixed assets		(8,317)
Net cash (used)/generated by investing activities		(8,251)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Term Loan drawdowns		5,417
Net increase (decrease) in cash held		7,283
Add opening cash/(borrowings) brought forward		(2,636)
Ending cash carried forward		4,647
Bank, Cash and Short-term Investments		4,647
Bank Overdraft	(7)	-
Short-term Money Market Facility	(7)	-
		4,647

Note that a Statement of Cash Flows has been included for the first time in 1999, in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1999. Refer also to note 18 for a significant non-cash transaction in the period.

Counties Power Limited – Line Business
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 31 March 1999

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are presented in accordance with Regulation 6 of the Electricity (Information Disclosure) Regulations 1999.

REPORTING ENTITY

Counties Power's electricity business for the year ended 31 March 1999 consisted of line business activities and electricity retailing. To provide the best service to customers these activities were undertaken as a single operation. Accordingly statutory financial reporting and management reporting do not distinguish between line business and electricity retailing activities. For the purposes of these financial statements the reporting entity has been established using the prescribed allocation methodology to provide accounting separation.

GENERAL ACCOUNTING POLICIES

The general accounting policies recognised as appropriate for the measurement and reporting of results, cash flows and the financial position based on historical cost, have been followed. Accrual accounting is used to match expenses and revenues.

Reliance is placed on the fact that the Company is a going concern.

PARTICULAR ACCOUNTING POLICIES

The following particular accounting policies which materially affect the measurement of financial performance and financial position are consistently applied:

Sales

Sales shown in the statement of financial performance comprise the amounts received and receivable by the company for goods supplied to customers in the ordinary course of business. The sales are shown exclusive of Goods and Services Tax collected from customers.

Accounts Receivable

Accounts receivable are stated at expected net realisable value after providing against debts where collection is doubtful.

Statement of Cash Flows

The following are the definitions of the terms used in the statement of cash flows:

- Cash is considered to be cash on hand, current accounts in banks net of bank overdrafts and short term deposits with banks.
- Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments. Investments include securities not falling within the definition of cash.
- Financing activities are those activities which result in changes in the size and composition of the equity and debt structure of the Company. Dividends paid in relation to the capital structure are included in financing activities.
- Operating activities include all transactions and other events that are not investing or financing activities.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation, less any amount written off for permanent impairment in value.

The cost of fixed assets created or enhanced by the Company (self-constructed assets) is direct expenses incurred and an appropriate proportion of indirect expenses.

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.

Depreciation

Fixed assets have been depreciated, so as to write off cost less estimated residual value over their estimated useful lives, on the following basis:

Distribution System	4% straight line
	22% DV for system automation equipment
Buildings	2% straight line for majority of buildings (some at 1% straight line)

Plant & Equipment	40% DV for computer hardware and software
	20% and 25% DV for other items
Motor Vehicles	20% and 25% DV for majority of vehicles

Taxation

The statements of financial performance and movements in equity include taxation expense on operating results.

The income tax expense charged to earnings includes both the income tax payable on assessable income in the period and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting is 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.

CHANGES IN ACCOUNTING POLICY

During the period there have been no changes in accounting policies.

COMPARATIVE FIGURES

As required by the Electricity Information Disclosure Handbook comparative amounts have not been prepared where information disclosures are made for the first time, and previously published comparative amounts have not been recalculated using the methodologies applied for the 31 March 1999 financial year.

2. REVENUE

Disclosure of revenue pursuant to Part 2 of Schedule 1 of the Electricity (Information Disclosure) Regulations 1999:

	1999
	\$000
Revenue:	
Revenue from line/access charges invoiced to consumers by electricity retailers who are not in a prescribed business relationship with the line owner	63
Revenue from line/access charges invoiced to consumers by the line owner	20,699
Revenue from "Other" Business for services carried out by the line business	-
Interest income from short term investments	-
AC loss-rental rebates	482
Other revenue	989
Total Revenue	22,233
	=====

3. EARNINGS BEFORE INTEREST AND TAXATION

	1999	1998
	\$000	\$000
Resulting earnings/(deficit) before taxation is stated	6,073	3,528
After charging:		
Directors Remuneration	83	95
Audit Fees	26	29
Other Fees Paid or Due to Auditors	5	26
Depreciation	2,717	2,804
Rent	-	-
Interest Paid	448	294
Bad Debts Written Off	64	89
Customer Discounts	2,534	2,367
Loss on Disposal of Fixed Assets	13	27
After crediting:		
Interest and Sundries	-	-
Gain on Disposal of Fixed Assets	1	4

Additional expenditure disclosure pursuant to Part 2 of Schedule 1 of the Electricity (Information Disclosure) Regulations 1999:

	1999 \$000
Transmission charges	5,243
Asset maintenance carried out by "Other" business	742
Consumer Connections & Disconnections carried out by "Other" business	-
Meter Data provided by "Other" Business	-
Consumer based load control services carried out by "Other" business	-
Avoided transmission charges on account of own generation	-
Other goods and services provided by "Other" business	-
Maintenance services (non-related entities)	280
Consumer connections and disconnections carried out by non-related entities	62
Meter Data provided by non-related entities	-
Consumer based load control services carried out by non-related entities	-
Employee salaries and redundancies	1,725
Consumer billing and information system expense	167
Depreciation on system fixed assets	1,840
Depreciation on capital works under construction	295
Corporate and administration	1,198
Total other human resource expenses	371
Marketing/advertising	415
Merger and acquisition expenses	-
Takeover defence expenses	-
Research and development expenses	-
Consultancy and legal expenses	100
Electricity hedges	-
Amortised goodwill	-
Subvention payments	-
Avoided transmission charges on account of causes other than own generation	-
Other expenditure	3,722
Total Expenditure	16,160 =====

4. TAXATION

	1999 \$000	1998 \$000
Accounting profit/(loss) before taxation	5,625	3,234
Prima facie taxation/(credit)	1,856	1,067
Plus/(less) taxation effect of		
Non deductible expenses	27	19
Other permanent differences	16	16
Loss offset with "Other" Business	(848)	-
Income Tax Attributable to Net Operating Surplus/(Loss)	1,051 =====	1,102 =====
The taxation charge/(credit) is represented by:		
Current Taxation/(Credit)	517	761
Deferred Taxation	534	341
	1,051 =====	1,102 =====
Deferred taxation is represented by:		
Deferred taxation 1 April 1998	1,179	838
Current charge/(credit)	534	341
Deferred taxation liability/(benefit)	1,713 =====	1,179 =====

5. SHARE CAPITAL

	1999 \$000	1998 \$000
Issued and Paid In Capital		
15,000,000 Ordinary Shares	29,311 =====	29,311 =====

6. ACCOUNTS RECEIVABLE

	1999 \$000	1998 \$000
Trade Debtors	2	2,554
Prepayments	44	34
Other Debtors	3	58
Tax Refund Due	468	115
Provision for Bad Debts	-	(50)
	517 =====	2,711 =====

7. BORROWINGS

	1999 \$000	1998 \$000
CURRENT		
Bank Overdraft	-	106
Short-term Money Market Facility	-	1,225
Term Loan – Current Portion	2,000	1,000
Other Short-term Borrowings	-	1,305
	2,000 =====	3,636 =====
NON-CURRENT		
Term Loan	6,667	2,250
	8,667 =====	5,886 =====

None of the borrowings are secured over the assets of the Company, although a negative pledge agreement exists. The Term Loans are repayable in monthly instalments of \$83,333 per month and quarterly instalments of \$250,000.

Interest rates as at 31 March 1999 for the Term Loan were 5.40% to 6.00%.

8. ACCOUNTS PAYABLE

	1999 \$000	1998 \$000
Accounts Payable	2,805	1,853
Other Accruals	-	25
Customer Deposits	-	524
Accrued Payroll	173	168
	2,978 =====	2,570 =====

9. FIXED ASSETS

	Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Distribution System	47,538	16,369	31,169
Centralised Load Equipment	317	217	100
Consumer Billing & Information Systems	568	384	184
Vehicles	1,183	630	553
Office Equipment	3,323	2,436	887
Land	895	-	895
Buildings	2,296	559	1,737
Capital Works Under Construction	7,372	840	6,532
	63,492 =====	21,435 =====	42,057 =====

Capital Works Under Construction comprised:

(i) Subtransmission assets	2,084	225	1,859
(ii) Zone Substations	3,380	445	2,935
(iii) Distribution lines & cables	1,283	91	1,192
(iv) Medium Voltage switchgear	-	-	-
(v) Distribution transformers	-	-	-
(vi) Distribution substations	-	-	-
(vii) Low voltage lines & cables	-	-	-
(viii) Other system fixed assets	625	79	546
	<u>7,372</u>	<u>840</u>	<u>6,532</u>
		1998	
Distribution System	52,861	17,047	35,814
Vehicles	1,179	646	533
Land	869	-	869
Buildings	2,291	500	1,791
Plant & Equipment	3,705	2,503	1,202
	<u>60,905</u>	<u>20,696</u>	<u>40,209</u>
	=====	=====	=====

The major property holding of the company was valued as at February 1996 as follows:

	\$000
Land & Buildings (Main Depot complex at Glasgow Road/Nelson Street, Pukekohe)	2,055

The valuers used by Counties Power were Marsh & Irwin Limited who are Associates of the New Zealand Institute of Valuers. The accounting book value in the Financial Statements in respect of this property as at 31 March 1999 was \$1,900,000.

Other properties with a total accounting book value amounting to \$732,000 were not included in the above valuation.

Depreciation charged in total amounted to:	1999 \$000	1998 \$000
Distribution System	2,135	2,103
Buildings	59	59
Plant & Equipment	386	469
Motor Vehicles	137	173
	<u>2,717</u>	<u>2,804</u>
	=====	=====

10. PROVISION FOR REPLACEMENT OF UNECONOMIC LINES

Section 62 of the Electricity Act 1992 requires Counties Power to maintain line services for the next 14 years. A provision of \$1,392,000 for the replacement of some uneconomic lines was created at the 31 March 1993 year-end. \$322,000 has been utilised during the current year resulting in the provision being fully utilised. The basis of charging the provision was the cost of actual work carried out during the year.

	1999 \$000	1998 \$000
Balance remaining – current	-	322
	<u>-</u>	<u>322</u>
	=====	=====

11. RECONCILIATION OF NET PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	1999
Reported surplus after taxation	4,574
Add non-cash items:	
Depreciation	2,717
Movement in deferred tax	534
	<u>3,251</u>
Add item classified as investing activity:	
Net (gain)/loss on disposal	12
	<u>12</u>
Movement in working capital:	
Increase in accounts payable	408
(Increase)/Decrease in taxation receivable	(353)
Decrease in accounts receivable	2,547
(Decrease) in provision for replacement of uneconomic lines	(322)
	<u>2,280</u>
Net cash inflow/(outflow) from operating activities	<u>10,117</u>
	=====

12. OPERATING LEASE COMMITMENT

Counties Power Limited Line Business had no operating lease commitments (1998 Nil).

13. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Counties Power Limited Line Business had commitments for future capital expenditure at 31 March 1999 totalling \$75,000 (1998: Nil).

There were no material contingent liabilities at 31 March 1999.

14. EVENTS OCCURRING AFTER BALANCE DATE

Two legal claims against Counties Power Line Business which were lodged in the prior year remained outstanding at 31 March 1999, but were resolved by negotiation shortly afterward. Provision for costs related to settlement of these claims has been made in the financial statements of the Line Business.

Subsequent to balance date an agreement was entered into with certain property owners to relocate some electricity lines. This agreement related to obtaining the consent of these property owners to construction and enlargement of a new 110kV line.

15. FINANCIAL INSTRUMENTS

(A) Nature of activities and management policies with respect to financial instruments.

(i) In the normal course of its business the company incurs credit risk from trade debtors and financial institutions.

The company has a credit policy which is used to manage this exposure to credit risk. As part of this policy limits on exposures have been set, and are monitored on a regular basis.

Prior to the sale of its electricity energy retail business the company did not have any significant concentrations of credit risk. From 1 April 1999 a significant concentration of risk to major electricity energy retail customers exists. The company has a programme to manage this risk concentration, including adhering to specific credit policy requirements, insurance arrangements and having the contractual ability to require security to be provided by these customers under certain circumstances.

The company does not generally require collateral or security to support financial instruments other than as outlined above, due to the quality of the financial institutions dealt with.

(ii) Provision for uneconomic lines (refer note 10).

(iii) The company does not generally undertake any transactions denominated in foreign currencies apart from the purchase of distribution system equipment and does not hold any long term borrowings.

(B) Fair Values

Cash and Liquid Deposits, Short and Long Term Loans, Accounts Payable and Receivable, Provision for Uneconomic Lines and Investments.

The carrying value of these items is equivalent to their fair value.

16. RELATED PARTY TRANSACTIONS

(a) The Line business enters into transactions with the "Other" Business. The relationship is managed on an arms length basis, with significant contracts generally awarded by the Line business on a competitive tendering basis.

(b) & (c) The services provided by the "Other" Business generally include normal electrical construction and maintenance services related to the Line business electrical network.

(d) Services provided were in the following categories and at total prices as indicated in \$000:

Construction of subtransmission assets	24
Construction of zone substations	6
Construction of distribution lines and cables	848
Construction of medium voltage switch gear	-
Construction of distribution transformers	127
Construction of distribution substations	113
Construction of low voltage reticulation	472
Construction of other system fixed assets	36
Maintenance of assets	742

- (e) Services were provided throughout the financial year.
- (f) There were no outstanding balances owing at year end for services performed by the Other business for the Line business, as payment is effected by way of accounting entry at the end of each month.
- (g) No debts arising from related party transactions have been written off or forgiven during the year.
- (h) No transactions were undertaken at a nil or nominal value, other than minor items as would occur in a normal arms length relationship.

17. ODV VALUATION

The ODV valuation of Counties Power Limited Line Business Distribution System assets, excluding meters and relays, was calculated at \$69,196,560 as at 31 March 1998 by Worley Consultants.

18. METERING BUSINESS

Meter ownership, income and expenses have in prior periods been accounted for as part of the "Line" Business. In the year ended 31 March 1999 Metering income and expenses have been accounted for as part of the "Other" Business as required by the Electricity Information Disclosure Handbook. Meter fixed assets have been transferred at book value.

19. ADDITIONAL DISCLOSURES

The Electricity (Information Disclosure) Regulations 1999 and the Electricity Information Disclosure Handbook require that where a Line business has nothing to report in respect of certain items, they must be disclosed as "nil". The following are such items not disclosed elsewhere in the financial statements, and which have a nil balance: Other Tangible Assets, Goodwill, Other Intangible Assets, Total Intangibles, Provision for Dividend.

COUNTIES POWER LIMITED - LINE BUSINESS

DISCLOSURE OF FINANCIAL PERFORMANCE MEASURES AND EFFICIENCY PERFORMANCE MEASURES PURSUANT TO REGULATION 13 AND PART II OF THE FIRST SCHEDULE OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999

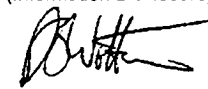
CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

We have examined the 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 Counties 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.



A S Wotton
PricewaterhouseCoopers
Chartered Accountants
On behalf of the Controller and Auditor-General
23 August 1999

Counties Power Limited 1 April 1998 to 31 March 1999	Symbol in formula	Calculations	RETURN ON FUNDS	RETURN ON EQUITY	RETURN ON INVESTMENT
Derivation Table					
Earnings before Interest and tax (EBIT)	a		6,073	N/A	6,073
Net profit after tax (NPAT)	n		N/A	4,574	N/A
Amortised Goodwill	g		add 0	add 0	add 0
Subvention Payment	s		add 0	add 0	add 0
Depreciation of SFA at BV	d		add 1,840	add 1,840	add 1,840
Depreciation of SFA at ODV			deduct 2,121	deduct 2,121	deduct 2,121
ODV Depreciation tax adjustment	b		N/A	deduct 193	deduct 193
Subvention Payment tax adjustment	s ¹		N/A	deduct 0	deduct 0
Interest tax Shield	q		N/A	N/A	deduct 148
Revaluations	r		N/A	N/A	add 0
Income tax	p		N/A	N/A	deduct 1,051
Numerator (as adjusted)		$-a+g+s+d$	5,792	$-b+g+s-s^1+d-b$	4,386
Fixed Assets at year beginning (FA ₀)			40,209	N/A	40,209
Fixed Assets at year end (FA ₁)			add 42,057	N/A	add 42,057
Net Working Capital at year beginning (NWC ₀)			add 11,270	N/A	add 11,270
Net Working Capital at year end (NWC ₁)			add 2,186	N/A	add 2,186
Average total funds employed (ATFE)	c	$-FA_0 + FA_1 + NWC_0 + NWC_1 / 2$	divide by 2 41,591	N/A	divide by 2 41,591
Total Equity at year beginning (TE ₀)			N/A	32,963	N/A
Total Equity at year end (TE ₁)			N/A	add 33,863	N/A
Average total equity	k	$-TE_0 + TE_1 / 2$	N/A	divide by 2 33,413	N/A
WUC at year beginning (WUC ₀)			0	0	0
WUC at year end (WUC ₁)			add 6,532	add 6,532	add 6,532
Average total Works under Construction	e	$-WUC_0 + WUC_1 / 2$	divide by 2 3,266	divide by 2 3,266	divide by 2 3,266
Revaluations	r		N/A	N/A	0
Goodwill asset at year beginning (GW ₀)			N/A	0	N/A
Goodwill asset at year end (GW ₁)			N/A	add 0	N/A
Average Goodwill asset	m	$-GW_0 + GW_1 / 2$	N/A	divide by 2 0	N/A
Subvention payment at year beginning (S ₀)			N/A	0	N/A
Subvention payment at year end (S ₁)			N/A	add 0	N/A
Subvention payment tax adjustment at year beginning	$-s_{s,1}$		N/A	deduct 0	N/A
Subvention payment tax adjustment at year end	$-s_{s,1}$		N/A	deduct 0	N/A
Average subvention payment & related tax adjustment	v	$-S_0 + S_1 + s_{s,1} + s_{s,1} / 2$	N/A	divide by 2 0	N/A
System fixed assets at year beginning at book value (SFA ₀)			35,815	35,815	35,815
System fixed assets at year end at book value (SFA ₁)			add 31,169	add 31,169	add 31,169
Average value of system fixed assets at book value	f	$-SFA_0 + SFA_1 / 2$	divide by 2 33,492	divide by 2 33,492	divide by 2 33,492
System fixed assets at year beginning at ODV value (SFA ₀)			add 75,161	add 75,161	75,161
System fixed assets at year end at ODV value (SFA ₁)			add 74,871	add 74,871	add 74,871
Average value of system fixed assets at ODV value	h	$-SFA_0 + SFA_1 / 2$	divide by 2 75,016	divide by 2 75,016	divide by 2 75,016
Denominator (as adjusted)			$-c-e-f+h$	$-k-e-m+v-j+b$	$-c-e-f-j+h$
			79,849	71,671	79,849
Financial Performance Measure:			EBIT ⁰ /ATFE ⁰ x 100/1 =	NPAT ⁰ /ATE ⁰ x 100/1 =	EBIT ⁰ /ATFE ⁰ x 100/1 =
			7.25%	6.12%	5.87%

Key: t = standard entity tax rate, bv = book value, ave = average, ADJ - as adjusted, odv = optimised deprival value, subscript '0' = beginning of the financial year, subscript '1' = end of the financial year

Counties Power Limited – Line Business
1 April 1998 to 31 March 1999

1. Financial Performance Measures

	1999	1998	1997	1996
(a) Return on funds, being earnings before interest and tax (as adjusted), divided by average total funds employed (as adjusted).	7.3%	4.1%	2.2%	3.1%

(b) Return on equity, being net profit after tax (as adjusted), divided by average total equity (as adjusted).	6.1%	3.0%	1.8%	2.1%
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(c) Return on investment	5.9%	18.5%	1.2%	2.3%
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2. Efficiency Performance Measures

	1999	1998	1997	1996
(a) Direct line costs per kilometre	\$934	\$1,218	\$1,176	\$1,091
(b) Indirect line cost per consumer	\$83	\$84	\$79	\$96

Indirect line cost per consumer has been calculated using estimated average consumer numbers. The methodology used to calculate this estimate is publicly available.

Note: 31 March 1999 financial and efficiency performance measures have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1999. Figures for previous years were prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994. The method of calculation specified in the two sets of regulations is not identical, and consequently figures for 31 March 1999 are not directly comparable to the previous years.

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

SCHEDULE 1 - PART 4

YEAR TO 31 MARCH:

1. Energy delivery efficiency performance measures and statistics

	1999	1998	1997	1996
(a) Load Factor	58.8%	56.8%	57.2%	57.1%
(b) Loss ratio	7.5%	7.7%	7.8%	8.2%
(c) Capacity utilisation	34.1%	35.9%	35%	37.8%

2. Statistics

(a) System length, broken down by voltage

400 V	1,343km	1,297km	1,273km	1,262km
33 kV	169km	169km	173km	173km
22 kV	78km	78km	78km	22km
11 kV	1,708km	1,677km	1,471km	1,477km
Total	3,298km	3,221km	2,995km	2,934km

(b) Circuit length of overhead lines, broken down by voltage

400 V	1,185km	1,144km	1,110km	1,104km
33 kV	169km	169km	173km	173km
22 kV	77km	77km	77km	22km
11 kV	1,624km	1,602km	1,410km	1,454 km
Total	3,055km	2,992km	2,770km	2,753km

(c) Circuit length of underground cables, broken down by voltage

400 V	158km	153km	163km	158km
33 kV	Nil	Nil	Nil	Nil
22 kV	1km	1km	1km	Nil
11 kV	84km	75km	61km	23km
Total	243km	229km	225km	181km

(d) Transformer capacity	217,981KVA	217,405KVA	229,808KVA	197,000KVA
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(e) Maximum demand	74,338kW	78,034kW	75,335kW	79,493kW
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(f) Total electricity supplied from the system	353,940,000kWh	358,230,000kWh	348,058,000kWh	342,592,000kWh
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(g) Total electricity conveyed through the system	4,315,000kWh	Nil	1,831,400kWh	1,477,600kWh
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(h) Total customers (average for period)	30,859	30,478	29,977	29,860
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DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES
PURSUANT TO REGULATION 22 OF THE ELECTRICITY
(INFORMATION DISCLOSURE) REGULATIONS 1999

SCHEDULE 1 - PART 5

YEAR TO 31 MARCH:

1999 1998 1997 1996

1. Total number of interruptions

(b) Planned interruptions by Counties Power	196	217	207	305
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(c) Unplanned interruptions originating within Counties Power system	120	148	258	221
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(d) Unplanned interruptions originating with Transpower system	Nil	Nil	Nil	1
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4. The proportion (expressed as a percentage) of the total number of Class C interruptions not restored within:

(a) 3 hours; and	20%	21.6%	18.2%	21.7%
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(b) 24 hours	0%	0%	0.4%	0%
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5. (a) Total number of faults per 100 circuit kilometres of prescribed voltage electric line

11 kV	7.02	8.83	17.53	14.9
22 kV	19.2	7.79	27.27	18.18
33 kV	6.51	6.51	10.40	9.83
Total	6.14	7.85	17.09	13.28

6. Total number of faults per 100 circuit kilometres of underground prescribed voltage line and per different nominal line voltages:-

11 kV underground	2.38	3.95	1.64	8.7
22 kV underground	Nil	Nil	Nil	Nil
Total	2.38	3.95	1.64	8.7

7. Total number of faults per 100 circuit kilometres of overhead prescribed voltage line and per different nominal line voltages:-

11 kV overhead	5.66	7.99	15.46	13.69
22 kV overhead	19.2	7.79	27.27	18.18
33 kV overhead	6.51	6.51	10.40	9.83
Total	6.14	7.85	15.48	13.34

8. The SAIDI for the total of interruptions (minutes)

	225.8	238.69	414.00	468.58
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11. The SAIDI for the total number of interruptions within each interruption class:-

(b) Planned interruptions by Counties Power (minutes)	71.52	96.73	78.61	171.46
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(c) Unplanned interruptions originating within Counties Power system (minutes)	154.28	141.96	335.38	295.03
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(d) Unplanned interruptions originating with Transpower system	Nil	Nil	Nil	2.09
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12. The SAIFI for the total number of interruptions	3.65	4.31	7.40	5.60
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15. The SAIFI for the total number of interruptions within each interruption class:-

(b) Planned interruptions by Counties Power	0.37	0.59	0.51	0.86
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(c) Unplanned interruptions originating within Counties Power system	3.28	3.71	6.89	4.69
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(d) Unplanned interruptions originating with Transpower system	Nil	Nil	Nil	0.05
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16. The CAIDI for the total of all interruptions (minutes)	61.88	55.38	55.97	83.72
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19. The CAIDI for the total number of interruptions within each interruption class:-

(b) Planned interruptions by Counties Power (minutes)	193.29	163.95	154.57	199.16
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(c) Unplanned interruptions originating within Counties Power system (minutes)	47.04	38.26	48.69	62.9
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(d) Unplanned interruptions originating within Transpower system (minutes)	Nil	Nil	Nil	45.56
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Number of customers has been calculated as the average of opening and closing figures for the year.

2. Interruption targets for the following financial year for:

(a) Planned interruptions by the line owner (Class B)	180
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(b) Unplanned interruptions originating within the works of the line owner (Class C)	100
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3. Average interruption targets for the following year and the subsequent 4 financial years

(a) Planned interruptions by Counties Power (Class B) (minutes)	147
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(b) Unplanned interruptions originating within the works of Counties Power (Class C) (minutes)	82
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5. (b) Total number of faults per 100 circuit kilometres of prescribed voltage electric line targeted for the following financial year

11 kV overhead	5.5
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22 kV overhead	5.5
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33 kV overhead	3.5
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Total	5.12
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5. (c) Average number of faults per 100 circuit kilometres of prescribed voltage electric line targeted for the following financial year and the subsequent 4 financial years

11 kV overhead	4.6
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22 kV overhead	4.6
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33 kV overhead	2.3
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Total	4.2
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(a) Planned interruptions by Counties Power (Class B) (minutes)	55
---	----

(b) Unplanned interruptions originating within the works of Counties Power (Class C) (minutes)	135
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10. Average SAIDI targets for the following financial year and the subsequent 4 financial years

(a) Planned interruptions by Counties Power (Class B) (minutes)	52
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(b) Unplanned interruptions originating within the works of Counties Power (Class C) (minutes)	128
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13. SAIFI targets for the following financial year for

(a) Planned interruptions by Counties Power (Class B) (minutes)	0.3
---	-----

(b) Unplanned interruptions originating within the works of Counties Power (Class C) (minutes)	3.2
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14. Average SAIFI targets for the following financial year and the subsequent 4 financial years

(a) Planned interruptions by Counties Power (Class B) (minutes)	0.3
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(b) Unplanned interruptions originating within the works of Counties Power (Class C) (minutes)	3.06
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17. CAIDI targets for the following financial year for

(a) Planned interruptions by Counties Power (Class B) (minutes)	183
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(b) Unplanned interruptions originating within the works of Counties Power (Class C) (minutes)	42
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18. Average CAIDI targets for the following financial year and the subsequent 4 financial years

(a) Planned interruptions by Counties Power (Class B) (minutes)	173
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(b) Unplanned interruptions originating within the works of Counties Power (Class C) (minutes)	42
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9. SAIDI targets for the following financial year for

