

New Zealand Gazette

OF THURSDAY, 4 NOVEMBER 1999

WELLINGTON: FRIDAY, 5 NOVEMBER 1999 — ISSUE NO. 164

BULLER ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1999

BULLER ELECTRICITY LIMITED
trading as Buller Network

INFORMATION FOR DISCLOSURE

**Pursuant to the Electricity (Information Disclosure)
Regulations 1999**

August 31 1999

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER**

WE, Martin Sawyers and Frank Dooley, Directors of Buller Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-


- (a) The attached audited financial statements of Buller Electricity 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 Buller Electricity 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 are as at March 31 1998.

Dated this 13th day of October 1999.




M SAWYERS
 Director



F T DOOLEY
 Director

CERTIFICATION OF VALUATION REPORT OF LINE OWNERS

WE, Martin Sawyers and Frank Dooley, Directors of Buller Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-


- (a) The attached valuation report of Buller Electricity 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 Buller Electricity Limited is \$13,774,807; and
- (c) The Optimised Deprival Valuation of the line business system fixed assets of Buller Electricity Limited is \$13,204,594; and
- (d) The valuation of the line business assets of Buller Electricity Limited including system and non system fixed assets and net working capital, is \$13,359,692; and
- (e) The values in (b) and (c) have been prepared in accordance with the ODV Handbook.

These valuations are as at March 31 1998.

Dated this 13th day of October 1999.



M SAWYERS
 Director



F T DOOLEY
 Director

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED MARCH 31 1999**

	Line Business		1998 \$
	1999 \$	Note	
Operating Revenue	4,099,242	(10)	3,563,495
Operating Expenses	3,322,377	(10)	2,894,421
Surplus Before Taxation	776,865		669,074
Taxation	256,365	(6)	230,381
Net Surplus after Tax	520,500		438,693

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED MARCH 31 1999**

	Line Business		1998 \$
	1999 \$	Note	
Equity at Start of Year	4,617,031		4,373,244
Net Surplus for the Year	520,500		438,693
Increases in Revaluation Reserves	8,893,652		0
Total Recognised Revenues and Expenses for the Year	9,414,152		438,693
Reallocation of Equity (See below)	1,529,059		
Distribution to Owners during the Year	258,762		194,906
Equity at End of Year	15,301,480		4,617,031

Note: The allocation of equity between the lines business and other business activities has been revised. This has been done in accordance with the avoidable cost methodology as required by the Electricity Information Disclosure Handbook.

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31 1999**

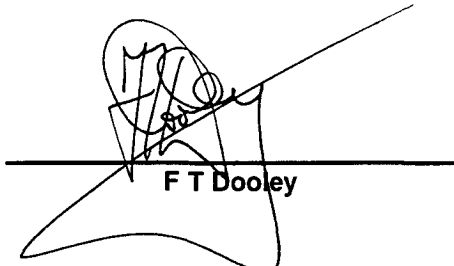
	Line Business		
	1999 \$	Note	1998 \$
Shareholders Equity			
Share Capital	4,964,358		3,573,579
Reserves	9,338,799	(8)	306,867
Retained Earnings	998,323		736,585
Total Equity	15,301,480		4,617,031
Represented by:			
Assets			
Current Assets			
Cash and Bank	1,467,166		54,381
Accounts Receivable and Prepayments	432,488	(4)	218,646
Tax Refund Due	368,005		11,533
	2,267,659		284,560
Non Current Assets			
Long Term Investments	154,151		132,443
Fixed Assets	13,551,031	(9)	4,689,625
	13,705,182		4,822,068
Total Assets	15,972,841		5,106,628
Liabilities			
Current Liabilities			
Accounts Payable	258,506	(5)	246,401
Deferred Tax	154,093		107,317
Provision for Dividend	258,762		135,879
Total Liabilities	671,361		489,597
Net Assets	15,301,480		4,617,031

For and on Behalf of the Board

Directors:



 M Sawyers



 F T Dooley

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31 1999**

	1999 \$	Note
Cash Flows from Operating Activities		
Cash was provided from:		
Receipts from customers	3,828,872	
Interest received	12,473	
	<u>3,841,345</u>	
Cash was disbursed to:		
Payment to Employees	242,957	
Payments to Suppliers	2,384,900	
Interest Paid	139	
Income Tax Paid	566,061	
Net GST Movement	19,433	
	<u>3,213,490</u>	
Net cash inflow from operating activities	<u>627,855</u>	(11)
Cash Flows from Investing Activities		
Cash was provided from:		
Sale of Fixed Assets	10,667	
	<u>10,667</u>	
Cash was applied to:		
Purchase of investments	21,708	
Purchase of fixed assets	597,209	
	<u>618,917</u>	
Net cash outflows from investing activities	<u>(608,250)</u>	
Cash Flow from Financing Activities		
Cash was applied to:		
Payment of dividend	135,879	
Net cash outflow from financing activities	<u>(135,879)</u>	
Net increase in cash held	(116,274)	
Add opening cash brought forward	54,381	
Reallocation of opening cash	1,529,059	
Closing cash balance	<u>1,467,166</u>	
End of year balance represented by:		
Bank and Short Term Deposits	1,467,166	
	<u>1,467,166</u>	

The accompanying notes form part of these financial statements

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**Notes to and forming part of the Financial Statements****1. STATEMENT OF ACCOUNTING POLICIES**

Buller Electricity Limited is a public company registered under the Companies Act 1993. These financial statements have been prepared for the purpose of complying with the requirements of the Electricity [Information Disclosure] Regulations 1999 and are intended for no other purpose.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of financial performance, financial position, movements in equity and cashflows under the historical cost method as modified by the revaluation of certain assets have been followed in the preparation of these statements.

SPECIFIC ACCOUNTING POLICIES

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

(a) Revenue

Line charges are recognised as actual amounts invoiced during the period together with an accrual for the estimated value of unread meters and unbilled line charges at balance date. Contributions received from customers towards the cost of reticulating subdivisions and constructing line extensions are recognised as revenue in the year received.

(b) Fixed Assets

The distribution system assets were revalued by PriceWaterhouseCoopers, an independent valuer to Optimised Deprival Value [ODV] basis as at April 1 1998. Subsequent additions to the distribution network are recorded at cost. Other assets associated with energy trading have been revalued by Coast Valuations Limited as at April 1 1998 and subsequent additions are recorded at cost.

Land and buildings have been revalued by Coast Valuations Limited, an independent registered valuer as at March 31 1997 in accordance with the New Zealand Institute of Valuers Asset Valuation Standards at net current value.

(c) Accounts Receivable

Accounts receivable are stated at their estimated net realisable value. All known bad debts have been written off during the year.

(d) Depreciation

Depreciation is provided on a straight line basis so as to write off the cost of the fixed assets to their expected residual value over their estimated useful lives as follows:

Freehold Buildings	40 – 50 years
Distribution System	3 – 60 years
Other	3 – 10 years

Depreciation has been charged on a monthly basis on assets acquired and which became operational during the month.

(e) Income Tax

The income tax expense charged to the statement of financial performance is the estimated liability in respect of the profit for the year and is calculated after allowance for permanent differences. The company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised if there is virtual certainty of realisation.

(f) Investments

Investments are stated at cost.

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**STATEMENT OF ACCOUNTING POLICIES (Continued)****(g) Changes in Accounting Policies**

This is the first year that distribution and some other assets have been recorded at valuation rather than cost. The effect of this change is to increase fixed assets and equity by \$8,893,652.

Other than the revaluation there has been no other material changes in accounting policies and have been applied on bases consistent with those used in previous years.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Line Business		
	1999 \$	Note	1998 \$
2. Auditors Remuneration			
Accounts payable or due and payable to the Auditor for auditing financial statements	23,200		22,020
3. Directors Remuneration			
Remuneration paid to directors	45,500		42,350
4. Accounts Receivable			
Line Charges	427,272		234,686
Provision for Doubtful Debts	0		(17,443)
Accrued Interest	5,216		1,403
	432,488		218,646
5. Accounts Payable			
Trade Creditors	161,836		126,708
Staff Entitlements	6,255		51,761
Other Accruals	90,415		67,932
	258,506		246,401
6. Taxation			
Surplus Before Taxation	776,865		669,074
Income Tax at 33¢	256,365		220,794
Plus Permanent Differences Tax Effect	0		9,587
Tax Expense as per Statement of Financial Performance	256,365		230,381
Comprising			
Current Tax	209,589		183,230
Deferred Tax	46,776	(7)	47,151
	256,365		230,381
7. Deferred Taxation			
Deferred Tax April 1	(107,317)		(60,166)
(Less) Plus Deferred Tax Movement	(46,776)	(6)	(47,151)
Deferred Tax Balance March 31	(154,093)		(107,317)

The accompanying notes form part of these financial statements

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	Line Business	
	1999 \$	1998 \$
8. Reserves		
Share Premium Reserve	255,795	207,194
Revaluation Land and Buildings	189,351	99,673
Revaluation Distribution System	8,859,603	0
Revaluation Other Assets	34,050	0
	<u>9,338,799</u>	<u>306,867</u>
9. Fixed Assets		
Land (at valuation)	<u>8,222</u>	<u>8,222</u>
Buildings (at valuation)	183,247	216,247
Accumulated Depreciation	<u>(7,071)</u>	<u>7,632</u>
	<u>176,176</u>	<u>208,615</u>
Distribution System	13,544,520	7,301,956
Accumulated Depreciation	<u>(605,985)</u>	<u>(3,214,571)</u>
	<u>12,938,535</u>	<u>4,087,385</u>
Metering & Load Control Equipment	295,077	642,814
Accumulated Depreciation	<u>(29,349)</u>	<u>305,751</u>
	<u>265,728</u>	<u>337,063</u>
Plant & Equipment (at cost)	110,930	3,055
Accumulated Depreciation	<u>(47,405)</u>	<u>1,922</u>
	<u>63,525</u>	<u>1,133</u>
Customer Billing and Information Systems	109,988	34,149
Accumulated Depreciation	<u>(59,415)</u>	<u>16,232</u>
	<u>50,573</u>	<u>17,917</u>
Motor Vehicles (at cost)	66,178	41,938
Accumulated Depreciation	<u>(17,906)</u>	<u>12,648</u>
	<u>48,272</u>	<u>29,290</u>
Total Fixed Assets	<u>13,551,031</u>	<u>4,689,625</u>

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**10. Disclosure of Information to be Disclosed in Financial Statements under regulation 6 of the Electricity (Information Disclosure) Regulations 1999 Part 2 of Schedule 1**

	1999	1998
	\$	\$
(i) Current Assets		
(a) Bank, cash, short-term investments	1,467,166	54,381
(b) Trade Debtors	427,271	217,243
(c) Other Debtors	5,217	1,403
(d) Prepayments	0	0
(e) Electricity hedges	0	0
(f) Other current assets not listed in (a) to (e)	368,005	11,533
(g) Total current assets	2,267,659	284,560
(ii) Fixed Assets		
(a) System fixed assets	12,945,559	4,119,828
(b) Centralised load control equipment	257,952	262,598
(c) Customer billing and information system assets	50,573	17,917
(d) Motor vehicles	48,272	29,290
(e) Office equipment	62,543	52
(f) Land & buildings	184,398	216,837
(g) Capital works under construction	0	0
(i) Subtransmission assets (transfer payments)	754	0
(ii) Zone substations (transfer payments)	0	0
(iii) Distribution lines & cables (transfer payments)	0	42,022
(iv) Medium voltage switchgear (transfer payments)	0	0
(v) Distribution transformers (transfer payments)	0	0
(vi) Distribution substations (transfer payments)	0	0
(vii) Low voltage lines and cables (transfer payments)	0	0
(viii) Other system fixed assets (transfer payments)	0	0
(h) Other fixed assets not listed in (a) to (g)	980	1,081
(i) Total fixed assets	13,551,031	4,689,625
(j) Other tangible assets not listed above	154,151	132,443
(iii) Total Intangible Assets	15,972,841	5,106,628
(a) Goodwill	0	0
(b) Other intangible not listed in (a)	0	0
(c) Total intangible	0	0
(iv) Total Assets	15,972,841	5,106,628
(v) Current Liabilities		
(a) Accounts payable	161,836	126,708
(b) Accrued payroll	6,255	2,318
(c) Other accruals	90,415	117,375
(d) Dividend provision	258,762	135,879
(e) Electricity hedges	0	0
(f) Other current liabilities not listed in (a) to (e)	154,093	107,317
(g) Total current liabilities	671,361	489,597
(vi) Funding		
(a) Long term debt	0	0
(b) Equity	15,301,480	4,617,031
(c) Other funding not listed in (a) or (b)	0	0
(d) Total funding	15,301,480	4,617,031
(vii) Total Equity and Liabilities (Total Assets)	15,972,841	5,106,628

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	1999	1998
	\$	\$
(viii) Revenue		
(a) Revenue from line/access charges		
(i) Invoiced to consumers by electricity retailer	1,265,757	3,317,793
(ii) Invoiced to consumers by line owner	2,600,758	0
(b) "Other" business (for services)	7,128	9,375
(c) Income from interest on short term investments	16,287	9,351
(d) AC loss rental rebates	107,778	92,451
(e) Electricity hedges	0	134,525
(f) Other revenue not listed in (a) to (e)	101,534	0
(g) Total revenue	4,099,242	3,563,495
(ix) Expenditure		
(a) Transmission charges	1,383,347	1,307,552
Transfer payments to "Other" business		
(b) Asset maintenance	494,607	524,076
(c) Consumer disconnections and reconnections	1,413	1,354
(d) Meter data	1,987	0
(e) Consumer based load control	27,164	1,655
(f) Avoided transmission charges for own generation	0	0
(g) Other goods and services	3,791	24,322
Payment to non related entities		
(h) Asset maintenance	34,423	0
(i) Consumer disconnections and reconnections	0	0
(j) Meter data	0	0
(k) Consumer based load control	0	0
(l) Employee salaries and redundancies	246,894	106,806
(m) Consumer billing and information system expense	9,541	15,938
(n) Depreciation expense on system fixed assets	434,559	321,203
(o) Depreciation on capital works under construction	0	0
(p) Other depreciation expense	65,576	20,259
(q) Corporate and administration	74,957	347,911
(r) Total other human resource expenses	35,191	23,932
(s) Marketing and advertising	13,651	5,044
(t) Merger and acquisition expenses	0	0
(u) Takeover defence expenses	0	0
(v) Research and development expenses	0	0
(w) Consultancy and legal expenses	115,287	50,661
(x) Electricity hedges	0	0
(y) Amortised goodwill	0	0
(z) Subvention payments	0	0
(za) Other expenditure not listed in (a) to (z)	379,850	143,657
(zb) Total Expenditure	3,322,238	2,894,370
(x) Earnings before interest and tax	777,004	669,125
(xi) Interest Expenses	139	51
(xii) Taxation Expense	256,365	230,381
(xiii) Net Profit After Tax	520,500	438,693

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

11. Reconciliation of Net Cash Flow from Operating Activities with Reported Net Surplus	1999
Net Surplus after Tax	520,500
Add back non cash items:	
Depreciation	500,135
Deferred Tax Liability Increase (Decrease)	46,776
Vested Assets	<u>(82,896)</u>
	464,015
Add (Less) movements in Working Capital	
Decrease (Increase) in Accounts Receivable	(213,842)
(Decrease) Increase in Accounts Payable	12,106
(Decrease) Increase in Taxation Receivable	<u>(356,472)</u>
	(558,208)
Plus (Less) Items Classified as Investing Activity	
Net (Gain) Loss on Sale / write off of Fixed Assets	<u>201,548</u>
Net Operating Cashflow	<u>627,855</u>

12. Segment Reporting

The company operates within the electricity industry. All its core functions take place within New Zealand and in the Buller region conveying electricity and managing and operating assets of the lines business.

13. Related Party Transactions and Disclosures

The related parties of Buller Electricity Limited are the Buller Electric Power Trust and Buller Energy Limited.

- i) The company is 100% owned by the Buller Electric Power Trust. During the year the company:
- paid the Trust \$160,000 as a dividend compared to \$138,000 the previous year
 - charged the Trust \$3,836 for administration costs associated with the triennial trustee elections
- ii) All directors are customers of Buller Electricity and supply is provided to them under standard terms and conditions.
- iii) Buller Electricity Limited purchased line construction and maintenance services at retail chargeout rates amounting to \$1,339,536 from its contracting division Powerbuild for the period April 1 1998 to March 31 1999. At year end there were no outstanding balances for related parties and no debts were written off or forgiven during the year.
- | | | |
|---|---------|---------|
| (a) Construction of subtransmission assets | 3,298 | 9,801 |
| (b) Construction of zone substations | 145,440 | 292,039 |
| (c) Construction of distribution lines and cables | 314,283 | 140,562 |
| (d) Construction of medium voltage switchgear | 31,627 | 417 |
| (e) Construction of distribution transformers | 42,232 | 94,110 |
| (f) Construction of distribution substations | 52,981 | 0 |
| (g) Construction of low voltage reticulation | 54,893 | 11,707 |
| (h) Construction of other system fixed assets | 1,574 | 0 |
| (i) Maintenance of assets | 494,607 | 0 |
| (j) Consumer connections and disconnections | 1,413 | 0 |

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**14. Financial Instruments****Credit Risk**

- i) In the normal course of business the company incurs credit risks being cash, bank deposits and debtors transactions with consumers and financial institutions.
- ii) The company has a credit policy evaluating all customers requiring credit to manage the debtors risk and has made a provision for debtors that are unlikely to be collected.
- iii) The company also requires a bond or a guarantee from consumers.
- iv) The company does not have any significant concentration of credit risks. It does not require any security to support investments as it only banks with those institutions that have high credit ratings.
- v) The company has a policy that minimises its credit exposure by limiting the amount of cash and short term investments placed with any one financial institution at any one time.
- vi) The directors consider that the carrying amount of financial instruments in the balance sheet equal their fair value.

15. Commitments and Contingent Liabilities**Contingent Liability**

There are no contingent liabilities at balance date. (1998 \$ Nil)

Commitments

There are no commitments at balance date. (1998 \$ Nil)

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**Performance Measures Year Ended March 31 1999**

Disclosure of Performance Measures as required by Regulations 15, 16, 21, and 22
of the Electricity (Information Disclosure) Regulations 1999

	1999	1998	1997	1996
1. Financial Performance Measures				
[a] Return on Funds	5.47%	6.19%	2.40%	2.52%
[b] Return on Equity	3.63%	4.41%	1.45%	2.12%
[c] Return on Investment	96.46%	7.26%	1.63%	2.32%
2. Efficiency Performance Measures				
[a] Direct Line Costs per Kilometre	\$1,565	\$1,222	\$1,454	\$1,108
[b] Indirect Line Costs per Customer	\$127	\$169	\$189	\$175
3. Energy Delivery Performance Measures				
[a] Load Factor	65.39%	64.66%	70.92%	67.16%
[b] Loss Ratio	3.40%	4.32%	4.03%	4.41%
[c] Capacity Utilisation	59.2%	62.3%	60.4%	63.0%
4. Statistics				
[a] System Length				
Circuit Kilometres 33kV	111.31	111.31	111.30	111.30
Circuit Kilometres 11kV	332.82	332.82	330.35	330.06
Circuit Kilometres 230/400V	130.14	130.14	126.83	126.83
Total	574.27	574.27	568.48	568.19
[b] System Length Overhead				
Circuit Kilometres 33kV	111.31	111.31	111.30	111.30
Circuit Kilometres 11kV	330.11	330.11	328.70	328.41
Circuit Kilometres 230/400V	119.25	119.25	116.33	116.33
Total	560.67	560.67	556.33	556.04
[c] System Length Underground				
Circuit Kilometres 11kV	2.71	2.71	1.65	1.65
Circuit Kilometres 230/400V	10.89	10.89	10.50	10.50
Total	13.60	13.60	12.15	12.15
[d] Transformer Capacity in Kilovolt Amperes	26,640	25,930	24,565	25,045
[e] Maximum Demand in Kilowatts	15,818	16,150	14,844	15,781
[f] Total Electricity Supplied from the System in kWh	90,609,887	91,472,062	92,223,142	92,849,233
[g] Total Electricity Conveyed on behalf of a Electricity Retailer	87,519,601	87,525,038	88,284,057	88,788,774
[h] Total Customers	4,243	4,250	4,238	4,238

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000	1999	1998	1997	1996
5. Reliability Performance Measures					
1. Total Number of Interruptions		107	134	103	184
Class A - Planned by Transpower		0	0	0	0
Class B - Planned by Line Owner		51	36	34	38
Class C - Unplanned by Line Owner		56	97	64	144
Class D - Unplanned by Transpower		0	1	4	2
Class E - Unplanned by ECNZ		0	0	0	0
Class F - Unplanned by other generator		0	0	0	0
Class G - Any Other Loss of Supply		0	0	1	0
2. Interruption Targets for 1999/2000					
Class B - Planned by Line Owner	45				
Class C - Unplanned by Line Owner	65				
3. Average Interruption Targets for the 1999/2000 and subsequent four financial years					
Class B - Planned by Line Owner	45	45	41	37	37
Class C - Unplanned by Line Owner	65	65	65	65	65
4. The Proportion of Class C Interruptions not restored within					
3 Hours	25%				
24 Hours	0%				
5. The total number of faults per 100 circuit kilometres of prescribed voltage electric line					
[a] 11kV		24.32	29.95	22.18	32.38
[b] The total number of faults targeted for 1999/2000	65				
[c] The average total number of faults for 1999/2000 and subsequent four financial years	65	65	65	65	65
6. The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line	0	0	0	0	0
7. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line					
33kV		4.5	30.13	22.27	33.09
11kV		15.55	2.70	8.08	0.00
8. The SAIDI for the total number of interruptions		381.50	369.80	597.10	649.91
9. SAIDI targets for 1999/2000					
Class B - Planned by Line Owner	130				
Class C - Unplanned by Line Owner	250				
10. Average SAIDI targets for 1999/2000 and the subsequent four financial years					
Class B - Planned by Line Owner	125	125	120	115	115
Class C - Unplanned by Line Owner	250	250	250	250	250

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000	1999	1998	1997	1996
11. The SAIDI for the total number of interruptions within each interruption class					
Class A - Planned by Transpower		0	0	0	0
Class B - Planned by Line Owner		147.88	123.16	210.19	397.08
Class C - Unplanned by Line Owner		233.63	201.61	265.89	211.0
Class D - Unplanned by Transpower			45.03	121.00	41.83
Class E - Unplanned by ECNZ		0	0	0	0
Class F - Unplanned by other generator		0	0	0	0
Class G - Any Other Loss of Supply		0	0	0.02	0
12. The SAIFI for the total number of interruptions		3.30	4.90	7.41	3.81
13. SAIFI Targets for 1999/2000					
Class B - Planned by Line Owner	0.86				
Class C - Unplanned by Line Owner	2.30				
14. Average SAIFI targets for 1999/2000 and the subsequent four financial years					
Class B - Planned by Line Owner	0.83	0.83	0.80	0.78	0.78
Class C - Unplanned by Line Owner	2.30	2.30	2.30	2.30	2.30
15. The SAIFI for the total number of interruptions within each Interruption Class					
Class A - Planned by Transpower		0	0	0	0
Class B - Planned by Line Owner		0.91	0.79	0.82	1.66
Class C - Unplanned by Line Owner		2.39	3.11	2.59	1.15
Class D - Unplanned by Transpower		0	1.00	4.00	1.00
Class E - Unplanned by ECNZ		0	0	0	0
Class F - Unplanned by other generator		0	0	0	0
Class G - Any Other Loss of Supply		0	0	0	0
16. The CAIDI for the total of all interruptions		115.7	75.50	80.63	170.41
17. CAIDI targets for 1999/2000					
Class B - Planned by Line Owner	160				
Class C - Unplanned by Line Owner	97				
18. Average CAIDI targets for 1999/2000 and the subsequent four financial years					
Class B - Planned by Line Owner	160	160	160	160	160
Class C - Unplanned by Line Owner	97	97	97	97	97
19. The CAIDI for the total number of interruptions within each Interruption Class					
Class A - Planned by Transpower		0	0	0	0
Class B - Planned by Line Owner		163.14	156.41	256.79	239.04
Class C - Unplanned by Line Owner		97.68	64.83	102.83	183.05
Class D - Unplanned by Transpower		0	45.0	30.25	41.83
Class E - Unplanned by ECNZ		0	0	0	0
Class F - Unplanned by other generator		0	0	0	0
Class G - Any Other Loss of Supply		0	0	10.0	0.0

Derivation Table	Symbol in formula	Input Column	Calculations	ROF	ROE	ROI
Earnings before interest and tax (EBIT)	a	777,004		777,004	N/A	777,004
Net profit after tax (NPAT)	n	520,500		N/A	520,500	N/A
Amortised Goodwill	g	0		add 0	add 0	add 0
Subvention Payment	s	0		add 0	add 0	add 0
Depreciation of SFA at BV	d	434,559		add 434,559	add 434,559	add 434,559
Depreciation of SFA at ODV	d	434,559		deduct 434,559	deduct 434,559	deduct 434,559
ODV Depreciation tax adjustment	b	0		N/A	deduct 0	deduct 0
Subvention Payment tax adjustment	b	0	s*t	N/A	deduct 0	deduct 0
Interest Tax Shield	q	46		N/A	N/A	deduct 46
Revaluations	r	8,893,652		N/A	N/A	add 8,893,652
Income tax	p	256,365		N/A	N/A	deduct 256,365
Numerator (as adjusted)		No entry		= a + g + s + d	= n + g + s - s*t + d - b	= a + g - q + r + s + d - p - s*t - b
				777,004	520,500	9,414,245
Fixed Assets at year beginning (FA ₀)		4,689,625		4,689,625	N/A	4,689,625
Fixed Assets at year end (FA ₁)		13,551,031		add 13,551,031	N/A	add 13,551,031
Net Working Capital at year beginning (NWC ₀)		-205,037		add -205,037	N/A	add -205,037
Net Working Capital at year end (NWC ₁)		1,596,298		add 1,596,298	N/A	add 1,596,298
Average total funds employed (ATFE)	c	No entry	= (FA ₀ + FA ₁ + NWC ₀ + NWC ₁)/2	divide by 2	9,815,959	divide by 2
Total Equity at year beginning (TE ₀)		4,617,031		N/A	4,617,031	N/A
Total Equity at year end (TE ₁)		15,301,480		N/A	add 15,301,480	N/A
Average total equity	k	No entry	= (TE ₀ + TE ₁)/2	N/A	divide by 2	9,959,256
WUC at year beginning (WUC ₀)		42,022		42,022	42,022	42,022
WUC at year end (WUC ₁)		754		add 754	add 754	add 754
Average total Works under Construction	e	No entry	= (WUC ₀ + WUC ₁)/2	divide by 2	21,388	divide by 2
Revaluations	r	8,893,652		N/A	N/A	8,893,652
Goodwill asset at year beginning (GW ₀)		0		N/A	0	N/A
Goodwill asset at year end (GW ₁)		0		N/A	add 0	N/A
Average Goodwill asset	m	No entry	= (GW ₀ + GW ₁)/2	N/A	divide by 2	0
Subvention payment at year beginning (S ₀)		0		N/A	0	N/A
Subvention payment at year end (S ₁)		0		N/A	add 0	N/A
Subvention payment tax adjustment at year beginning		0	= S ₀ *t	N/A	deduct 0	N/A
Subvention payment tax adjustment at year end		0	= S ₁ *t	N/A	deduct 0	N/A
Average subvention payment & related tax adjustment	v	No entry	= (S ₀ + S ₁ + S ₀ *t + S ₁ *t)/2	N/A	deduct 0	N/A
					divide by 2	0
System Fixed assets at year beginning at book value (SFA _{b,0})		4,382,426		4,382,426	4,382,426	4,382,426
System Fixed assets at year end at book value (SFA _{b,1})		13,203,511		add 13,203,511	add 13,203,511	add 13,203,511
Average value of system fixed assets at book value	f	No entry	= (SFA _{b,0} + SFA _{b,1})/2	divide by 2	8,792,969	divide by 2
System Fixed assets at year beginning at ODV value (SFA _{o,0})		13,204,594		add 13,204,594	add 13,204,594	13,204,594
System Fixed assets at year end at ODV value (SFA _{o,1})		13,203,511		add 13,203,511	add 13,203,511	add 13,203,511
Average value of system fixed assets at ODV value	h	No entry	= (SFA _{o,0} + SFA _{o,1})/2	divide by 2	13,204,053	divide by 2
Denominator (as adjusted)				= c - e - f + h	= k - e - m + v - f + h	= c - e - 1/2r - f + h
				14,205,655	14,348,952	9,758,829
Financial Performance Measure:				EBIT ^{ADJ} /ATFE ^{ADJ} x 100/1 =	NPAT ^{ADJ} /ATE ^{ADJ} x 100/1 =	EBIT ^{ADJ} /ATFE ^{ADJ} x 100/1 =
				5.47%	3.63%	96.47%

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



Audit New Zealand

AUDITOR'S REPORT TO THE READERS OF THE FINANCIAL STATEMENTS OF BULLER ELECTRICITY LIMITED

We have audited the accompanying financial statements of Buller Electricity Limited. The financial statements provide information about the past financial performance of Buller Electricity Limited and its financial position as at 31 March 1999. This information is stated in accordance with the accounting policies set out on pages 5 and 6.

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 Buller Electricity Limited as at 31 March 1999 and the results of its operations and cash flows for the year then ended.

Auditor's Responsibilities

It is the responsibility of the Audit Office to express an independent opinion on the financial statements presented by the Directors and report its opinion to you.

The Controller and Auditor-General has appointed J L Palmer, 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 and performance information. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Buller Electricity Limited 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 and Auditor-General, we have no relationship with or interests in Buller Electricity Limited.

Qualified Opinion – Comparative Figures Omitted

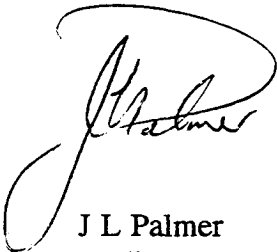
Paragraph 2.18 of the Electricity Information Disclosure Handbook issued by the Ministry of Commerce permits energy companies to exclude comparative figures where disclosures are made for the first time for the current disclosure year. Buller Electricity Limited has taken advantage of this exemption and has not disclosed comparative figures in these circumstances. To this extent, the financial statements of Buller Electricity 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 Buller Electricity Limited as far as appears from our examination of those records; and
- except for the omission of comparative figures referred to above, the financial statements referred to above;
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of Buller Electricity Limited 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 18 October 1999 and our opinion is expressed as at that date.



J L Palmer
Audit New Zealand
On behalf of the Controller and Auditor-General
Christchurch, New Zealand



Audit New Zealand

CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

I 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 the 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 Buller Electricity Limited and dated 13 October 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.

J L Palmer
Audit New Zealand
On behalf of the Controller & Auditor-General
Christchurch, New Zealand
18 October 1999

