

# New Zealand Gazette

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## WESTPOWER LIMITED

### INFORMATION FOR DISCLOSURE


PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1999

**Regulation 32(2)**  
**Certification of Financial Statements, Performance Measures and statistics disclosed by line owners other than Transpower**


We, Robert Caldwell and Hugh Little, directors of Westpower Limited certify that, having made all reasonable inquiry, to the best of our knowledge:

- (a) the attached audited financial statements of Westpower Limited prepared for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of that regulation; 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 Westpower Limited and having been prepared for the purposes of Regulations 15, 16, 21 and 22 of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of those regulations.

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



Robert Caldwell



Hugh Little

28 October 1999

**REGULATION 6****WESTPOWER LIMITED****STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 1999**

	Note	1999	1998
		\$ '000	\$ '000
<b>Total Revenue</b>		12,001	11,903
<b>Less Special Discount</b>		1,098	562
	1	<u>10,903</u>	<u>11,341</u>
<b>Less Expenses:</b>			
<b>Maintenance and Operations</b>		5,730	6,915
<b>Administration and General Expenses</b>		<u>1,478</u>	<u>1,419</u>
<b>Total Expenses</b>	2	7,208	8,334
<b>Earnings before interest and tax</b>		3,695	3,007
<b>Interest</b>	2	<u>955</u>	<u>583</u>
<b>Net Surplus Before Income Tax</b>		2,740	2,424
<b>Income Tax</b>	3	<u>377</u>	<u>314</u>
<b>Net Surplus after Income Tax</b>		<u>2,363</u>	<u>2,110</u>

*The accompanying notes form part of and are to be read in conjunction with these financial statements*

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

	1999	1998
	\$ '000	\$ '000
<b>EQUITY AT BEGINNING OF THE YEAR</b>	31,412	29,373
<b>Transfer of Meters to 'Other Business'</b>	-3,149	0
<b>Adjusted Opening Equity</b>	<u>28,263</u>	<u>29,373</u>
<b>Net surplus for the period</b>	2,363	2,110
<b>Revaluation of Assets</b>	<u>15,300</u>	<u>0</u>
<b>Total recognised revenues and expenses</b>	17,663	2,110
<b>Impact of Sale of Energy/Generation</b>	-6,281	0
<b>Dividends - Ordinary Shares</b>	75	55
<b>Dividends - Preference Shares</b>	<u>22</u>	<u>16</u>
<b>EQUITY AT END OF THE YEAR</b>	6      39,548	31,412

*The accompanying notes form part of and are to be read in conjunction with these financial statements*

## WESTPOWER LIMITED

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 1999

		Note	1999	1998
			\$ '000	\$ '000
<b>1</b>	<b>CURRENT ASSETS:</b>			
(a)	Bank & Cash		2,687	-1,733
	Debtors		0	790
(b)	Trade Debtors		717	0
(c)	Other Debtors		287	-67
(d)	Prepayments		0	0
(e)	Electricity hedges		0	0
(f)	Other Current Assets		93	0
			<hr/>	<hr/>
(g)	<b>TOTAL CURRENT ASSETS</b>		3,784	-1,010
<b>2</b>	<b>FIXED ASSETS</b>	<b>4</b>	51,688	37,912
	<b>INVESTMENTS</b>		414	94
			<hr/>	<hr/>
<b>3</b>	<b>TOTAL TANGIBLE ASSETS</b>		55,886	36,996
	<b>INTANGIBLE ASSETS:</b>			
(a)	Goodwill assets		0	0
(b)	Other Intangibles		0	0
			<hr/>	<hr/>
(c)	<b>TOTAL INTANGIBLES</b>		0	0
<b>4</b>	<b>TOTAL ASSETS</b>		55,886	36,996
<b>5</b>	<b>CURRENT LIABILITIES:</b>			
(a)	Accounts Payable		3,163	977
(b)	Accrued Payroll		0	0
(c)	Other Accruals		260	143
(d)	Dividend Provision		97	57
(e)	Electricity hedges		0	0
(f)	Other current liabilities		0	0
			<hr/>	<hr/>
			3,520	1,177
<b>6</b>	<b>FUNDING</b>			
(a)	Long-term debt	<b>5</b>	12,752	4,265
(b)	Equity	<b>6</b>	39,548	31,412
(c)	Other Funding		66	142
			<hr/>	<hr/>
			52,366	35,819
<b>7</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		55,886	36,996
			<hr/> <hr/>	<hr/> <hr/>

**WESTPOWER LIMITED****STATEMENT OF CASH FLOWS**

For the Year ended 31 March 1999

	Note	1999
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\$

**CASH FLOWS FROM OPERATING ACTIVITIES***Cash was provided from:*

Receipts from Customers		11,864
Interest Received		98
		<u>11,962</u>

*Cash was applied to:*

Payments to Suppliers & Employees		6,122
Interest Paid		848
Income Tax Paid		537
GST Paid		-113
		<u>7,394</u>

<b>Net cash inflows/(outflows) from operating activities</b>	<b>10</b>	<b>4,568</b>
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**CASH FLOWS FROM INVESTING ACTIVITIES***Cash was provided from:*

Sale of Fixed Assets		0
Sale of Customer Contracts (Intangibles)		0
		<u>0</u>

*Cash was applied to:*

Purchase of Fixed Assets		1,399
Purchase of Investments		9
		<u>1,408</u>

<b>Net cash inflows/(outflows) from investing activities</b>		<b>-1,408</b>
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**WESTPOWER LIMITED****STATEMENT OF CASH FLOWS (cont'd)**

For the Year ended 31 March 1999

	Note	1999 \$
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Term Loan		0
		<u>0</u>
<i>Cash was applied to:</i>		
Repayment of Loan		1,742
Dividends paid/Advance West Coast Electric Power Trust		240
		<u>1,982</u>
<b>Net cash inflows/(outflows) from financing activities</b>		<b>-1,982</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		
Cash at beginning of the year		1,178
Reallocation of cash from 'other' business		-1,733
		<u>3,242</u>
<b>CASH AT END OF THE YEAR</b>		<b><u>2,687</u></b>
<b>CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION</b>		
Bank and Cash		<u>2,687</u>

# WESTPOWER LIMITED

## STATEMENT OF ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 MARCH 1999

These financial statements have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1999.

The measurement base adopted is that of historical cost except for the revaluation of some fixed assets.

(a) **Network Charges**

Income from Network Charges includes an estimated amount for accrued sales from meters unread as at 31 March 1999.

(b) **Investments**

Sinking Fund Investments are shown at cost plus accumulated interest.

Other Investments are stated at cost.

Interest income is accounted for as earned.

(c) **Fixed Assets and Depreciation**

The Distribution System has been revalued to Optimised Deprival Value at 31 March 1999. The revaluation was conducted by PricewaterhouseCoopers in conjunction with Worley Consultants, Registered Valuers.

Expenditure on distribution assets (excluding Haast Electricity Limited) relating to increases in capacity or enhancements of the network is treated as additions which are included at cost. Expenditure on maintaining the operating capability of the network in accordance with the Asset Management Plan is charged as an operating cost.

No depreciation is charged on distribution assets because the network is required to be maintained in perpetuity and therefore has an extremely long economic life, so the directors consider depreciation is insignificant.

The distribution assets of Haast Electricity Limited are depreciated at the following rate which writes off the cost of the assets over their expected economic lives.

Distribution System	2.5% CP
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Leasehold land is valued at the lessee's interest in the Government Valuation as at 1 September 1997.



All other fixed assets are valued at cost less accumulated depreciation where applicable.

- (i) **Distribution Assets** (excluding Haast Electricity Limited) are being accounted for using renewal accounting.

The distribution assets of Haast Electricity Limited are depreciated at the following rate which writes off the cost of the assets over their expected economic lives.

Distribution System	2.5%CP
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- (ii) **Other Assets** as listed below are depreciated using rates which write off the cost or valuation of the fixed assets over their expected economic lives as below:

Buildings	1.0% to 4% CP
Motor Vehicles	18.0 to 31.2% DV
Plant and equipment	10% to 50% DV
Furniture and fittings including computers	20% to 48% DV

- (d) **Debtors**

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

- (e) **Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences and timing differences not expected to reverse in future periods. This is the partial 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.

- (f) **Goods and Services Tax**

All items in the financial statements are net of Goods and Services Tax except for Debtors and Creditors which are shown in the Statement of Financial Position inclusive of GST.

(g) **Financial Instruments**

Westpower and its subsidiaries are party to financial instrument arrangements as part of everyday operations. These instruments include bank accounts, debtors, creditors, borrowings and interest rate swaps.

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

All financial instruments are recognised in the Statement of Financial Position, with the exception of contingent liabilities and interest rate swaps which are disclosed by way of a note to the financial statements.

(h) **Provision for Retiring Gratuities**

The provision for Retiring Gratuities has been calculated on an actuarial basis. This actuarial valuation was conducted by Aon Consulting New Zealand Limited, Actuaries as at 31 March 1999.

(i) **Changes in Accounting Policies**

There have been no changes in accounting policies. They have been applied on a consistent basis with previous years.

**REGULATION 6****WESTPOWER LIMITED****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the year ended 31 March 1999

<b>NOTE 1. REVENUE</b>	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>
Line/access charges via Independent Retailers	714	
Special Discount via Independent Retailers	-187	
Line/access charges to Own Consumers	10,806	
Special Discount to Own Customers	-911	
Interest on short-term investments	98	
AC loss-rental rebates	160	
Other	223	
<b>TOTAL REVENUE</b>	<u>10,903</u>	<u>11,341</u>
<b>NOTE 2. EXPENSES</b>		
Transmission Charges	1,872	
Transfer Payments to "Other" business:		
Asset Maintenance	2,894	
Consumer disconnections and reconnections	0	
Provision of meter data	0	
Consumer-based load control	0	
Other		
Transfer Payments re avoided transmission charges	900	
Charges from non-related entities:		
Asset Maintenance	64	
Consumer disconnections and reconnections	0	
Provision of meter data	0	
Consumer-based load control	0	
Employee salaries & redundancies	487	
Consumer billing and information system expense	25	
Depreciation on system fixed assets	33	
Depreciation on capital works under construction	0	
Total depreciation	169	
Corporate and administration	419	
Other Human Resource expense	57	
Marketing/Advertising	1	
Merger and acquisition expenses	0	
Takeover defence expenses	0	
Research and development expenses	0	
Consultancy and legal expenses	156	
Electricity Hedges	0	
Amortised goodwill	0	
Subvention payments	0	
Other expenditure	164	
Interest Expense	955	
<b>TOTAL EXPENDITURE</b>	<u>8,163</u>	

**NOTE 3. INCOME TAX**

	1999	1998
	\$'000	\$'000
<b>INCOME TAX EXPENSE</b>		
Net Surplus before Income Tax	2,740	2,424
Taxation thereon at 33%	904	800
Tax effect of permanent differences	35	-34
Taxation adjustment previous year	-2	-23
Timing differences not recognised	-560	-429
<b>Income Tax attributable to Operating Surplus</b>	<u>377</u>	<u>314</u>
<b>Comprising</b>		
Current Tax Provision	379	337
Over provision in prior year	-2	-23
	<u>377</u>	<u>314</u>

**NOTE 4. FIXED ASSETS**

Included in Fixed Assets are Line Assets, the ODV of which were valued by PricewaterhouseCoopers as at 31 March 1999 at \$50.331 million

Distribution System	0	36,533
System Fixed Assets	49,516	0
Centralised load control equipment	816	0
Consumer billing & information system assets	182	0
Motor Vehicles	57	0
Office Equipment	165	0
Land and Buildings	952	1,040
Capital Works under Construction:		
- subtransmission assets	0	0
- zone substations	0	0
- distribution lines and cables	0	0
- medium voltage switchgear	0	0
- distribution transformers	0	0
- distribution substations	0	0
- low voltage lines and cables	0	0
- other System Fixed Assets (as per ODV Handbook)	0	0
Other Fixed Assets		<u>339</u>
<b>Total Net Book Value</b>	<u>51,688</u>	<u>37,912</u>

**NOTE 5. LONG-TERM DEBT**

	1999	1998
	\$'000	\$'000
Term Liabilities - Repayable 1-2 years	12,350	
- Repayable 2-5 years	0	
- Repayable later than 5 years	402	
	<u>12,752</u>	<u>4,265</u>

The interest rates payable on these loans are:

Floating Rate - based on 90 day bill rate

Fixed Rates 9.5% - 10.5%

Loans are secured as followed:

*Loan:*

Promissory Notes \$12,500,000 \* (1998:\$17,000,000)

Various (No Security)

12,350	
402	
<u>12,752</u>	<u>4,265</u>

\* Secured by a charge over all assets except for Haast.

Interest rates on the Promissory Notes have been hedged using interest rate swaps for varying terms at rates between 7.99% and 8.6% (includes margins).

**NOTE 6. EQUITY**

Share Capital (issued & fully paid)		
- 25,000,000 ordinary shares	25,000	17,431
- 300,000 7.25% Redeemable Preference Shares	300	209
Capital Reserve	102	22
Transition Reserve	418	293
Asset Revaluation Reserve	21,725	6,425
Asset Maintenance Reserve	0	65
Retained Earnings	-7,997	6,967
	<u>39,548</u>	<u>31,412</u>

**NOTE 7. FINANCIAL INSTRUMENTS****Credit Risk**

Financial instruments which potentially subject the Company to credit risk principally consist of bank accounts, accounts receivable and investments.

The Company places its cash with high quality financial institutions and limits the amount of exposure to any one financial institution. Due to the sale of electricity retail operations there are high concentrations of credit risk to Trustpower.

The maximum exposure to credit risk at balance date is the fair value of the instruments as stated in the Statement of Financial Position.

**Fair Values**

For all financial instruments other than the interest rate swaps the fair value is equivalent to the carrying amount as stated in the Statement of Financial Position. Borrowings are planned to be run to maturity. The fair value of the interest rate swaps at 31 March 1999 is \$750,932 (1998 \$526,705).

**Currency Risk**

The Company has minimal currency risk given that financial instruments are principally transacted in New Zealand dollars. Forward exchange contracts may be employed by the Company to manage exposure to currency fluctuations.

**Interest Rate Risk**

Interest rate risk is minimal as borrowings have fixed interest rates except for the Promissory Notes for \$12,500,000 (1998 \$17,000,000) for which interest rates are hedged. The contract amount of interest rates swaps held at 31 March 1999 is \$15,500,000 (1998 \$21,500,000).

**NOTE 8. COMMITMENTS****Capital Commitments**

The total amount committed at balance date was 21,477

**Operating Lease Commitments**

These are long-term operating leases relating to land occupied by the group.

**Period**

Not later than 1 year	2
1 - 2 years	2
2 - 5 years	6
Later than 5 years	15
	<u>25</u>

**NOTE 9. RELATED PARTIES**

At 31 March 1999 the related parties of Westpower Limited and transactions for the year were as follows:

ElectroNet Services Limited Electrical Contracting Company

ElectroNet Services Limited has provided the following services for the period 1 April 1998 to 31 March 1999:

Construction of high voltage lines	578
Construction of low voltage lines	1,318
Construction of Distribution Substations	40
Construction of Transformers	9
Construction of Switchgear	45
Maintenance of Assets	2,894

At year end there was an outstanding balance of \$632,213 for such services.

The only other related party with whom the company has had dealings is the West Coast Electric Power Trust. All transactions between these parties are conducted on a commercial ("arms length") basis. Material transactions have been disclosed in the financial statements (dividend and loan).

No related party debts have been written off or forgiven during the year.

**NOTE 10. CASH FLOWS****RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES**

	<b>1999</b>
	<b>\$'000</b>
<b>Net surplus After Income Tax</b>	2,363
<b>Plus Non Cash Items:</b>	
Depreciation	169
	<hr/> 169
<b>Movements in Working Capital:</b>	
Decrease in Debtors	-31
Decrease in Creditors, Accrued Interest	2,303
Increase in Income Tax Refund	-160
Decrease in Gratuities Provision	-76
	<hr/> 2,036
<b>Operating Cashflow</b>	<hr/> <b>4,568</b> <hr/>

**WESTPOWER LIMITED****REGULATION 15  
PART 3 SCHEDULE 1****LINES BUSINESS FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES**

		For Year Ended 31 March 1999	For Year Ended 31 March 1998	For Year Ended 31 March 1997	For Year Ended 31 March 1996
<b>1. Financial performance measures</b>					
(a) <i>Return on Funds</i>	=	8.46%	-	-	-
<i>Accounting Return on Total Assets</i>		-	8.54%	4.90%	7.28%
(b) <i>Return on Equity</i>	=	7.94%	-	-	-
<i>Accounting Return on Equity</i>		-	6.94%	4.39%	5.16%
(c) <i>Return on Investment</i>	=	51.83%	-	-	-
<i>Accounting Rate of Profit</i>		-	7.77%	4.32%	19.89%
<b>2. Efficiency performance measures</b>					
(a) <i>Direct line costs per kilometre</i>	=	\$1,928.37	\$2,160.67	\$2,739.46	\$2,163.77
(b) <i>Indirect line costs per electricity customer</i>	=	\$82.75	\$112.07	\$156.54	\$126.26



**Regulation 16****Derivation of financial and efficiency performance measures from financial statements**

The earnings before interest and tax (EBIT) and the operating surplus after taxation have been adjusted to reflect differences between the company's accounting policies and the requirements of Regulation 17 and 18. The reconciliations are as follows:

	<b>1999 \$000's</b>
EBIT as per Statement of Financial Performance (Regulation 6)	3,695
Expenditure which maintains the service potential of the asset	<u>1,350</u>
EBIT as used in the calculation of performance measures	<u>5,045</u>
Net surplus after income tax as per Statement of Financial Performance (Regulation 6)	2,363
Expenditure which maintains the service potential of the asset	1,350
Net surplus after income tax as used in the calculation of performance measures	<u>3,713</u>

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

Derivation Table	Symbol in formula	Input Column	Calculations	ROF	ROE	ROI
Earnings before interest and tax (EBIT)	a	5,045		5,045	N/A	5,045
Net profit after tax (NPAT)	n	3,713		N/A	3,713	N/A
Amortised Goodwill	o	0		add	add	add
Subvention Payment	s	0		add	add	add
Depreciation of SFA at BV	d	33		add	add	add
ODV Depreciation tax adjustment	b	1,370		deduct	deduct	deduct
Subvention Payment tax adjustment	q	-441	s <sup>1</sup>	deduct	deduct	deduct
Interest Tax Shield	r	0		N/A	N/A	0
Revaluations	f	15,300		N/A	N/A	315
Income tax	p	377		N/A	N/A	15,300
Numerator (as adjusted)		No entry		= e + g + s + d	= n + g + s - s <sup>1</sup> + d - b	= e + g - q + r + s + d - p - s <sup>1</sup> - b
Fixed Assets at year beginning (FA <sub>0</sub> )		37,913		3,708	2,817	18,757
Fixed Assets at year end (FA <sub>1</sub> )		51,688		add	N/A	37,913
Net Working Capital at year beginning (NWC <sub>0</sub> )		-2,187		add	N/A	51,688
Net Working Capital at year end (NWC <sub>1</sub> )		264		add	N/A	-2,187
Average total funds employed (ATFE)	c	No entry	= (FA <sub>0</sub> + FA <sub>1</sub> + NWC <sub>0</sub> + NWC <sub>1</sub> )/2	add	N/A	264
Total Equity at year beginning (TE <sub>0</sub> )		31,412		divide by 2	31,412	43,839
Total Equity at year end (TE <sub>1</sub> )		39,548		divide by 2	39,548	284
Average total equity	k	No entry	= (TE <sub>0</sub> + TE <sub>1</sub> )/2	divide by 2	35,480	43,839
WUC at year beginning (WUC <sub>0</sub> )		0		add	0	0
WUC at year end (WUC <sub>1</sub> )		0		add	0	0
Average total Works under Construction	e	No entry	= (WUC <sub>0</sub> + WUC <sub>1</sub> )/2	divide by 2	0	0
Revaluations	r	15,300		add	N/A	15,300
Goodwill asset at year beginning (GW <sub>0</sub> )		0		N/A	0	N/A
Goodwill asset at year end (GW <sub>1</sub> )		0		N/A	0	N/A
Average Goodwill asset	m	No entry	= (GW <sub>0</sub> + GW <sub>1</sub> )/2	add	0	0
Subvention payment at year beginning (S <sub>0</sub> )		0		add	0	0
Subvention payment at year end (S <sub>1</sub> )		0		add	0	0
Subvention payment tax adjustment at year beginning		0		deduct	0	0
Subvention payment tax adjustment at year end		0		deduct	0	0
Average subvention payment & related tax adjustment	v	No entry	= (S <sub>0</sub> + S <sub>1</sub> + S <sub>0</sub> t + S <sub>1</sub> t)/2	divide by 2	0	0
System Fixed assets at year beginning at book value (SFA <sub>0,bv</sub> )		36,533		add	36,533	36,533
System Fixed assets at year end at book value (SFA <sub>1,bv</sub> )		50,332		add	50,332	50,332
Average value of system fixed assets at book value	f	No entry	= (SFA <sub>0,bv</sub> + SFA <sub>1,bv</sub> )/2	add	43,433	43,433
System Fixed assets at year beginning at ODV value (SFA <sub>0,odv</sub> )		36,533		add	36,533	36,533
System Fixed assets at year end at ODV value (SFA <sub>1,odv</sub> )		50,332		add	50,332	50,332
Average value of system fixed assets at ODV value	h	No entry	= (SFA <sub>0,odv</sub> + SFA <sub>1,odv</sub> )/2	add	43,433	43,433
Denominator (as adjusted)			= c - e - f + h	add	35,480	38,189
Financial Performance Measure:			EBIT <sup>adj</sup> /ATFE <sup>adj</sup> x 100/1		7.94%	51.83%
			PAT <sup>adj</sup> /ATE <sup>adj</sup> x 100/1			
			EBIT <sup>adj</sup> /ATFE <sup>adj</sup> x 100/1 =			51.83%

Year Ended	Year Ended	Year Ended	Year Ended
31-Mar-99	31-Mar-98	31-Mar-97	31-Mar-96

**Part 4 of Schedule 1****1 Energy delivery efficiency performance measures:**

(a) Load Factor	68%	66%	66%	67%
(b) Loss Ratio	6%	7%	7%	7%
(c) Capacity utilisation	35%	37%	39%	40%

**2 Statistics****(a) System Length (km)**

66kV	35	34	24	24
33kV	88	87	24	27
33/11kV	95	78	62	61
11kV	1288	1294	1281	1304
11/11kV	19	19	35	34
11kV/400V	52	52	52	49
400V	142	142	113	113
33kV/11kV/400V	6	6	6	5
11kV/11kV/400V	1	1	1	1
<b>Total</b>	<b>1726</b>	<b>1713</b>	<b>1598</b>	<b>1618</b>

**(b) Circuit Length (Overhead)**

66kV	47	47	24	24
33kV	190	172	92	93
11kV	1451	1440	1508	1461
400V	142	142	113	109
<b>Total Overhead</b>	<b>1830</b>	<b>1801</b>	<b>1737</b>	<b>1687</b>

**(c) Circuit Length - (Underground)**

33kV	0	0	0	0
11kV	27	27	28	27
400V	59	59	59	59
<b>Total Underground</b>	<b>86</b>	<b>86</b>	<b>87</b>	<b>86</b>

**(d) Westpower Transformer Capacity (KVA)**

District (zone) Substations	71000	71000	71000	71000
Distribution Substations	97843	93927	93925	88319
<b>Total Substations</b>	<b>168843</b>	<b>164927</b>	<b>164925</b>	<b>159319</b>

**(e) Maximum Demand**

Date	6-Apr-98	17-Nov-97	2-Aug-96	7-Sep-95
Half hour ending	10:00	17:30	09:00	10:00
System Maximum (kW)	33906	34989	36683	35141

(f) Total electricity supplied from the system (kWh)	185657664	188888451	195620912	192326559
(g) Electricity conveyed on behalf of other retailers (kWh)	28548085	0	14760252	10478172
(h) Total customers	11329	11358	11373	11355

**Part 5 of Schedule 1****Reliability Performance Measures****1 Total number of interruptions**

Class A - Planned interruptions caused by TransPower	0	3	1	0
Class B - Planned interruptions by Westpower	120	126	88	71
Class C - Unplanned interruptions by Westpower	70	91	89	135
Class D - Unplanned interruptions by TransPower	3	4	5	6
Class E - Unplanned interruptions by ECNZ Generation	0	0	0	0
Class F - Unplanned interruptions by Westpower Generation	0	1	0	10
Class G - Other interruptions(planned Westpower Generation)	0	1	0	0
<b>Total interruptions</b>	<b>193</b>	<b>226</b>	<b>183</b>	<b>222</b>

	Year Ended 31-Mar-99	Year Ended 31-Mar-98	Year Ended 31-Mar-97	Year Ended 31-Mar-96
<b>2 Interruption targets for the following year</b>				
(a) Planned interruptions for the line owner - Class B	30			
(b) Unplanned interruption targets originating within the works of the line owner - Class C	60			
<b>3 Average interruption targets for the coming year and subsequent 4 financial years</b>				
(a) Planned interruptions for the line owner - Class B	50			
(b) Unplanned interruption targets originating within the works of the line owner - Class C	50			
<b>4 The proportion of the total number class C, expressed as a %</b>				
(a) not restored within - 3 hours	26%			
(b) not restored within - 24 hours	0			
<b>5 The total number of faults per 100 circuit kilometres of prescribed voltage electric line</b>				
(a) Total faults per 100km	4.14	5.67	10.71	8.5
(b) The total number of faults targeted for the following financial year:				
66kV	4.25			
33kV	4			
11kV	4			
<b>Total</b>	<b>4</b>			
(c) Average total number of faults for the coming year and subsequent 4 financial years:				
66kV	4.25			
33kV	4			
11kV	4			
<b>Total</b>	<b>4</b>			
<b>6 Total number of faults per 100km of underground prescribed voltage electric line</b>				
Nominal line Voltage:				
66kV/50kV	0	0	0	0
33kV	0	0	0	0
11kV	3.7	0	3.53	18.2
<b>Total faults per 100km</b>	<b>3.6</b>	<b>0</b>	<b>3.49</b>	<b>18</b>
<b>7 Total number of faults per 100km of overhead prescribed voltage electric line</b>				
66kV/50kV	4.25	12.67	21.04	25.21
33kV	3.68	6.42	3.17	7.09
11kV	4.2	5.35	11.39	0
<b>Total faults per 100km</b>	<b>4.14</b>	<b>5.67</b>	<b>10.7</b>	<b>8.34</b>
<b>8 The SAIDI for the total number of interruptions</b>	244.4	384.22	435.9	835.42
<b>9 SAIDI targets for the following financial year</b>				
(a) Planned Interruption by the line owner - Class B	90			
(b) Unplanned Interruption originating from the works of the line owner - Class C	110			
<b>10 Average SAIDI Interruption targets for the following financial year and subsequent 4 financial years</b>				
(a) Planned Interruption by the line owner - Class B	80			
(b) Unplanned Interruption originating from the works of the line owner - Class C	100			

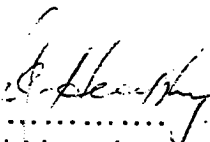
<b>11 The SAIDI for the total number of interruptions within each interruption class</b>	Year Ended 31-Mar-99	Year Ended 31-Mar-98	Year Ended 31-Mar-97	Year Ended 31-Mar-96
Class A - Planned interruptions caused by TransPower	0	13.13	0.1	0
Class B - Planned interruptions by Westpower	138.00	211.48	158.9	287.2
Class C - Unplanned interruptions by Westpower	103.00	133.29	240.2	384.06
Class D - Unplanned interruptions by TransPower	3.40	25.19	36.7	135.74
Class E - Unplanned interruptions by ECNZ Generation	0	0	0	0
Class F - Unplanned interruptions by Westpower Generation	0	1.07	0	28.43
Class G - Other interruptions(planned Westpower Generation)	0	0.07	0	0
<b>12 The SAIFI for the total number of interruptions</b>	2.148	4.05	3.38	5.6
<b>13 SAIFI targets for the following financial year</b>				
(a) Planned Interruption by the line owner - Class B	0.35			
(b) Unplanned Interruption originating from the works of the line owner - Class C	2			
<b>14 Average SAIFI targets for the following financial year and subsequent 4 financial years</b>				
(a) Planned Interruption by the line owner - Class B	0.3			
(b) Unplanned Interruption originating from the works of the line owner - Class C	1.5			
<b>15 The SAFI for the total number of interruptions within each interruption class</b>				
Class A - Planned interruptions caused by TransPower	0	0.1	0	0
Class B - Planned interruptions by Westpower	0.614	0.96	0.68	1.06
Class C - Unplanned interruptions by Westpower	1.454	1.99	1.84	2.39
Class D - Unplanned interruptions by TransPower	0.08	0.97	0.86	1.96
Class E - Unplanned interruptions by ECNZ Generation	0	0	0	0
Class F - Unplanned interruptions by Westpower Generation	0	0.03	0	0.19
Class G - Other interruptions(planned Westpower Generation)	0	0	0	0
<b>16 The CAIDI for the total number of interruptions</b>	113.25	94.87	129.09	101.6
<b>17 CAIDI targets for the following financial year</b>				
(a) Planned Interruption by the line owner - Class B	220			
(b) Unplanned Interruption originating from the works of the line owner - Class C	75			
<b>18 Average CAIDI targets for the following financial year and subsequent 4 financial years</b>				
(a) Planned Interruption by the line owner - Class B	200			
(b) Unplanned Interruption originating from the works of the line owner - Class C	65			
<b>19 The CAIDI for the total number of interruptions within each interruption class</b>				
Class A - Planned interruptions caused by TransPower	0	130.25	40	0
Class B - Planned interruptions by Westpower	221	220.82	235.27	272.08
Class C - Unplanned interruptions by Westpower	84	66.85	130.35	160.59
Class D - Unplanned interruptions by TransPower	41.75	26.03	42.67	69.28
Class E - Unplanned interruptions by ECNZ Generation	0	0	0	0
Class F - Unplanned interruptions by Westpower Generation	0	35.67	0	149.85
Class G - Other interruptions(planned Westpower Generation)	0	0	0	0

**WESTPOWER****FORM 7****ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS  
1999****CERTIFICATION OF VALUATION REPORT OF LINE OWNERS**

We, Robert Leonard Milne and Philip John Heaphy, directors of Westpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge –

- (a) The attached valuation report of Westpower 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 Westpower Limited is \$50,331,897; and
- (c) The Optimised Deprival Valuation of the line business system fixed assets of Westpower Limited is \$50,331,897; and
- (d) The valuation of the line business assets of Westpower Limited, including system and non-system fixed assets and net working capital, is \$46,632,135; and
- (e) The values in (b) and (c) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 1999.



P J Heaphy  
Dated

3-9-99



R L Milne

PRICEWATERHOUSECOOPERS 

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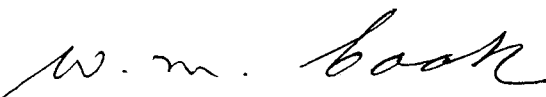
The Directors  
Westpower Limited  
P O Box 388  
GREY MOUTH

27 September 1999

**Subject: Certification By Auditor In Relation To ODV Valuation Of Lines Business**

I have examined the valuation report prepared by PricewaterhouseCoopers and dated 6 August 1999 which report contains valuations as at 31 March 1999.

I certify that, having made all reasonable enquiry, to the best of my knowledge, the valuations contained in the report, including the total valuation of system fixed assets of \$50,331,897 have been made in accordance with the ODV Handbook.



Murray Cook



## Audit New Zealand

### AUDITOR'S REPORT TO THE READERS OF THE FINANCIAL STATEMENTS OF WESTPOWER LIMITED

We have audited the accompanying financial statements of Westpower Limited. The financial statements provide information about the past financial performance of Westpower Limited and its financial position as at 31 March 1999. This information is stated in accordance with the accounting policies set out on pages 7 to 9.

#### **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 Westpower 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 D Menon, 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 Westpower 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 Westpower 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. Westpower Limited has taken advantage of this exemption and has not disclosed comparative figures in these circumstances. To this extent, the financial statements of Westpower 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 Westpower 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 Westpower 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 8 November 1999 and our opinion is expressed as at that date.



D Menon  
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 Westpower Limited and dated 28 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.

D Menon  
Audit New Zealand  
On behalf of the Controller & Auditor-General  
Christchurch, New Zealand  
8 November 1999

