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WESTPOWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1999 AND THE
ELECTRICITY (INFORMATION DISCLOSURE)
AMENDMENT REGULATIONS 2000

WESTPOWER LIMITED INFORMATION DISCLOSURE

Information Disclosure Disclaimer

The information disclosed has been prepared in accordance with and for the specific use intended in the Electricity Act and information disclosure regulations. No responsibility will be accepted for any third party that may use or relay on this report or any part thereof without the express written permission of Westpower Limited.

Except as allowed for by the Electricity Act 1992 and information disclosure regulations promulgated by the Act, neither the whole or any part of the information disclosed or any reference thereto may be included in any published document, circular or statement or published in any way without Westpower Limited written approval of the form and context in which it may appear.

The information disclosed is for the line business as described in the Electricity (Information Disclosure) Regulations 1999. There are also additional activities of the company that are not required to be reported under the Regulations.

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GREYMOUTH

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IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION DISCLOSURE REGULATIONS) 1999

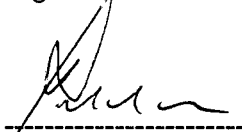
Certification of Financial Statements, Performance Measures, and Statistics Disclosed by Line Owners other than Transpower for the year ending 31 March 2000.

We, Robert Caldwell and Hugh Little, directors of Westpower Limited certify that, having made all reasonable enquiry, 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 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 Westpower Limited, 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, comply with the requirements of those regulations.

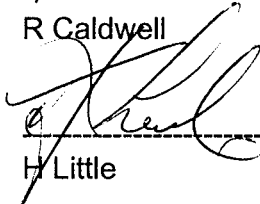
The valuations on which those financial performance measures are based are as at 31 March 1999.

Signatures of Directors:



R Caldwell

14 / 8 / 00 .
Date



H Little

14 / 8 / 00
Date

WESTPOWER LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2000

Westpower Limited is a company registered under the Companies Act 1993. The financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1999 (the Regulations) as amended.

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

Particular Accounting Policies

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

(a) **Network Charges**

Income from Network Charges includes an estimated amount for accrued sales from meters unread as at 31 March 2000.

(c) **Fixed Assets and Depreciation**

(i) **Valuation**

Fixed Assets comprise:

Distribution System Assets (being the network system consisting of distribution and transmission lines and cables, zone substations, distribution transformers, protection and control equipment, communications equipment and metering).

Other Assets (being land, buildings, plant and equipment, motor vehicles, furniture and fittings).

Distribution System Assets were revalued to Optimised Deprival Value which incorporates a valuation based on the engineering optimisation of the system and its components after allowing for depreciation and is based on the value to the company of being deprived of the assets. The valuation was conducted by PricewaterhouseCoopers in conjunction with Worley Consultants, Registered Valuers, as at 31 March 1999.

Land and Buildings have been revalued to market value as at 31 March 2000. The valuation was conducted by Coast Valuations Limited, registered valuers.

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

Distribution equipment is revalued on a cyclical basis with no individual asset being included at a valuation made more than three years previously.

Additions between revaluations are recorded at cost.

(ii) Depreciation

Distribution Assets are depreciated using the straight line method at rates which amortise the cost or valuation less estimated residual value over their economic lives.

The main basis are periods not exceeding:

Electricity Distribution System 15 – 70 years

The electricity distribution system economic lives have been set consistent with the Ministry of Commerce's revised ODV Handbook. The economic lives range from 15 – 70 years for the different components of the distribution system.

Other Assets are depreciated using rates which write off the cost or valuation of the fixed assets over their expected economic lives as below:

| | |
|--|---------------|
| Buildings | 1% to 2.5% CP |
| Plant and equipment | 10% to 50% DV |
| Furniture and fittings including computers | 20% to 48% DV |

Profits and losses on disposal are calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal. Any depreciation recovered and any loss on sale is included in the operating result of the Company in the year of the disposal.

(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.

(i) Changes in Accounting Policies

The accounting treatment of decline in service potential has changed. The Company is now depreciating rather than using a pure renewals approach. Renewals expenditure which was previously expensed is now capitalised. The effect of this change was to reduce this year's expenses by \$740,264 and increase the value of distribution assets by the same amount. Renewals of \$1,304,534 were expensed last year. Depreciation has been recognised on distribution system assets. The effect of this was to increase expenses by \$1,487,642.

There have been no other changes in accounting policies. All other policies have been applied on a basis consistent with the previous year.

WESTPOWER LIMITED - LINES BUSINESS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2000

| | Note | 2000 \$ '000 | 1999 \$ '000 |
|-------------------------------------|------|-------------------|---------------------|
| Revenue | 1 | 11,084 | 10,903 |
| Total Expenses | 2 | 8,726 | 7,208 |
| Net Surplus before Interest and Tax | | 2,358 | 3,695 |
| Interest | | 1,103 | 955 |
| Net Surplus before Income Tax | | 1,255 | 2,740 |
| Less Taxation Expense | 3 | 373 | 377 |
| NET SURPLUS AFTER TAX | | <u><u>882</u></u> | <u><u>2,363</u></u> |

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2000

| | | |
|--|----------------------|----------------------|
| Equity as at 1 April 1999 | 39,548 | 31,412 |
| Transfer of Meters to "Other Business" | - | (3,149) |
| Adjusted Opening Equity | <u>39,548</u> | <u>28,263</u> |
| Net Surplus for Year | 882 | 2,363 |
| Revaluation of Assets | - | 15,300 |
| Total Recognised Revenue and Expenses | <u>882</u> | <u>17,663</u> |
| Impact of Sale of Energy/Generation | - | (6,281) |
| Provision for Dividends | 97 | 97 |
| Equity as at 31 March 2000 | <u><u>40,333</u></u> | <u><u>39,548</u></u> |

The accompanying notes form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2000

| | Note | 2000 \$ '000 | 1999 \$ '000 |
|--------------------------------|------|-----------------|-----------------|
| EQUITY | | | |
| Share Capital | | 25,300 | 25,300 |
| Reserves | | 22,245 | 22,245 |
| Retained Earnings | | (7,212) | (7,997) |
| TOTAL EQUITY | 7 | <u>40,333</u> | <u>39,548</u> |
| Represented By: | | | |
| CURRENT ASSETS | | | |
| Cash and Bank | | 245 | 2,687 |
| Short Term Investments | | - | - |
| Sundry Debtors | 4 | 1,141 | 1,004 |
| Tax refund due | | 170 | 93 |
| Other Current Assets | | 19 | - |
| | | <u>1,575</u> | <u>3,784</u> |
| NON CURRENT ASSETS | | | |
| Fixed Assets | 5 | 50,363 | 51,688 |
| Investments | | 307 | 414 |
| | | <u>50,670</u> | <u>52,102</u> |
| TOTAL ASSETS | | 52,245 | 55,886 |
| CURRENT LIABILITIES | | | |
| Sundry Creditors | | 1,843 | 3,316 |
| Accrued Interest | | 70 | 107 |
| Provision for dividend | | 97 | 97 |
| | | <u>2,010</u> | <u>3,520</u> |
| NON CURRENT LIABILITIES | | | |
| Employee Entitlements | | - | 66 |
| Long - term Debt | 6 | 9,902 | 12,752 |
| | | <u>9,902</u> | <u>12,818</u> |
| TOTAL LIABILITIES | | 11,912 | 16,338 |
| NET ASSETS | | <u>40,333</u> | <u>39,548</u> |

The accompanying notes form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2000

| | Note | 2000 \$ '000 | 1999 \$ '000 |
|---|------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Receipts from customers | | 10,927 | 11,864 |
| Interest received | | 75 | 98 |
| | | <u>11,002</u> | <u>11,962</u> |
| Cash was applied to: | | | |
| Payments to suppliers & employees | | 7,279 | 6,122 |
| Interest paid | | 1,140 | 848 |
| Taxes paid | | 450 | 537 |
| Net GST | | 225 | (113) |
| | | <u>9,094</u> | <u>7,394</u> |
| Net cash flows from operating activities | 11 | 1,908 | 4,568 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Proceeds from sale of assets | | 1,130 | - |
| Sale of investments | | 106 | - |
| | | <u>1,236</u> | <u>-</u> |
| Cash was applied to: | | | |
| Purchase of fixed assets | | 2,639 | 1,399 |
| Purchase of investments | | - | 9 |
| | | <u>2,639</u> | <u>1,408</u> |
| Net cash flows from investing activities | | (1,403) | (1,408) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Term Loan | | - | - |
| Cash was applied to: | | | |
| Repayment of Term Loan | | 2,850 | 1,742 |
| Dividends paid | | 97 | 240 |
| | | <u>2,947</u> | <u>1,982</u> |
| Net cash flows from financing activities | | (2,947) | (1,982) |
| Net increase in cash held | | (2,442) | 1,178 |
| Add opening cash brought forward | | 2,687 | (1,733) |
| Reallocation of cash from "other" business | | - | 3,242 |
| Ending cash carried forward | | <u>245</u> | <u>2,687</u> |
| CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION | | | |
| Cash and Bank | | <u>245</u> | <u>2,687</u> |

The accompanying notes form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

| | 2000 \$ '000 | 1999 \$ '000 |
|----------------------------------|-----------------|-----------------|
| Note 1. Revenue | | |
| Line Charges * | 10,842 | 11,520 |
| Special Discount on Line Charges | (503) | (1,098) |
| Interest | 75 | 98 |
| AC loss-rental rebates | 152 | 160 |
| Sundry Income | 518 | 223 |
| | <u>11,084</u> | <u>10,903</u> |

* 1999 Line Charges include revenue for Meters and Ripple Relays which were sold to Trustpower in March 1999.

Note 2. Expenses

| | | |
|---|-------|-----|
| Audit fees for Companies financial statements | 27 | 56 |
| Other services provided by Auditors | 6 | 8 |
| Directors' Fees | 59 | 94 |
| Depreciation | 1,539 | 169 |
| Loan Interest | 1,103 | 955 |
| Bad debts written off | - | 64 |
| Increase (decrease) in estimated doubtful debts | - | (7) |
| Loss (Profit) on Sale of Fixed Assets | 803 | 9 |
| Write Down in Valuation of Buildings and Land | 463 | - |

Note 3. Taxation

| | | |
|--|-------|-------|
| Net Surplus before taxation | 1,255 | 2,740 |
| Prima facie taxation at 33% | 414 | 904 |
| Plus Tax effect of permanent differences | 657 | 35 |
| Taxation adjustment previous year | 11 | (2) |
| Timing differences not Recognised | (709) | (560) |

| | | |
|-------------------------------|------------|------------|
| Total Taxation Expense | <u>373</u> | <u>377</u> |
|-------------------------------|------------|------------|

The Taxation charge comprises

| | | |
|---------------------|------------|------------|
| - current taxation | 373 | 379 |
| - deferred taxation | - | (2) |
| | <u>373</u> | <u>377</u> |

Timing differences of the Company have not been recognised in the Statements of Financial Position because they are not likely to reverse within the foreseeable future. At 31 March 2000 such timing differences amount to \$17,002,945 (1999 \$10,936,224) deferred taxation assessed at the current corporate taxation rate of 33 cents in the dollar is a liability of \$5,610,972 (1999 \$3,608,594).

| | 2000 \$ '000 | 1999 \$ '000 |
|--|-----------------|-----------------|
| Note 4. Sundry Debtors | | |
| Line Charge & Sundry Debtors | 769 | 900 |
| Unread Electricity Meters | 268 | - |
| Advance to ElectroNet Services Limited | 104 | 104 |
| | 1,141 | 1,004 |

Note 5. Fixed Assets

| | Cost/ Valuation \$ '000 | Accumulated Depreciation \$ '000 | Book Value 2000 \$ '000 | Book Value 1999 \$ '000 |
|--------------------------|-------------------------------|--|-------------------------------|-------------------------------|
| At Cost: | | | | |
| Distribution System | 1,828 | 42 | 1,786 | - |
| Other | 55 | 9 | 46 | 1,356 |
| Capital Work In Progress | 467 | 0 | 467 | - |
| | 2,350 | 51 | 2,299 | 1,356 |
| At Valuation: | | | | |
| Distribution System | 49,072 | 1,488 | 47,584 | 50,332 |
| Land and Buildings | 480 | 0 | 480 | - |
| Total | 51,902 | 1,539 | 50,363 | 51,688 |

Note 6. Borrowings

| | 2000 \$ '000 | 1999 \$ '000 |
|--|-----------------|-----------------|
| Term Liabilities - Repayable 1-2 years | 9,500 | 12,350 |
| - Repayable 2-5 years | 0 | 0 |
| - Repayable later than 5 years | 402 | 402 |
| | 9,902 | 12,752 |
| Loans are secured as follows: | | |
| Short Term Advance Facility \$13,000,000 * | 9,500 | 12,350 |
| Various (No Security) | 402 | 402 |
| | 9,902 | 12,752 |

* Secured by a charge over all assets.

The interest rates payable on these loans are:

Floating Rate - based on 90 day bill rate

Fixed Rates 9.5% - 10.5%

Interest rates on the National Bank Short Term Advance Facility have been hedged using interest rate swaps for varying terms at rates between 7.99% and 8.6% (includes margins).

| | 2000 \$ '000 | 1999 \$ '000 |
|--|-----------------|-----------------|
| Note 7. Share Capital | | |
| Share Capital (issued and fully paid) | | |
| - 25,000,000 ordinary shares | 25,000 | 25,000 |
| - 300,000 7.25% Redeemable Preference Shares | 300 | 300 |
| Capital Reserve | 102 | 102 |
| Transition Reserve | 418 | 418 |
| Asset Revaluation Reserve | 21,725 | 21,725 |
| Retained Earnings | (7,212) | (7,997) |
| | <u>40,333</u> | <u>39,548</u> |

Note 8. 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. There is a high concentration 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 and the shareholding in International Panel and Lumber (West Coast) Limited 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 2000 is \$26,759 (1999 \$750,932).

The fair value of the shares in International Panel and Lumber (West Coast) Limited is \$48,900 (1999 \$43,720). This represents the value of the 30,000 shares based on the value of net assets as at 31 January 2000

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 Short Term Advance Facility for \$9,500,000 (1999 \$12,500,000) for which interest rates are hedged. The contract amount of interest rates swaps held at 31 March 2000 is \$10,600,000 (1999 \$15,500,000).

Note 9. Contingent Liabilities and Capital Commitments

Capital Commitments

| | 2000 \$ '000 | 1999 \$ '000 |
|--|-----------------|-----------------|
| The total amount committed at balance date was | 220 | 21 |

Operating Lease Commitments

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

| Period | 2000 \$ '000 | 1999 \$ '000 |
|-----------------------|-----------------|-----------------|
| Not later than 1 year | 7 | 2 |
| 1 - 2 years | 7 | 2 |
| 2 - 5 years | 22 | 6 |
| Later than 5 years | 72 | 15 |
| | <u>108</u> | <u>25</u> |

Note 10. Related Parties

At balance date the West Coast Electric Power Trust held 100 per cent of the shares in Westpower Limited. Material transactions (dividends) have been disclosed in the financial statements.

All related party transactions of Westpower Limited have been conducted on a commercial arms length basis.

The Contracting and Management Subsidiary of Westpower Limited, ElectroNet Services, has provided the following services for the period 1 April 1999 to 31 March 2000

| | 2000 \$ '000 | 1999 \$ '000 |
|---|-----------------|-----------------|
| Construction of subtransmission assets * | 435 | - |
| Construction of zone substations | 221 | - |
| Construction of distribution lines and cables | 526 | 578 |
| Construction of medium voltage switchgear | 140 | 45 |
| Construction of distribution transformers | 82 | 9 |
| Construction of substations | 166 | 40 |
| Construction of low voltage lines and cables | 245 | 1,318 |
| Construction of other fixed assets | 118 | - |
| Maintenance of assets | 1,420 | 2,894 |
| Consumer connections and reconnections | - | 82 |
| Asset Management Service | 57 | - |
| Other Services | 536 | - |

ElectroNet Services provided \$34,000 of consumer connection and reconnection services to Westpower's "other" business which is not included in the above.

* Subtransmission assets now disclosed separately

At year end there was an outstanding balance of \$976,592(1999 \$632,213) for such services.

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

Note 11. Cash Flows

Reconciliation of Net Cash Flows from Operating Activities

| | 2000 \$ '000 | 1999 \$ '000 |
|---|---------------------|---------------------|
| Net surplus After Income Tax | 882 | 2,363 |
| Plus Non Cash Items: | | |
| Depreciation | 1,539 | 169 |
| Writedown of Buildings | 463 | 0 |
| | <u>2,002</u> | <u>169</u> |
| Movements in Working Capital: | | |
| Decrease in Debtors | (155) | (31) |
| Increase in Creditors, Accrued Interest | (1,510) | 2,303 |
| Increase in Income Tax Refund | (79) | (160) |
| | <u>(1,744)</u> | <u>2,112</u> |
| Other | | |
| Decrease in Gratuities Provision | (66) | (76) |
| Gain (Loss) on Disposal of Assets | 834 | 0 |
| | <u>768</u> | <u>(76)</u> |
| Operating Cashflow | <u>1,908</u> | <u>4,568</u> |

Note 12. ODV Reconciliation Report

| | 2000 \$ '000 |
|---|----------------------|
| System fixed assets at ODV at beginning of year | 50,332 |
| Add revaluations of system fixed assets | - |
| Adjusted system fixed assets at ODV at beginning of year | 50,332 |
| Add system fixed assets acquired during the year at ODV | 1,852 |
| Less system fixed assets disposed of during the year at ODV | 1,302 |
| Less depreciation system fixed assets at ODV | 1,512 |
| System fixed assets at ODV at end of year | <u><u>49,370</u></u> |

WESTPOWER LIMITED - LINES BUSINESS

Disclosure of Information to be Disclosed in Financial Statements under regulation 6 of the Electricity (Information Disclosure) Regulations 1999 Schedule 1 Part 2 as amended.

| | 2000 \$ '000 | 1999 \$ '000 |
|--|-----------------|-----------------|
| Statement of Financial Position Disclosure (Schedule 1, Part 2) | | |
| 1 Current Assets | | |
| (a) Cash and Bank Balances | 245 | 2,687 |
| (b) Short-term Investments | - | - |
| (c) Inventories | - | - |
| (d) Accounts receivable | 1,141 | 1,004 |
| (e) Other current assets not listed in (a) to (d) | 189 | 93 |
| (f) Total current assets | 1,575 | 3,784 |
| 2 Fixed Assets | | |
| (a) System fixed assets | 49,370 | 50,332 |
| (b) Customer billing and information system assets | - | 182 |
| (c) Motor Vehicles | - | 57 |
| (d) Office Equipment | 46 | 165 |
| (e) Land & Buildings | 480 | 952 |
| (f) Capital works under construction | 467 | - |
| (g) Other fixed assets not listed in (a) to (f) | - | - |
| (h) Total fixed assets | 50,363 | 51,688 |
| 3 Other tangible assets not listed above | 307 | 414 |
| 4 Total tangible assets | 52,245 | 55,886 |
| 5 Intangible assets | | |
| (a) Goodwill | - | - |
| (b) Other intangible not listed in (a) | - | - |
| (c) Total intangible assets | - | - |
| 6 Total Assets | 52,245 | 55,886 |
| 7 Current Liabilities | | |
| (a) Bank Overdraft | - | - |
| (b) Short-term borrowings | - | - |
| (c) Payables and accruals | 1,913 | 3,423 |
| (d) Provision for dividends payable | 97 | 97 |
| (e) Provision for income tax | - | - |
| (f) Other Current Liabilities not listed in (a) to (e) | - | - |
| (g) Total Current Liabilities | 2,010 | 3,520 |
| 8 Non-current Liabilities | | |
| (a) Payables and accruals | - | - |
| (b) Borrowings | 9,902 | 12,752 |
| (c) Deferred tax | - | - |
| (d) Other Non-current Liabilities not listed in (a) to (c) | - | 66 |
| (e) Total Non-current Liabilities | 9,902 | 12,818 |

WESTPOWER LIMITED - LINES BUSINESS

| | 2000 \$ '000 | 1999 \$ '000 |
|---|-----------------|-----------------|
| 9 Equity | | |
| (a) Shareholders equity | | |
| (i) Share Capital | 25,300 | 25,300 |
| (ii) Retained Earnings | (7,212) | (7,997) |
| (iii) Reserves | 22,245 | 22,245 |
| (iv) Total Shareholders equity | 40,333 | 39,548 |
| (b) Minority interests in subsidiaries | - | - |
| (c) Total Equity | 40,333 | 39,548 |
| (d) Capital notes; | | |
| (e) Total capital funds | 40,333 | 39,548 |
| 10 Total equity and liabilities | 52,245 | 55,886 |
| Statement of Financial Performance Disclosure (Schedule 1, Part 2) | | |
| 11 Operating Revenue | | |
| (a) Revenue from line/access charges | 10,842 | 11,520 |
| (b) Revenue from "Other" business (transfer payment) | - | - |
| (c) Income from interest on bank and short-term investments | 75 | 98 |
| (d) AC loss-rental rebates | 152 | 160 |
| (e) Other operating revenue not listed in (a) to (d) | 518 | 223 |
| (f) Total operating revenue | 11,587 | 12,001 |
| 12 Operating expenditure | | |
| (a) Transmission Charges | 2,969 | 1,872 |
| (b) Transfer payments to "Other" business | | |
| (i) Asset maintenance | 1,420 | 2,894 |
| (ii) Consumer disconnections and reconnections | - | - |
| (iii) Meter data | - | - |
| (iv) Consumer-based load control | - | - |
| (v) Royalty and patent expenses | - | - |
| (vi) Avoided transmission charges for own generation | - | 900 |
| (vii) Other goods & services not listed in (i) to (vi) above | 593 | - |
| (viii) Total transfer payment to the "Other" business | 2,013 | 3,794 |
| (c) Payments to non-related entities | | |
| (i) Asset maintenance | 247 | 64 |
| (ii) Consumer disconnections and reconnections | - | - |
| (iii) Meter data | - | - |
| (iv) Consumer-based load control | - | - |
| (v) Royalty and patent expenses | - | - |
| (vi) Total of specified expenses to non-related parties | 247 | 64 |
| (d) Employee salaries, wages and redundancies | 148 | 487 |
| (e) Consumer billing and information system expense | 15 | 25 |
| (f) Depreciation on | | |
| (i) System fixed assets | 1,512 | 33 |
| (ii) Other assets not listed in (i) | 27 | 136 |
| (iii) Total depreciation expense | 1,539 | 169 |
| (g) Amortisation of | | |
| (i) Goodwill | - | - |
| (ii) Other intangibles | - | - |
| (iii) Total amortisation of intangibles | - | - |

WESTPOWER LIMITED - LINES BUSINESS

| | 2000 \$ '000 | 1999 \$ '000 |
|--|-----------------|-----------------|
| (h) Corporate and administration | 241 | 187 |
| (i) Human resource expenses | 11 | 57 |
| (j) Marketing and advertising | 3 | 1 |
| (k) Merger and acquisition expenses | - | - |
| (l) Takeover defence expenses | - | - |
| (m) Research and development expenses | - | - |
| (n) Consultancy and legal expenses | 133 | 156 |
| (o) Donations | - | - |
| (p) Directors fees | 59 | 94 |
| (q) Audit fees | | |
| (i) Audit fees paid to principal auditors | 27 | 56 |
| (ii) Audit fees paid to other auditors | - | - |
| (iii) Fees paid for other services provided by auditors | 6 | 8 |
| (iv) Total auditors fees | 33 | 64 |
| (r) Costs of offering credit | | |
| (i) Bad debts written off | - | 64 |
| (ii) Increase in estimated doubtful debts | - | 7 |
| (iii) Total costs of offering credit | - | 57 |
| (s) Local authority rates | 17 | 17 |
| (t) AC loss-rental (distribution of) expense | - | - |
| (u) Rebates to customers due to ownership interest | 503 | 1,098 |
| (v) Subvention payments | - | - |
| (w) Unusual expenses | 1,266 | - |
| (x) Other expenditure not listed in (a) to (w) | 32 | 164 |
| 13 Total operating expenditure | 9,229 | 8,306 |
| 14 Operating surplus before interest and income tax | 2,358 | 3,695 |
| 15 Interest | | |
| (a) Interest expense on borrowings | 1,103 | 955 |
| (b) Financing charges related to finance leases | - | - |
| (c) Other interest expense | - | - |
| (d) Total interest expense | 1,103 | 955 |
| 16 Operating surplus before income tax | 1,255 | 2,740 |
| 17 Income Tax | 373 | 377 |
| 18 Net Surplus after tax | 882 | 2,363 |

WESTPOWER LIMITED - LINES BUSINESS

PERFORMANCE MEASURES

Disclosure of financial performance measures and efficiency performance measures under Regulation 15 of the Electricity (Information Disclosure) Regulations 1999 as amended.

| | 2000 | 1999 | 1998 | 1997 |
|---|-------------|-------------|-------------|-------------|
| 1 Financial performance measures | | | | |
| (a) Return on funds | 4.64% | 8.46% | 8.54% | 4.90% |
| (b) Return on equity | 2.22% | 7.94% | 6.94% | 4.39% |
| (c) Return on investment | 3.19% | 51.83% | 7.77% | 4.32% |
| 2 Efficiency performance measures: | | | | |
| (a) Direct lines costs per kilometre | \$ 1,185.66 | \$ 1,737.14 | \$ 1,976.32 | \$ 2,404.54 |
| Direct Expenditure * | 2,277,659 | 3,328,367 | 3,729,316 | 4,385,875 |
| System Length ** | 1,921 | 1,916 | 1,887 | 1,824 |
| * Direct expenditure has reduced significantly this year as renewals expenditure is no longer included in maintenance costs. Refer to the Statement of Accounting Policies for details. | | | | |
| ** System Length restated for previous years based on circuit length rather than route length | | | | |
| (b) Indirect lines costs per electricity customer * | \$ 165.36 | \$ 78.42 | \$ 106.39 | \$ 148.62 |
| Indirect Expenditure | 1,939,469 | 937,475 | 1,272,891 | 1,780,329 |
| Total consumers ** | 11,729 | 11,954 | 11,964 | 11,979 |

* Indirect expenditure for 2000 includes \$1,266,000 of unusual expenses. If these were removed the Indirect lines cost per customer would be \$57.36.

** Number of consumers based on ICP connections

Disclosure of energy delivery efficiency performance measures under regulation 21 of the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000.

1 Energy Delivery efficiency performance measures:

| | | | | |
|---|-------------|-------------|-------------|-------------|
| (a) Load factor ($a/b \cdot c \cdot 100$) | 66% | 68% | 66% | 66% |
| a = kWh of electricity entering system | 196,242,053 | 201,971,261 | 202,292,402 | 212,086,433 |
| b = Maximum demand | 34,174 | 33,906 | 34,989 | 36,683 |
| c = Total number of hours in year | 8,760 | 8,760 | 8,760 | 8,760 |
| (b) Loss ratio ($=a/b \cdot 100$) | 6% | 6% | 7% | 7% |
| a = losses in electricity in kWh | 10,808,165 | 11,761,856 | 14,160,468 | 15,070,990 |
| b = kWh of electricity entering system | 196,242,053 | 201,971,261 | 202,292,402 | 212,086,433 |
| (c) Capacity utilisation ($=a/b \cdot 100$) | 34% | 35% | 37% | 39% |
| a = Maximum demand | 34,174 | 33,906 | 34,989 | 36,683 |
| b = Transformer Capacity | 99,705 | 97,483 | 93,927 | 93,925 |

WESTPOWER LIMITED - LINES BUSINESS

2 Statistics

| | 2000 | 1999 | 1998 | 1997 |
|--|-------------|-------------|-------------|-------------|
| (a) System Length * | | | | |
| Circuit Kilometres 66kV | 47 | 47 | 47 | 24 |
| Circuit Kilometres 33kV | 190 | 190 | 172 | 92 |
| Circuit Kilometres 11kV | 1,482 | 1,478 | 1,467 | 1,536 |
| Circuit Kilometres 230/400V | 202 | 201 | 201 | 172 |
| Total | 1,921 | 1,916 | 1,887 | 1,824 |
| * System Length restated for previous years based on circuit length rather than route length | | | | |
| (b) System Length - Overhead | | | | |
| Circuit Kilometres 66kV | 47 | 47 | 47 | 24 |
| Circuit Kilometres 33kV | 190 | 190 | 172 | 92 |
| Circuit Kilometres 11kV | 1,452 | 1,451 | 1,440 | 1,508 |
| Circuit Kilometres 230/400V | 142 | 142 | 142 | 113 |
| Total Overhead | 1,831 | 1,830 | 1,801 | 1,737 |
| (c) System Length - Underground | | | | |
| Circuit Kilometres 66kV | - | - | - | - |
| Circuit Kilometres 33kV | - | - | - | - |
| Circuit Kilometres 11kV | 29 | 27 | 27 | 28 |
| Circuit Kilometres 230/400V | 60 | 59 | 59 | 59 |
| Total Underground | 89 | 86 | 86 | 87 |
| (d) Transformer Capacity (In Kilovolt Amperes) | | | | |
| District (zone) Substations | 76,000 | 71,000 | 71,000 | 71,000 |
| Distribution Substations | 99,705 | 97,483 | 93,927 | 93,925 |
| Total Substations | 175,705 | 168,483 | 164,927 | 164,925 |
| (e) Maximum Demand | 34,174 | 33,906 | 34,989 | 36,683 |
| (f) Total electricity supplied from the system after losses (in Kilowatt Hours) | 185,433,888 | 185,657,664 | 188,888,451 | 195,620,912 |
| (g) Electricity conveyed for each retailer including losses | | | | |
| Retailer 1 | 681,511 | 544,409 | | |
| Retailer 2 | 3,131,378 | | | |
| Retailer 3 | 7,156,793 | 7,573,494 | | 10,478,172 |
| Retailer 4 | 15,384,446 | | | |
| Retailer 5 | 7,744,937 | 20,430,182 | | |
| Retailer 6 | 162,070,008 | | | |
| Retailer 7 | - | 168,960,068 | 203,105,861 | 199,866,894 |
| | 196,169,073 | 197,508,153 | 203,105,861 | 210,345,066 |
| (h) Total Customers * | 11,729 | 11,954 | 11,964 | 11,979 |

* Number of consumers based on ICP connections

WESTPOWER LIMITED - LINES BUSINESS

Disclosure of reliability performance measures under regulation 22 of the Electricity (Information Disclosure) Regulations 1999 as amended.

| | 2000 | 1999 | 1998 | 1997 |
|--|-------|------|------|------|
| 1 Total number of interruptions | | | | |
| Class A - Planned - by Transpower | 0 | 0 | 3 | 1 |
| Class B - Planned - by Line Owners | 80 | 120 | 126 | 88 |
| Class C - Unplanned - by Line Owners | 83 | 70 | 91 | 89 |
| Class D - Unplanned - by Transpower | 0 | 3 | 4 | 5 |
| Class E - Unplanned - by ECNZ | 0 | 0 | 0 | 0 |
| Class F - Unplanned - by other generation | 3 | 0 | 1 | 0 |
| Class G - Any other loss of supply | 0 | 0 | 1 | 0 |
| Total | 166 | 193 | 226 | 183 |
| 2 Interruption targets for 2000 / 2001 | | | | |
| Class B - Planned - by Line Owners | 60 | | | |
| Class C - Unplanned - by Line Owners | 60 | | | |
| 3 Average interruption targets for 2000/2001 to 2004/2005 years | | | | |
| Class B - Planned - by Line Owners | 50 | | | |
| Class C - Unplanned - by Line Owners | 50 | | | |
| 4 Proportion of Class C interruptions not restored within: (=a/b*100) | | | | |
| 3 Hours | 25.3% | | | |
| a = number of interruptions restored within 3 | 21 | | | |
| b = total number of Class C interruptions | 83 | | | |
| 24 Hours | 0 | | | |
| a = number of interruptions restored within 24 | 0 | | | |
| b = total number of Class C interruptions | 83 | | | |

| | 2000 | 1999 | 1998 | 1997 |
|--|--------|-------|--------|-------|
| 5 (a) The total number of faults per 100 circuit kilometres of prescribed voltage electric line | | | | |
| 66kV | 2 | 4 | 6 | 13 |
| 33kV | 4 | 4 | 6 | 5 |
| 11kV | 5 | 4 | 5 | 5 |
| Total | 4 | 4 | 6 | 11 |
| (b) Target for 2000 / 2001 year | | | | |
| 66kV | 2 | | | |
| 33kV | 4 | | | |
| 11kV | 4 | | | |
| Total | 4 | | | |
| (c) Average Target for 2000 / 2001 to 2004 / 2005 years | | | | |
| 66kV | 2 | | | |
| 33kV | 4 | | | |
| 11kV | 4 | | | |
| Total | 4 | | | |
| 6 The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line | | | | |
| 33kV | 0 | 0 | 0 | 0 |
| 11kV | 28 | 4 | 0 | 4 |
| Total | 28 | 4 | 0 | 4 |
| 7 The total number faults per 100 circuit kilometres of overhead prescribed voltage electric line | | | | |
| 66kV | 0 | 0 | 6 | 13 |
| 33kV | 4 | 4 | 6 | 5 |
| 11kV | 5 | 4 | 5 | 5 |
| Total | 4 | 4 | 6 | 10 |
| 8 The SAIDI for the total number of interruption | | | | |
| | 156.47 | 244.4 | 384.23 | 435.9 |
| 9 SAIDI targets for 2000 / 2001 | | | | |
| Class B - Planned - by Line Owners | 80 | | | |
| Class C - Unplanned - by Line Owners | 100 | | | |
| 10 Average SAIDI target for 2000 / 2001 to 2004 / 2005 years | | | | |
| Class B - Planned - by Line Owners | 70 | | | |
| Class C - Unplanned - by Line Owners | 90 | | | |
| 11 The SAIDI for the total number of interruptions within each interruption class | | | | |
| Class A - Planned - by Transpower | 0.64 | 0 | 13.13 | 0.1 |
| Class B - Planned - by Line Owners | 66.27 | 138 | 211.48 | 158.9 |
| Class C - Unplanned - by Line Owners | 86.94 | 103 | 133.29 | 240.2 |
| Class D - Unplanned - by Transpower | 0 | 3.4 | 25.19 | 36.7 |
| Class E - Unplanned - by ECNZ | 0 | 0 | 0 | 0 |
| Class F - Unplanned - by other generation | 2.62 | 0 | 1.07 | 0 |
| Class G - Any other loss of supply | 0 | 0 | 0.07 | 0 |
| | 156.47 | 244.4 | 384.23 | 435.9 |

WESTPOWER LIMITED - LINES BUSINESS

| | 2000 | 1999 | 1998 | 1997 |
|--|------|-------|--------|--------|
| 12 The SAIFI for the total number of interruption | 1.43 | 2.14 | 3.96 | 3.38 |
| 13 SAIFI target for 2000 / 2001 | | | | |
| Class B - Planned - by Line Owners | 0.35 | | | |
| Class C - Unplanned - by Line Owners | 1.01 | | | |
| 14 Average SAIFI target for 2000 / 2001 to 2004 / 2005 years | | | | |
| Class B - Planned - by Line Owners | 0.3 | | | |
| Class C - Unplanned - by Line Owners | 0.91 | | | |
| 15 The SAIFI for the total number of interruptions within each interruption class | | | | |
| Class A - Planned - by Transpower | 0.02 | 0 | 0.01 | 0 |
| Class B - Planned - by Line Owners | 0.35 | 0.61 | 0.96 | 0.68 |
| Class C - Unplanned - by Line Owners | 0.97 | 1.45 | 1.99 | 1.84 |
| Class D - Unplanned - by Transpower | 0 | 0.08 | 0.97 | 0.86 |
| Class E - Unplanned - by ECNZ | 0 | 0 | 0 | 0 |
| Class F - Unplanned - by other generation | 0.09 | 0 | 0.03 | 0 |
| Class G - Any other loss of supply | 0 | 0 | 0 | 0 |
| | 1.43 | 2.14 | 3.96 | 3.38 |
| 16 The CAIDI for the total number of interruption | 117 | 113 | 95 | 129 |
| 17 CAIDI targets for 2000 / 2001 | | | | |
| Class B - Planned - by Line Owners | 220 | | | |
| Class C - Unplanned - by Line Owners | 75 | | | |
| 18 Average CAIDI target for 2000 / 2001 to 2004 / 2005 years | | | | |
| Class B - Planned - by Line Owners | 200 | | | |
| Class C - Unplanned - by Line Owners | 65 | | | |
| 19 The CAIDI for the total number of interruptions within each interruption class | | | | |
| Class A - Planned - by Transpower | 32 | 0 | 130.25 | 40 |
| Class B - Planned - by Line Owners | 230 | 221 | 220.82 | 235.27 |
| Class C - Unplanned - by Line Owners | 67 | 84 | 66.85 | 130.35 |
| Class D - Unplanned - by Transpower | 27 | 41.75 | 26.03 | 42.67 |
| Class E - Unplanned - by ECNZ | 0 | 0 | 0 | 0 |
| Class F - Unplanned - by other generation | 0 | 0 | 35.67 | 0 |
| Class G - Any other loss of supply | 340 | 0 | 0 | 0 |

WESTPOWER LIMITED - LINES BUSINESS

SCHEDULE 1 - PART 7

FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

| Derivation Table | Input and Calculations | Symbol in formula | ROF | ROE | ROI |
|---|------------------------|-------------------|------------------------------------|-----------------------------------|--|
| Operating surplus before interest and income tax from financial statements | 2,358 | | | | |
| Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT) | 2,358 | | | | |
| Interest on cash, bank balances, and short-term investments (ISTI) | 75 | | | | |
| OSBIT minus ISTI | 2,283 | a | 2,283 | | 2,283 |
| Net Surplus after tax from financial statements | 882 | | | | |
| Net surplus after tax adjusted pursuant to regulation 18 (NSAT) | 882 | n | | 882 | |
| Amortisation of goodwill and amortisation of other intangibles | - | g | add | add | add |
| Subvention payment | - | s | add | add | add |
| Depreciation of SFA at BV (x) | 1,512 | | | | |
| Depreciation of SFA at ODV (y) | 1,512 | | | | |
| ODV depreciation adjustment | - | d | add | add | add |
| Subvention payment tax adjustment | - | s* | | deduct | deduct |
| Interest tax shield | 339 | q | | | 339 |
| Revaluations | - | r | | | add |
| Income tax | 373 | p | | | deduct (373) |
| Numerator | | | OSBIT ^a -g+s+d-s*+q+r-p | NSAT ⁿ -g+s+d-s*+q+r-p | BIT ^{a,n} -g+s+d-s*+q+r-p+1,571 |
| Fixed asset at end of previous year (FA _{t-1}) | 51,888 | | | | |
| Fixed assets at end of current financial year (FA _t) | 50,383 | | | | |
| Adjusted net working capital at end of previous financial year (ANWC _{t-1}) | (2,419) | | | | |
| Adjusted net working capital at end of current financial year (ANWC _t) | (753) | | | | |
| Average total funds employed (ATFE) | 49,440 | c | 49,440 | | 49,440 |

WESTPOWER LIMITED - LINES BUSINESS

SCHEDULE 1 - PART 7

FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

| | | | | | | | | |
|---|--------|-----|--------|----------|---|----------|--|----------|
| Total equity at end of previous financial year (TE _{t-1}) | 39,548 | | | | | | | |
| Total equity at end of current financial year (TE _t) | 40,333 | | | | | | | |
| Average total equity | 39,940 | k | | | | 39,940 | | |
| WUC at end of previous financial year (WUC _{t-1}) | - | | | | | | | |
| WUC at end of current financial year (WUC _t) | 467 | | | | | | | |
| Average total works under construction | 234 | e | deduct | (234) | deduct | (234) | deduct | (234) |
| Revaluations | - | r | | | | | | |
| Half of revaluations | - | r/2 | | | | | | |
| Intangible assets at end of previous financial year (IA _{t-1}) | - | | | | | | | |
| Intangible assets of end of current financial year (IA _t) | - | | | | | | | |
| Average total intangible asset | - | m | | | | | | |
| Subvention payment at end of previous financial year (S _{t-1}) | - | | | | | | | |
| Subvention payment at end of current financial year (S _t) | - | | | | | | | |
| Subvention payment tax adjustment at end of previous financial year | - | | | | | | | |
| Subvention payment tax adjustment at end of current financial year | - | | | | | | | |
| Average subvention payment and related tax adjustment | - | v | | | | | | |
| System fixed assets at end of previous year at book value (SFA _{book,t-1}) | 50,332 | | | | | | | |
| System fixed assets at end of current financial year at book value (SFA _{book,t}) | 49,370 | | | | | | | |
| Average value of system fixed assets at book value (SFA _{book,ave}) | 49,851 | f | deduct | (49,851) | deduct | (49,851) | deduct | (49,851) |
| System fixed assets at year beginning at ODV value (SFA _{odv,t-1}) | 50,332 | | | | | | | |
| System fixed assets at end of current financial year at ODV value (SFA _{odv,t}) | 49,370 | | | | | | | |
| Average value of system fixed assets at ODV value (SFA _{odv,ave}) | 49,851 | h | add | 49,851 | add | 49,851 | add | 49,851 |
| Denominator | | | | 49,206 | AveTE _{t-1,t} - SFA _{book,t-1} + SFA _{odv,t-1} - SFA _{book,t} + SFA _{odv,t} - SFA _{book,t} + SFA _{odv,t} | 49,206 | AveTE _{t-1,t} - SFA _{book,t-1} + SFA _{odv,t-1} - SFA _{book,t} + SFA _{odv,t} | 49,206 |
| Financial performance measure | | | | 4.64 | ROF = $\frac{ROBIT^{odv,t}}{ATE^{odv,t}} \times 100$ | 4.64 | ROE = $\frac{ROBIT^{odv,t}}{ATE^{odv,t}} \times 100$ | 4.64 |
| | | | | 2.22 | ROE = $\frac{ROBIT^{odv,t}}{ATE^{odv,t}} \times 100$ | 2.22 | ROI = $\frac{ROBIT^{odv,t}}{ATE^{odv,t}} \times 100$ | 2.22 |
| | | | | 3.19 | ROI = $\frac{ROBIT^{odv,t}}{ATE^{odv,t}} \times 100$ | 3.19 | | 3.19 |

t = maximum statutory income tax rate applying to corporate entities bv = book value ave = average odv = optimised deprival valuation subscript '0' = end of previous financial year
 subscript '1' = end of current financial year ROF = return on funds ROE = return on equity ROI = return on investment





**REPORT OF THE AUDIT OFFICE
TO THE READERS OF THE FINANCIAL STATEMENTS
OF WESTPOWER LIMITED
FOR THE YEAR ENDED 31 MARCH 2000**

We have audited the accompanying financial statements of Westpower Limited on pages 1 to 14. The financial statements provide information about the past financial performance of Westpower Limited and its financial position as at 31 March 2000. This information is stated in accordance with the accounting policies set out on pages 1 to 3.

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 2000 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 Devan 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, including the Auditing Standards issued by the Institute of Chartered Accountants of 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.

Unqualified Opinion

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
- the financial statements of Westpower Limited on pages 1 to 14:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of Westpower Limited as at 31 March 2000 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 17 August 2000 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

AUDIT OFFICE OPINION ON THE PERFORMANCE MEASURES

We have examined the attached information, being –

- (a) the derivation table specified in regulation 16 on pages 20 and 21; and
- (b) the annual ODV reconciliation report in regulation 16A on page 11; and
- (c) the financial performance measures specified in clause 1 of Part 3 of the Schedule 1 on page 15; and
- (d) the financial components of the efficiency performance measures specified in clause 2 of Part 3 of that schedule 1 on page 15, -

that were prepared by Westpower Limited and dated 14 August 2000 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999.

In my opinion, 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
17 August 2000