



New Zealand Gazette

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ELECTRICITY ASHBURTON LIMITED

INFORMATION FOR DISCLOSURE

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

Certification of Valuation Report of Line Owners

We, Edwin Glass and Donald George Church, Directors of Electricity Ashburton Limited certify that, having made all reasonable enquiry, to the best of our knowledge -

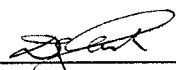
- (a) The attached valuation report of Electricity Ashburton Limited, prepared for the purposes of regulation 20 of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of that regulation; and
- (b) The replacement cost of the line business system fixed assets of Electricity Ashburton Limited is \$108,261,220; and
- (c) The depreciated replacement cost of the line business system fixed assets of Electricity Ashburton Limited is \$66,183,678; and
- (d) The optimised depreciated replacement cost of the line business system fixed assets of Electricity Ashburton Limited is \$63,180,843; and
- (e) The optimised deprival valuation of the line business system fixed assets of Electricity Ashburton Limited is \$63,180,843; and
- (f) The values in paragraphs (b) through to (e) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 2000.

Dated this 16th day of August 2000.



Director



Director

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

We, Edwin Glass and Donald George Church, Directors of Electricity Ashburton Limited certify that, having made all reasonable enquiry, to the best of our knowledge -

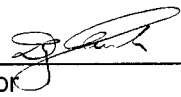
- (a) The attached audited financial statements of Electricity Ashburton Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999 comply with the requirements of those regulations; and
- (b) The attached information, being the derivation table, financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Electricity Ashburton Limited, and having been prepared for the purposes of Regulations 15, 16, 21 and 22 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of those regulations.

The valuations on which those financial performance measures are based as at 31 March 2000.

Dated this 16th day of August 2000.



Director



Director

**ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2000**

	Note	2000 \$	1999 \$
REVENUE	2		
Line Charges		13,263,273	11,686,443
Other		493,435	476,494
		<u>13,756,708</u>	<u>12,162,937</u>
OPERATING EXPENDITURE	3		
Transmission Charges		3,954,322	3,454,518
Other		5,825,985	6,578,855
		<u>9,780,307</u>	<u>10,033,373</u>
OPERATING SURPLUS before Deferred Discount		3,976,401	2,129,564
Customer Deferred Discount	5	<u>1,600,000</u>	<u>1,569,813</u>
OPERATING SURPLUS before Taxation		2,376,401	559,751
Taxation	4	<u>1,198,978</u>	<u>1,054,431</u>
		<u>1,177,423</u>	<u>(494,680)</u>

**ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS
STATEMENT OF MOVEMENT IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2000**

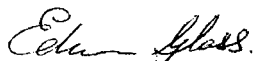
		2000 \$	1999 \$
EQUITY AT START OF YEAR		56,905,983	55,069,210
Operating Surplus after Taxation		1,177,423	(494,680)
Deferred Taxation on Distribution System Revaluation		0	3,146,726
Distribution System Revaluation		<u>(4,931,577)</u>	<u>0</u>
Total Recognised Revenue and Expenses for the Period		<u>(3,754,154)</u>	<u>2,652,046</u>
Other Movements			
Special Dividend	5	(1,116,700)	0
Contributions from Owners (reinvestment of energy business Sale proceeds)		7,400,000	0
Metering Assets Revaluation Reserve Transferred to Other Business		0	(815,273)
		<u>59,435,129</u>	<u>56,905,983</u>

The accompanying notes form part of these financial statements


ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS
STATEMENT OF FINANCIAL POSITION
AS AT THE 31 MARCH 2000

	Note	2000 \$	1999 \$
EQUITY			
Share Capital	6	25,956,173	25,956,173
Reserves		30,663,221	28,194,798
Retained Earnings		2,815,735	2,755,012
Total Equity		<u>59,435,129</u>	<u>56,905,983</u>
Represented By:			
CURRENT ASSETS	7		
Bank		870,963	595,615
Inventory		1,225,507	650,000
Receivables and Prepayments		1,814,763	483,486
Current A/C ARL		0	141,878
Tax Refund Due		42,760	320,098
Total Current Assets		<u>3,953,993</u>	<u>2,191,077</u>
CURRENT LIABILITIES	8		
Bank Overdraft		0	0
Provision for Taxation		0	100,000
Creditors		3,160,000	3,440,820
Bank Loan		0	2,250,000
Provision for Dividend	5	1,116,700	0
Total Current Liabilities		<u>4,276,700</u>	<u>5,790,820</u>
NET CURRENT ASSETS (LIABILITIES)		(322,707)	(3,599,743)
NON CURRENT ASSETS			
Fixed Assets	9		
Distribution System		61,829,582	61,604,319
Land & Buildings		2,339,759	2,316,065
Motor Vehicles		161,251	201,136
Plant, furniture & equipment		793,031	894,113
Work in Progress		99,827	253,265
Total Non Current Assets		<u>65,223,450</u>	<u>65,268,898</u>
NON CURRENT LIABILITIES	8		
Deferred Taxation		5,458,289	4,738,649
Industry Loan	10	7,325	24,523
Total Non Current Liabilities		<u>5,465,614</u>	<u>4,763,172</u>
TOTAL EQUITY AND LIABILITIES		<u>59,435,129</u>	<u>56,905,983</u>

For and on behalf of the Board



DIRECTOR



DIRECTOR

Date 16th August 2000

The accompanying notes form part of these financial statements

**ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2000**

	Note	2000 \$	1999 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash was Provided from:			
Receipts from Customers		12,699,464	12,347,705
Cash was Disbursed for:			
Payment to Suppliers & Employees		(9,420,997)	(6,320,739)
Interest Paid		(11,920)	(122,327)
Net GST Movement		(157,098)	346,314
Taxation Expense		(302,000)	(624,370)
		<u>(9,892,015)</u>	<u>(6,721,122)</u>
Net Cash Flows from Operating Activities	15	2,807,449	5,626,583
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash was Provided from:			
Sale of Fixed Assets		2,776	687,301
Cash was Applied to:			
Distribution System Improvements		(7,524,772)	(4,885,940)
Other Fixed Asset Additions		(142,907)	(683,351)
		<u>(7,667,679)</u>	<u>(5,569,291)</u>
Net Cash Flows Used in Investing Activities		(7,664,903)	(4,881,990)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash was Provided from:			
Contribution from Owners		7,400,000	0
Loan Received		0	1,274,523
Cash was Applied to:			
Industry & Loan Repayments		(2,267,198)	0
Dividend		0	0
Net Cash Flows From Financing Activities		5,132,802	1,274,523
NET INCREASE (DECREASE) IN CASH HELD		275,348	2,019,116
Opening Cash Brought Forward		<u>595,615</u>	<u>(1,423,501)</u>
Ending Cash Carried Forward		870,963	595,615
REPRESENTED BY:			
Bank Account		870,963	595,615

The accompanying notes form part of these financial statements

ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000****1 STATEMENT OF ACCOUNTING POLICIES****Statutory Base**

Electricity Ashburton Limited is a Co-operative company registered under the Co-operative Companies Act 1996.

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1999 from the consolidated financial statements of parent company Electricity Ashburton Limited as at 31 March 2000.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a modified historic cost basis have been followed.

Accounting Policies**a) Revenue**

Line revenue is recognised as actual amounts invoiced during the period.
Capital contributions are recognised as revenue in the year of receipt.

b) Transmission Charges

Transmission charges are recognised as a direct cost to the line business activity.

c) Depreciation

Depreciation has been provided on all tangible fixed assets other than freehold land on the following basis and at the following rates which amortise the cost of the asset over their economic lives.

Fixed Assets:

Distribution Network	1.4 % to 6.7% straight line
Buildings	
- concrete	1% straight line
- brick	2% straight line
- wooden	2.5% straight line
Motor Vehicles	18% to 31.2 % diminishing value
Plant & Equipment	10% to 60.0% diminishing value

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

d) Income Taxation

The income taxation expense charged against the operating surplus for the year is the estimated liability in respect of that operating surplus and is calculated after allowance for permanent differences. Deferred Taxation is calculated on the comprehensive basis using the liability method (see Note 4).

Future tax benefits attributable to tax losses or timing differences are only realised when there is virtual certainty of realisation.

e) Valuation of Assets

Land is stated at cost, all other fixed assets (except distribution assets) are stated at cost less accumulated depreciation.

All distribution system assets were revalued on an Optimised Deprival Value (ODV) basis by PriceWaterhouseCoopers as at 31 March 2000. All additions to the distribution network are recorded at cost. Distribution system assets will be revalued at least once every three years.

f) Accounts Receivable

Receivables are shown at net realisable value. All known bad debts have been written off during the year.

g) Inventories

Inventories are valued at the lower of cost, determined on a weighted average cost basis, and net realisable value.

h) Goods and Services Tax (GST)

These financial statements have been prepared exclusive of GST with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

i) Allocation Methodologies

Allocation of costs, revenues, assets and liabilities have been allocated in accordance with the Electricity (Information Disclosure) Regulations 1999.

Changes in Accounting Policies

There have been no material changes in accounting policies. All accounting policies have been applied on bases consistent with those used in the previous year.

	2000 \$	1999 \$
2 REVENUE		
a) Line / access charges;	13,011,293	11,686,443
b) Other services carried out by the line business	0	0
c) Interest on cash, bank balance and short term investments	0	0
d) AC loss - rental rebates	251,980	334,220
e) Other Revenue not listed in (a to d)	493,435	142,274
f) Total Operating Revenue	<u>13,756,708</u>	<u>12,162,937</u>
3 OPERATING EXPENDITURE		
a) Transmission Charges	3,954,322	3,454,518
b) Transfer Payments to the "Other" Business for -		
i) Asset Maintenance	1,117,141	1,540,284
ii) Consumer Disconnection and Reconnections Services	0	5,062
iii) Meter Data	0	10,742
iv) Consumer - based load control Services	22,361	5,004
v) Royalty and Patent expense	0	0
vi) Avoided transmission charges for own generation	0	0
vii) Other Goods and Services not listed in (i to vi)	0	0
Total transfer payment to the "Other" Business	<u>1,139,502</u>	<u>1,561,092</u>

	2000 \$	1999 \$
c) Expense to entities that are not related parties for -		
i) Asset Maintenance	51,205	64,672
ii) Consumer Disconnection and Reconnections Services	0	0
iii) Meter Data	0	0
iv) Consumer - based load control Services	13,553	0
v) Royalty and Patent expense	0	0
vi) Total of specified expenses to non-related parties	<u>64,758</u>	<u>64,672</u>
d) Employee Salaries and Redundancies	1,247,540	1,015,116
e) Consumer billing and information system expense	0	0
f) Depreciation on-		
i) System fixed assets	2,367,932	2,298,873
ii) Other system assets not listed in (i)	410,842	475,682
iii) Total Depreciation	<u>2,778,774</u>	<u>2,774,555</u>
g) Amortised of-		
i) Goodwill	0	0
ii) Other Tangibles	0	0
iii) Total amortization of Intangibles	<u>0</u>	<u>0</u>
h) Corporate and Administration	81,673	298,904
I) Human Resource expenses	17,974	171,360
j) Marketing and advertising	16,579	0
k) Merger and acquisition expenses	0	0
l) Takeover defence expense	0	0
m) Research and development expenses	0	0
n) Consultancy and legal expenses	39,932	65,473
o) Donations	0	0
p) Directors fees	198,690	171,360
q) Auditors fees-	0	0
i) Audit fees paid to principal auditors	27,410	27,410
ii) Audit fees paid to other auditors:	0	0
iii) Fees paid for other services provided by principal and other auditors	0	0
iv) Total auditors fees	<u>27,410</u>	<u>27,410</u>
r) Cost of offering credit-		
i) Bad debts written off	0	0
ii) Increase in estimated doubtful debts	0	0
iii) Total cost of offering credit	<u>0</u>	<u>0</u>
s) Local Authority rate expense	9,712	0
t) AC loss - rental rebates (distribution to retailers) expense	0	0
u) Rebates to customers due to ownership interest	1,600,000	1,569,813
v) Subvention payments	0	0
w) Unusual expenses	0	0
x) Other expenditure not listed in (a to z)	191,521	308,706
Total Operating Expenditure	<u>11,368,387</u>	<u>11,482,979</u>
Operating surplus before interest and income tax	2,388,321	679,958
Interest Expense		
a) Interest expense on borrowings	11,920	120,207
b) Financing charges related to finance lease	0	0
c) Other interest expense not listed in (a to b)	0	0
d) Total interest expense	<u>11,920</u>	<u>120,207</u>
Income Tax	1,198,978	1,054,431
Net Surplus after tax	<u>1,177,423</u>	<u>(494,680)</u>

4 TAXATION

Net Surplus before Taxation	2,376,401	559,751
Prima facie taxation at 33%	784,212	184,718
Prior year adjustment	(295,000)	0
Deferred Tax Adjustment	(12,062)	0
Less Tax effect on permanent differences	721,828	809,308
Less Tax effect of timing differences not Recognised	0	60,405
Total Taxation Expense	<u>1,198,978</u>	<u>1,054,431</u>
The Taxation charge comprises:		
Current Taxation	479,338	308,186
Prior Year Adjustment	(12,062)	60,405
Deferred Taxation	731,702	685,840
	<u>1,198,978</u>	<u>1,054,431</u>

5 CUSTOMER DEFERRED DISCOUNT AND DIVIDEND

Calculations for deferred discounts paid to each customer were based on their individual line charges calculated for the financial year.

A fully imputed dividend of \$1.00 per share (\$100 per shareholder) has been declared, the tax being paid from imputation credits available to the company.

6 EQUITY	2000	1999
	\$	\$
a) Shareholders' equity-		
i) Share capital	25,956,173	25,956,173
ii) Retained earnings	2,815,735	2,755,012
iii) Reserves	30,663,221	28,194,798
iv) Total shareholders' equity	<u>59,435,129</u>	<u>56,905,983</u>
b) Minority interests in subsidiaries	0	0
c) Total equity	59,435,129	56,905,983
d) Capital notes	0	0
e) Total capital funds	59,435,129	56,905,983

There are 23,191,670 deferred shares held by the Ashburton District Council and these have the following conditions attached to them.

- (a) There is no right to distributions, dividends or rebates.
- (b) There is a right to vote if the rights attached to the deferred shares are to be altered or there is a proposal which would change the control of the Company or the rights of the Council are not carried forward on an amalgamation.
- (c) The shares are not transferable except to another local authority or if 25% of the voting shares are controlled by one person.
- (d) The right to an equal distribution with the holders of the rebate shares on a winding up of the Company.

7 CURRENT ASSETS

	2000	1999
	\$	\$
a) Cash and bank balances	870,963	595,615
b) Short term investments	0	0
c) Inventories	1,225,507	650,000
d) Accounts Receivable	1,814,763	625,364
e) Other current assets not listed in (a to d)	42,760	320,098
f) Total Current Assets	<u>3,953,993</u>	<u>2,191,077</u>

* Included in the Trade debtors total is an amount of \$50,000 being the residual debt owing for 50,000 shares in RDR Management Limited to be transferred to the Ashburton Community Water Trust.

8 CURRENT LIABILITIES

a) Bank overdraft	0	0
b) Short term borrowings	0	2,250,000
c) Payables and accruals	3,160,000	3,440,820
d) Provision for dividend payable	1,116,700	0
e) Provision for income tax	0	100,000
f) Other current liabilities not listed in (a to e)	0	0
g) Total Current Liabilities	<u>4,276,700</u>	<u>5,790,820</u>

NON CURRENT LIABILITIES

a) Payroll and Accruals	0	0
b) Borrowings	0	0
c) Deferred Tax	5,458,289	4,738,649
d) Other Non Current Liabilities Not Listed in (a to c)	7,325	24,523
e) Total Non Current Liabilities	<u>5,465,614</u>	<u>4,763,172</u>

9 FIXED ASSETS

	2000	1999
	\$	\$
a) System Fixed assets	61,698,608	61,604,319
b) Centralised load control equipment	130,974	0
c) Consumer billing and information system assets	417,041	417,041
d) Motor Vehicles	161,251	201,136
e) Office Equipment	375,990	477,072
f) Land & Buildings	2,339,759	2,316,065
g) Capital works under construction:		
(i) Subtransmission assets (transfer payment)	0	0
(ii) Zone substations (transfer payments)	0	0
(iii) Distribution lines and cables (transfer payments)	91,390	253,265
(iv) Medium voltage switchgear (transfer payments)	0	0
(v) Distribution transformers	0	0
(vi) Distribution substations (transfer payments)	8,437	0
(vii) Low voltage lines and cables (transfer payments)	0	0
(viii) Other system fixed assets (transfer payments) as categorised in standard asset tables in the ODV Handbook:	0	0
h) Other fixed assets not listed in (a to g)	0	0
i) Total Fixed Assets	<u>65,223,450</u>	<u>65,268,898</u>
j) Other tangible assets not listed above.	0	0
Intangible Assets		
a) Goodwill	0	0
b) Other intangible assets not listed in (a)	0	0
c) Total Intangible Assets	<u>0</u>	<u>0</u>

FIXED ASSETS DEPRECIATION

Distribution System (Valuation)	61,829,582	66,064,213
Accumulated Depreciation	<u>0</u>	<u>4,459,894</u>
	61,829,582	61,604,319
Land & Buildings (Cost)	2,707,473	2,646,799
Accumulated Depreciation	<u>367,714</u>	<u>330,734</u>
	2,339,759	2,316,065
Motor Vehicles (Cost)	517,129	507,163
Accumulated Depreciation	<u>355,878</u>	<u>306,027</u>
	161,251	201,136
Plant, furniture & equipment (Cost)	2,897,388	2,674,458
Accumulated Depreciation	<u>2,104,357</u>	<u>1,780,345</u>
	793,031	894,113
Work in Progress	99,827	253,265
Total Non Current Assets	65,223,450	65,268,898

The directors believe that government valuation is a fair representation of the fair value of the company's land and buildings. The Government valuation of land and buildings at 1 September 1997 is \$2,780,500.

10 FINANCIAL INSTRUMENTS

Electricity Ashburton Limited estimates that in respect of the reported Financial Instruments being bank deposits, account receivables and industry loan reported in the financial statement:-

- (i) Fair value is equivalent to carrying an amount as stated in the statement of financial position.
- (ii) Concentration of credit risk is minimised in respect of:-
 - (a) Receivables: The company has exposure of credit risk by having eight line customers. Credit risk with each of these customers is managed by a use of system agreement. The company performs credit evaluations where considered necessary.
 - (b) Bank deposits, by a specific policy of spreading investments between registered trading banks, Ashburton Permanent Building Society and the Ashburton Loan & Building Society.
 - (c) Cash, by being held in minimal quantities.
- (iii) Industry loan of \$7,325 is for five years with an interest rate of zero per cent.

The company has a \$500,000 overdraft facility with Westpac Trust, which is secured by a negative pledge over assets. No loans have been uplifted during the financial year under report.

11 COMMITMENTS

Estimated capital expenditure contracted for at balance date is \$20,000 (1999: \$3,029,000).

12 CONTINGENT LIABILITIES

As at 31 March 2000 there were no material contingent liabilities that are not included in these financial statements (1999: Nil).

13 SEGMENT INFORMATION

The predominant activity of Electricity Ashburton Limited is the distribution of electricity. All operations are conducted in New Zealand.

14 RELATED PARTIES

All related party transactions in the accounts of Electricity Ashburton have been conducted on a commercial and arms length basis.

The contracting division of Electricity Ashburton has provided the following services at cost, including overheads, for the period 1 April 1999 to 31 March 2000.

	2000 \$	1999 \$
Construction of distribution lines & cables	2,535,165	3,805,694
Construction of medium voltage switchgear	382,487	0
Construction of distribution transformers	757,858	0
Construction of distribution substations	3,328,144	158,592
Construction of low voltage lines and cables	209,738	38,015
Construction of other system fixed assets	0	17,935
Maintenance of assets	1,117,141	1,540,284
Consumer connections and reconnections	0	0
Other services	22,361	0

No amounts have been forgiven or written off, and no amounts remain outstanding at the end of the period.

15 RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

Net Surplus (Deficit) after tax	1,177,423	(494,680)
Add Non Cash items:		
Movement in Deferred Taxation	719,640	(2,460,887)
Deferred Taxation taken to reserves	0	3,146,726
Depreciation	2,778,774	2,774,555
	<u>4,675,837</u>	<u>2,965,714</u>
Add (less) Movements in Working Capital Items:		
Decrease (Increase) in Tax Receivable	177,338	(255,778)
Decrease (Increase) in Receivables	(1,189,399)	252,988
Decrease (Increase) in Inventories	(575,507)	207,797
Decrease (Increase) in Accounts Payable	(280,820)	2,091,447
	<u>(1,868,388)</u>	<u>2,296,454</u>
Add (less) Items Classified as Investing Activities:		
Net Loss (Gain) on Disposal of Assets	0	18,101
Other	0	346,314
	<u>0</u>	<u>364,415</u>
Net Cash Flows from Operating Activities	<u>2,807,449</u>	<u>5,626,583</u>

16 ANNUAL ODV VALUATION RECONCILIATION

Opening Book Value	61,604,319
Additions	7,524,772
Depreciation	(2,367,932)
Revaluation (31/03/2000)	(4,931,577)
Closing Book Value	<u>61,829,582</u>

The ODV valuation amounting to \$63,180,843 includes a valuation for distribution system inventory amounting to \$1,351,261. In preparing these regulation financial statements inventory has been recorded at cost and not at the ODV valuation figure.

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	2,388,321				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	2,388,321				
Interest on cash, bank balances, and short-term investments (ISTI)	0				
OSBIT minus ISTI	2,388,321	a	2,388,321		2,388,321
Net surplus after tax from financial statements	1,177,423				
Net surplus after tax adjusted pursuant to regulation 19 (NSAT)	1,177,423	n		1,177,423	
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add
Subvention payment	0	s	add	0	add
Depreciation of SFA at BV (x)	2,367,932				
Depreciation of SFA at ODV (y)	2,367,932				
ODV depreciation adjustment	0	d	add	0	add
Subvention payment tax adjustment	0	s't		deduct	deduct
Interest tax shield	3,934	q			deduct
Revaluations	-4,931,577	r			add
Income tax	1,198,978	p			deduct
Numerator			2,388,321 OSBIT ^{ADJ} = a + g + s + d	1,177,423 NSAT ^{ADJ} = n + g + s - s't + d	-3,746,168 OSBIT ^{ADJ} = a + g - q + r + s + d - p - s't
Fixed assets at end of previous financial year (FA ₀)	65,268,898				
Fixed assets at end of current financial year (FA ₁)	65,223,450				
Adjusted net working capital at end of previous financial year (ANWC ₀)	-1,845,358				
Adjusted net working capital at end of current financial year (ANWC ₁)	-78,970				
Average total funds employed (ATFE) (or regulation 33 time-weighted average)	64,285,010	c	64,285,010		64,285,010
Total equity at end of previous financial year (TE ₀)	56,805,983				
Total equity at end of current financial year (TE ₁)	59,435,129				
Average total equity (or regulation 33 time-weighted average)	58,170,556	k		58,170,556	
WUC at end of previous financial year (WUC ₀)	253,285				
WUC at end of current financial year (WUC ₁)	99,827				
Average total works under construction (or regulation 33 time-weighted average)	176,546	e	deduct	176,546	deduct
Revaluations	-4,931,577	r			
Half of revaluations	-2,465,789	n/2			deduct
Intangible assets at end of previous financial year (IA ₀)	0				
Intangible assets at end of current financial year (IA ₁)	0				
Average total intangible asset (or regulation 33 time-weighted average)	0	m		add	0
Subvention payment at end of previous financial year (S ₀)	0				
Subvention payment at end of current financial year (S ₁)	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
Average subvention payment & related tax adjustment	0	v		add	0
System fixed assets at end of previous financial year at book value (SFA _{0,bv})	61,604,319				
System fixed assets at end of current financial year at book value (SFA _{1,bv})	61,829,582				
Average value of system fixed assets at book value (or regulation 33 time-weighted average)	61,716,951	f	deduct	61,716,951	deduct
System Fixed assets at year beginning at ODV value (SFA _{0,odv})	61,604,319				
System Fixed assets at end of current financial year at ODV value (SFA _{1,odv})	61,829,582				
Average value of system fixed assets at ODV value (or regulation 33 time-weighted average)	61,716,951	h	add	61,716,951	add
Denominator			84,108,484 ATFE ^{ADJ} = c - e - f + h	57,994,010 Ave TE ^{ADJ} = k - e - m + v - f + h	66,574,253 ATFE ^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:			3.7 ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100	2.0 ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	-5.8 ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100

1 = maximum statutory income tax rate applying to corporate entities bv = book value ave = average odv = optimised deprival valuation subscript '0' = end of the previous financial year
subscript '1' = end of the current financial year ROF = return on funds ROE = return on equity ROI = return on investment

**ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS
PERFORMANCE MEASURES
FOR THE YEAR ENDED 31 MARCH**

FINANCIAL PERFORMANCE MEASURES AND EFFICIENCY PERFORMANCE MEASURES

	2000	1999	1998	1997
1. Financial Performance Measures				
(a) Return on funds	3.7%	1.1%	2.7%	0.2%
(b) Return on equity	2.0%	(0.9%)	1.3%	(1.5%)
(c) Return on investment	(5.6%)	(0.7%)	33.5%	(0.5%)
2. Efficiency Performance Measures				
(a) Direct line costs per kilometre	1,015	1,034	1,241	1,476
(b) Indirect line costs per electricity customer	40	91	48	43

ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS

1. Energy Delivery Efficiency Performance Measures:

(a) Load factor	53.30%	59.0%	56.80%	54.90%
(b) Loss ratio	7.58%	6.1%	7.30%	7.10%
(c) Capacity utilisation	26.10%	27.01%	28.80%	26.60%

2. Statistics

(a) System Length (Total kms)

66 kV	16	0	0	0
33 kV	252	282	297	288
22 kV	226	140	79	32
11 kV	1,668	1,718	1,748	1,776
230/400 V	269	227	217	213
Total	2,431	2,367	2,341	2,309

(b) System Length - Overhead (kms)

66 kV	15	0	0	0
33 kV	248	279	294	285
22 kV	225	139	79	32
11 kV	1,602	1,657	1,688	1,718
230/400 V	135	122	121	12
Total Overhead	2,225	2,197	2,182	2,157

	2000	1999	1998	1997
(c) System Length - Underground (kms)				
66 kV	1	0	0	0
33 kV	4	3	3	3
22 kV	1	1	0	0
11 kV	66	61	60	58
230/400 V	134	105	96	91
	-----	-----	-----	-----
Total Underground	206	170	159	152
(d) Transformer Capacity (kVA))	239,168	235,052	221,503	213,027
(e) Maximum Demand (kW)	62,433	63,644	63,719	56,628
(f) Total electricity supplied (kWh)	270,157,621	308,741,463	294,018,313	252,58,669
(g) Electricity conveyed for each retailer including losses (kWh)				
Electricity Ashburton	0	326,739,131	317,061,733	272,189,328
Retailer A	234,861,836	159,936	0	0
Retailer B	41,064,461	0	0	0
Retailer C	7,320,458	0	0	0
Retailer D	5,952,362	0	0	0
Retailer E	1,810,375	868,486	0	0
Retailer F	1,302,080	0	0	0
Retailer G	2,789	0	0	0
	-----	-----	-----	-----
Total	292,314,361	327,767,553	317,061,733	272,189,328
(h) Total Customers	13,843	13,564	13,365	13,164

RELIABILITY PERFORMANCE MEASURES

1. Total number of interruptions

Class A - Planned by Transpower	0	0	0	0
Class B - Planned by Line Owners	109	204	173	170
Class C - Unplanned by Line Owners	123	154	202	234
Class D - Unplanned by Transpower	4	0	0	2
Class E - Unplanned by ECNZ	0	0	0	0
Class F - Unplanned by other generation	0	0	0	0
Class G - Any other loss of supply	2	0	0	0
	-----	-----	-----	-----
Total	238	358	375	406

2. Interruption targets for (next year)

Class B - Planned by Line Owners	194
Class C - Unplanned by Line Owners	149

3. Average interruption targets (5 years)

Class B - Planned by Line Owners	194
Class C - Unplanned by Line Owners	149

	2000	1999	1998	1997
4. Fault Restoration Times (Class C) interruptions not restored within:				
3 Hours	4.88%	7.80		
24 Hours	0%	1.30		
5. Number of faults per 100 km of prescribed voltage line				
(a) Total number of faults				
66 kV	6.25			
33 kV	3.17	3.90	2.36	3.82
22 kV	3.98	4.29	6.33	6.25
11 kV	6.29	7.97	10.35	11.82
Total	5.06	7.20	9.09	10.40
(b) Target for (next year)				
66 kV	3.8			
33 kV	3.8			
22 kV	4.2			
11 kV	7.7			
Total	7.0			
(c) Average Target (5 years)				
66 kV	3.8			
33 kV	3.8			
22 kV	4.2			
11kV	7.7			
Total	7.0			
6. The total number of faults per 100km of prescribed voltage underground line				
66 KV	0	0	0	0
33 kV	0	0	0	0
22 kV	0	0	0	0
11kV	3.03	1.64	3.33	3.45
Total	0.97	1.54	3.17	3.28
7. The total number of faults per 100km of prescribed voltage overhead line				
66 kV	6.67			
33 kV	3.23	3.94	2.38	3.86
22 kV	4.00	4.32	6.33	6.25
11 kV	6.43	8.21	10.60	11.82
Total	5.44	7.37	9.27	10.61
8. SAIDI for the total number of interruptions				
	146.72	197.38	180.46	355.61

	2000	1999	1998	1997
9. SAIDI targets (next year)				
Class B - Planned by Line Owners	60			
Class C - Unplanned by Line Owners	130			
10. Average SAIDI targets (5 years)				
Class B - Planned by Line Owners	60			
Class C - Unplanned by Line Owners	130			
11. SAIDI - Classification of interruptions				
Class A - Planned by Transpower	0	0	0	0
Class B - Planned by Line Owners	58.92	63.06	60.04	97.33
Class C - Unplanned by Line Owners	72.34	134.35	120.42	160.70
Class D - Unplanned by Transpower	15.28	0	0	97.58
Class E - Unplanned by ECNZ	0	0	0	0
Class F - Unplanned by other generation	0	0	0	0
Class G - Any other loss of supply	0	0	0	0
12. SAIFI for the total number of interruptions	1.82	2.45	1.66	3.11
13. SAIFI targets (next year)				
Class B - Planned by Line Owners	0.25			
Class C - Unplanned by Line Owners	2.00			
14. Average SAIFI targets (5 years)				
Class B - Planned by Line Owners	0.25			
Class C - Unplanned by Line Owners	2.00			
15. SAIFI - Classification of interruptions				
Class A - Planned by Transpower	0	0	0	0
Class B - Planned by Line Owners	0.19	0.25	0.24	0.35
Class C - Unplanned by Line Owners	0.92	2.20	1.41	2.39
Class D - Unplanned by Transpower	0.71	0	0	0.36
Class E - Unplanned by ECNZ	0	0	0	0
Class F - Unplanned by other generation	0	0	0	0
16. CAIDI for the total number of interruptions	81	80	109	115
17. CAIDI targets for (next year)				
Class B - Planned by Line Owners	240			
Class C - Unplanned by Line Owners	65			
18. Average CAIDI target (5 years)				
Class B - Planned by Line Owners	240			
Class C - Unplanned by Line Owners	65			
19. CAIDI - Classification of Interruptions				
Class A - Planned by Transpower	0	0	0	0
Class B - Planned by Line Owners	317	248	246	278
Class C - Unplanned by Line Owners	79	61	85	67
Class D - Unplanned by Transpower	22	0	0	270
Class E - Unplanned by ECNZ	0	0	0	0
Class F - Unplanned by other generation	0	0	0	0
Class G - Any other loss of supply	125	0	0	0



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

We have audited the accompanying financial statements of Electricity Ashburton Limited on pages 3 to 12. The financial statements provide information about the past financial performance of Electricity Limited and its financial position as at 31 March 2000. This information is stated in accordance with the accounting policies set out on pages 6 and 7.

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 Electricity Ashburton 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 K J Boddy, 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 Electricity Ashburton 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 Electricity Ashburton Limited.

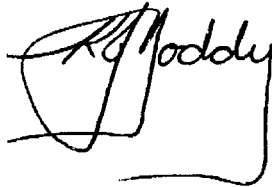
Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by Electricity Ashburton Limited as far as appears from our examination of those records; and
- the financial statements of Electricity Ashburton Limited on pages 3 to 12:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of Electricity Ashburton 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 25 August 2000 and our opinion is expressed as at that date.



K J Boddy
Audit New Zealand
On behalf of the Controller and Auditor-General
Christchurch, New Zealand



AUDITOR'S OPINION OF PERFORMANCE MEASURES

I have examined the attached information, being –

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

that were prepared by Electricity Ashburton Limited and dated 25 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.

A handwritten signature in black ink, appearing to read "K J Boddy". The signature is stylized and somewhat cursive, with a large loop at the end.

K J Boddy
Audit New Zealand
On behalf of the Controller & Auditor-General
Christchurch, New Zealand
25 August 2000