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BULLER ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

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

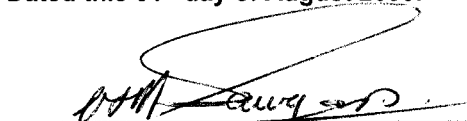
BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower**

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

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

The valuations on which those financial performance measures are based are as at 31 March 1998.

Dated this 31st day of August 2000.



M SAWYERS
Director



C P WHITE
Director

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2000**

	Note	2000 \$	1999 \$
Revenue		4,298,560	4,099,242
Expense		4,086,499	3,322,377
Net Surplus Before Tax		212,061	776,865
Less Taxation Expense	2	(22,994)	256,365
Net Surplus after Tax		<u>235,055</u>	<u>520,500</u>

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

	Note	2000 \$	1999 \$
Equity as at 1 April 1999		15,301,480	4,617,031
Net Surplus for the Year		235,055	520,500
Revaluation of Assets		(57,000)	8,893,652
Total Recognised Revenues and Expenses for the Year		<u>178,055</u>	<u>9,414,152</u>
Reallocation of Equity		0	1,529,059
Dividend		<u>42,000</u>	<u>258,762</u>
Equity as at 31 March 2000		<u>15,437,535</u>	<u>15,301,480</u>

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2000**

	Note	2000 \$	1999 \$
Equity			
Share Capital		4,964,358	4,964,358
Reserves	3	9,281,707	9,338,799
Retained Earnings		1,191,470	998,323
Total Equity		15,437,535	15,301,480
Represented by:			
Current Assets			
Cash at Bank and on Hand		20,750	1,467,166
Short Term Deposits		2,245,000	0
Receivables and Prepayments		419,036	432,488
Tax Refund Due		41,135	368,005
Other		2,086	0
		2,728,007	2,267,659
Current Liabilities			
Creditors		406,701	258,506
Provision for Dividend		42,000	258,762
Taxation Payable		0	154,093
		448,701	671,361
Net Current Assets		2,279,306	1,596,298
Non Current Assets			
Fixed Assets	4	13,155,731	13,551,031
Long Term Investments		2,498	154,151
		13,158,229	13,705,182
Net Assets		15,437,535	15,301,480

For and on Behalf of the Board



W H M Sawyers
Chairman



C P White
Director

31 August 2000

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2000**

	Note	2000 \$	1999 \$
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from customers		4,154,626	3,828,872
Interest received		109,059	12,473
Taxation Refund		368,005	0
Net GST		25,256	0
		<u>4,656,946</u>	<u>3,841,345</u>
Cash was disbursed to:			
Payment to Employees		330,179	242,957
Payments to Suppliers		3,062,484	2,384,900
Interest Paid		0	139
Income Tax Paid		172,234	566,061
Net GST		0	19,433
		<u>3,564,897</u>	<u>3,213,490</u>
Net cash inflow from operating activities	9	<u>1,092,049</u>	<u>627,855</u>
Cash Flows from Investing Activities			
Cash was provided from:			
Sale of Fixed Assets		7,660	10,667
Sale of Investments		151,653	0
		<u>159,313</u>	<u>10,667</u>
Cash was applied to:			
Purchase of fixed assets		194,016	597,209
Increase in Investments		0	21,708
		<u>194,016</u>	<u>618,917</u>
Net cash flows from investing activities		<u>(34,703)</u>	<u>(608,250)</u>
Cash Flow from Financing Activities			
Cash was provided from:			
Increase in term liabilities		0	0
Cash was applied to:			
Dividend Paid		258,762	135,879
Net cash outflow from financing activities		<u>(258,762)</u>	<u>(135,879)</u>
Net increase in cash held		798,584	(116,274)
Add opening cash brought forward		1,467,166	54,381
Reallocation of opening cash		0	1,529,059
Ending cash and Short Term Deposits carried forward		<u>2,265,750</u>	<u>1,467,166</u>
Cash Balances in the Statement of Financial Position			
Cash at Bank and on Hand		20,750	1,467,166
Short Term Deposits		2,245,000	0
		<u>2,265,750</u>	<u>1,467,166</u>

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**Notes to and forming part of the Financial Statements
for the Year Ended 31 March 2000****1 STATEMENT OF ACCOUNTING POLICIES**

Buller Electricity Limited is a public company registered under the Companies Act 1993. These financial statements have been prepared for the purpose of complying with the requirements of the Electricity [Information Disclosure] Amendment Regulations 2000.

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

Specific Accounting Policies

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

a) **Revenue**
Fixed and variable line charges are recognised as actual amounts invoiced during the period together with an accrual for the estimated value of unbilled fixed and variable line charges at balance date. Contributions received from customers towards the cost of reticulating subdivisions and constructing line extensions are recognised as revenue in the year received.

b) **Receivables**
Receivables are stated at their estimated realisable value after providing for doubtful debts. All known bad debts have been written off during the year.

c) **Investments**
Investments are recorded at the lower of cost or net realisable value.

d) **Fixed Assets**
The System Fixed Assets were revalued on an optimised depreciated replacement cost basis by independent valuers on 1 April 1998 and subsequently will be revalued at least every 3 years. Additions to the System Fixed Assets since revaluation are stated at cost.

Assets constructed by the company are capitalised at direct cost plus a proportion of indirect overheads.

Land and buildings were revalued by Coast Valuations Limited an independent registered valuer as at 31 March 1997 in accordance with the New Zealand Institute of Valuers Asset Valuation Standards at net current value. Additions since revaluation are stated at cost.

All other fixed assets are recorded at cost less accumulated depreciation.

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

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

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

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

- f) **Employee Entitlements**
Employee entitlements to salaries and wages, annual and long service leave and other benefits are recognised when they accrue to employees. Allowance is also made for the present value of future staff retirement and gratuity benefits.
- g) **Goods and Services Tax (GST)**
The Statement of Financial Performance and Statement of Cashflows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST with the exception of receivables and creditors which include GST.
- h) **Income Tax**
Income tax expense recognises the current obligations and all amounts arising from differences between the accounting results and assessable income for the period. This is the liability method applied on a partial basis.
- i) **Financial Instruments**
Financial instruments carried in this Statement of Financial Position include cash and bank balances, investments, receivables and trade creditors. These instruments are carried at their estimated fair value.
- j) **Statement of Cashflows**
Cash means all cash balances, bank accounts and demand deposits which the company invests as part of its day to day cash management.

Operating activities include cash received from all revenue sources of the company and records all cash payments made by the company for the supply of goods and services. Investing activities are those activities relating to the ownership of shares in investment companies and disposal/acquisition of fixed assets. Financing activities are those activities which change the debt and equity structure of the company.

CHANGES IN ACCOUNTING POLICIES

The income tax policy has been changed from a comprehensive to a partial basis and there have been no other changes in accounting policies which have been applied on a basis consistent with previous years.

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000 \$	1999 \$
2 TAXATION		
Net Surplus before Taxation	212,061	776,865
Prima Facie Taxation at 33%	69,980	256,365
Plus Tax effect of permanent differences	151,579	0
Less Tax effect of timing differences not Recognised	(240,236)	0
Less Prior Year Adjustment	(4,317)	0
Total Taxation Expense (Benefit)	<u>(22,994)</u>	<u>256,365</u>
The Taxation charge comprises:		
- current taxation	131,099	209,589
- deferred taxation	<u>(154,093)</u>	<u>46,776</u>
	<u>(22,994)</u>	<u>256,365</u>

A deferred tax liability of \$1,272,257 has not been recognised. This liability primarily relates to asset revaluations of the reticulation assets which would only crystallise on disposal.

3 RESERVES

Share Premium Reserve	255,795	255,795
Revaluation Reserve Land and Buildings	132,351	189,351
Revaluation Distribution System	8,859,511	8,859,603
Revaluation other Assets	34,050	34,050
	<u>9,281,707</u>	<u>9,338,799</u>

4 FIXED ASSETS**System Fixed Assets**

Cost/Valuation	13,956,966	13,838,845
Accumulated Depreciation	<u>(1,112,127)</u>	<u>(635,334)</u>
Net Book Value	12,844,839	13,203,511

Land

Cost/Valuation	22,579	8,222
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Buildings

Cost/Valuation	183,247	183,247
Accumulated Depreciation	<u>(10,736)</u>	<u>(7,071)</u>
Net Book Value	172,511	176,176

Customer Billing and IS

Cost	107,348	109,988
Accumulated Depreciation	<u>(78,848)</u>	<u>(59,415)</u>
Net Book Value	28,500	50,573

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000	1999
	\$	\$
Office Equipment		
Cost	76,665	76,608
Accumulated Depreciation	<u>(31,984)</u>	<u>(23,871)</u>
Net Book Value	44,681	52,737
Motor Vehicles		
Cost	38,973	66,178
Accumulated Depreciation	<u>(10,789)</u>	<u>(17,906)</u>
Net Book Value	28,184	48,272
Other		
Cost	47,953	34,320
Depreciation	<u>(33,516)</u>	<u>(23,534)</u>
Net Book Value	14,437	10,786
Capital Works Under Construction	0	754
Total Net Book Value	<u>13,155,731</u>	<u>13,551,031</u>

The System Fixed Assets were revalued by PriceWaterhouseCoopers on 1 April 1998 to a value of \$13,774,807 on an optimised depreciated replacement cost basis.

5 FINANCIAL INSTRUMENTS**Credit Risk**

- i In the normal course of business the company incurs credit risks being cash, bank deposits and debtors transactions with consumers and financial institutions.
- ii The company does not have any significant concentration of credit risks. It does not require any security to support investments as it only banks with those institutions that have high credit ratings.
- iii The company has a policy that minimises its credit exposure by limiting the amount of cash and short term investments placed with any one financial institution at any one time.
- iv Buller Electricity Limited has no exposure to currency risk.

6 SEGMENTAL REPORTING

Buller Electricity operates predominantly in one industry, distribution of electricity. All operations are carried out within New Zealand and are therefore within one geographical segment for reporting purposes.

7 RELATED PARTIES

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

- i The company is 100% owned by the Buller Electric Power Trust. During the year the company:
 - paid the Trust \$1,195,575 as a dividend compared to \$160,000 the previous year
 - provision has been made in the accounts for payment of a dividend of \$42,000
- ii All directors are customers of Buller Electricity and supply is provided to them under standard terms and conditions.

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

- iii Buller Electricity Limited purchased line construction and maintenance services at retail chargeout rates from its contracting division for the period 1 April 1999 to 31 March 2000. At year end there were no outstanding balances for related parties and no debts were written off or forgiven during the year.

	2000	1999
	\$	\$
Construction of subtransmission assets	0	3,298
Construction of zone substations	90,776	145,440
Construction of distribution lines and cables	43,044	314,283
Construction of medium voltage switchgear	7,647	31,627
Construction of distribution transformers	753	42,232
Construction of distribution substations	2,519	52,981
Construction of low voltage reticulation	16,129	54,893
Construction of other system fixed assets	0	1,574
Maintenance of assets	695,776	494,607
Consumer connections and disconnections	4,157	1,413
Other services	13,380	32,942

8 COMMITMENTS AND CONTINGENT LIABILITIES**Commitments**

There are no commitments at balance date. (1999 \$ Nil)

Contingent Liability

There is a Contingent Liability for discrepancies that may arise on the reconciliation of energy transported versus energy charged by the various energy retailers. (1999 \$ Nil)

	2000	1999
	\$	\$
9 RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Reported Net Surplus after tax	235,055	520,500
Add (Less) Non Cash Items:		
Depreciation	531,716	500,135
Deferred Tax Liability Increase (Decrease)	(154,093)	46,776
Vested Assets (Capital Contributions)	(39,353)	(82,896)
	<u>338,270</u>	<u>464,015</u>
Add (Less) Movements in Working Capital Items		
Decrease (Increase) in Tax Receivable	326,870	(356,472)
Decrease (Increase) in Receivables	13,452	(213,842)
Decrease (Increase) in Accounts Payable	148,195	12,106
Decrease (Increase) in other Current Assets	(2,086)	0
Add (Less) Movements in Non-current Items	<u>486,431</u>	<u>(558,208)</u>
Add (Less) Items Classified as Investing Activities		
Net Loss (Gain) on Disposal of Assets	<u>32,293</u>	<u>201,548</u>
	<u>32,293</u>	<u>201,548</u>
Net Cash Inflows from Operating Activities	<u>1,092,049</u>	<u>627,855</u>

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000
	\$
10 ODV RECONCILIATION REPORT	
System fixed assets at ODV at beginning of year	13,203,511
Add system fixed assets acquired during the year at ODV	141,442
Less system fixed assets disposed of during the year at ODV	(22,707)
Less depreciation system fixed assets at ODV	(477,407)
Add revaluations of system fixed assets	0
System fixed assets at ODV at end of year	<u>12,844,839</u>
11 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 by the Electricity (Information Disclosure) Amendment Regulations 2000.	

	2000	1999
	\$	\$
Statement of Financial Position Disclosure (Schedule 1, Part 2)		
1 Current Assets		
(a) Cash & Bank balances	20,750	1,467,166
(b) Short term investments	2,245,000	0
(c) Inventories	0	0
(d) Accounts receivable	419,036	432,488
(e) Other current assets not listed in (a) to (d)	43,221	368,005
(f) Total current assets	2,728,007	2,267,659
2 Fixed Assets		
(a) System fixed assets	12,844,839	13,203,511
(b) Customer billing and information system assets	28,500	50,573
(c) Motor Vehicles	28,184	48,272
(d) Office Equipment	44,681	62,543
(e) Land and Buildings	195,090	184,398
(f) Capital works under construction	0	754
(g) Other fixed assets not listed in (a) to (f)	14,437	980
(h) Total fixed assets	13,155,731	13,551,031
3 Other tangible assets not listed above	2,498	154,151
4 Total tangible assets	15,886,236	15,972,841
5 Intangible assets		
(a) Goodwill	0	0
(b) Other intangible not listed in (a)	0	0
(c) Total intangible assets	0	0
6 Total Assets	15,886,236	15,972,841

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000	1999
	\$	\$
7 Current Liabilities		
(a) Bank Overdraft	0	0
(b) Short term borrowings	0	0
(c) Payables and accruals	406,701	258,506
(d) Provision for dividend payable	42,000	258,762
(e) Provision for income tax	0	154,093
(f) Other Current Liabilities not listed in (a) to (e)	0	0
(g) Total Current Liabilities	448,701	671,361
8 Non-current Liabilities		
(a) Payables and accruals	0	0
(b) Borrowings	0	0
(c) Deferred tax	0	0
(d) Other Non-current Liabilities not listed in (a) to (e)	0	0
(e) Total Non-current Liabilities	0	0
9 Equity		
(a) Shareholders equity		
(i) Share Capital	4,964,358	4,964,358
(ii) Retained Earnings	1,191,470	998,323
(iii) Reserves	9,281,707	9,338,799
(iv) Total Shareholders equity	15,437,535	15,301,480
(b) Minority interests in subsidiaries	0	0
(c) Total Equity	15,437,535	15,301,480
(d) Capital Notes	0	0
(e) Total capital funds	15,437,535	15,301,480
10 Total equity and liabilities	15,886,236	15,972,841
Statement of Financial Performance Disclosure (Schedule 1, Part 2)		
11 Operating revenue		
(a) Revenue from line/access charges	3,982,792	3,866,515
(b) Revenue from "Other" business (transfer payment)	0	7,128
(c) Income from interest on bank & short term investments	109,247	16,287
(d) AC loss rental rebates	87,064	107,778
(e) Other operating revenue not listed in (a) to (d)	119,457	101,534
(f) Total operating revenue	4,298,560	4,099,242
12 Operating expenditure		
(a) Transmission Charges	1,471,675	1,383,347
(b) Transfer payments to "Other" business		
(i) Asset maintenance	695,776	494,607
(ii) Consumer disconnections and reconnections	4,157	1,413
(iii) Meter data	264	1,987
(iv) Consumer based load control	13,116	27,164
(v) Royalty and patent expenses	0	0
(vi) Avoided transmission charges for own generation	0	0
(vii) Other goods & services not listed in (i) to (vi) above	0	3,791
(viii) Total transfer payment to the "Other" business	713,313	528,962
(c) Payments to non-related entities		
(i) Asset maintenance	5,157	34,423
(ii) Consumer disconnections and reconnections	0	0
(iii) Meter data	0	0
(iv) Consumer based load control	0	0
(v) Royalty and patent expenses	0	0
(vi) Total of specified expenses to non-related parties	5,157	34,423

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000 \$	1999 \$
(d) Employee salaries, wages and redundancies	355,112	246,894
(e) Consumer billing and information system expense	15,557	9,541
(f) Depreciation on		
(i) System fixed assets	477,407	434,559
(ii) Other assets not listed in (i)	54,309	65,576
(iii) Total depreciation expense	531,716	500,135
(g) Amortisation of		
(i) Goodwill	0	0
(ii) Other intangibles	0	0
(iii) Total amortisation of intangibles	0	0
(h) Corporate and administration	70,084	74,957
(i) Human resource expense	47,436	35,191
(j) Marketing and advertising	7,049	13,651
(k) Merger and acquisition expenses	0	0
(l) Takeover defence expenses	0	0
(m) Research and development expenses	0	0
(n) Consultancy and legal expenses	193,445	115,287
(o) Donations	3,757	0
(p) Directors fees	64,401	45,500
(q) Audit fees		
(i) Audit fees paid to principal auditors	20,000	23,200
(ii) Audit fees paid to other auditors	0	0
(iii) Fees paid for other services provided by auditors	3,000	0
(iv) Total auditors fees	23,000	23,200
(r) Costs of offering credits		
(i) Bad debts written off	2,237	0
(ii) Increase in estimated doubtful debts	7,600	
(iii) Total costs of offering credit	9,837	
(s) Local authority rates	3,817	1,189
(t) AC loss-rental (distribution of) expense	0	0
(u) Rebates to customers due to ownership interest	299,602	0
(v) Subvention payments	0	0
(w) Unusual expenses	103,708	0
(x) Other expenditure not listed in (a) to (w)	167,833	309,961
13 Total operating expenditure	4,086,499	3,322,238
14 Operating surplus before interest and income tax	212,061	777,004
15 Interest		
(a) Interest expenses on borrowings	0	0
(b) Financing charges related to finance leases	0	0
(c) Other interest expense	0	139
(d) Total interest expense	0	139
16 Operating surplus before income tax	212,061	776,865
17 Income Tax	(22,994)	256,365
18 Net surplus after tax	235,055	520,500

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS**12 PERFORMANCE MEASURES**

Disclosure of financial performance measures and efficiency performance measures under regulation 15 of the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000.

	2000	1999	1998	1997
1 Financial Performance Measures				
(a) Return on Funds	0.75%	5.47%	6.19%	2.40%
(b) Return on Equity	1.53%	3.63%	4.41%	1.45%
(c) Return on Investment	0.77%	96.46%	7.26%	1.63%
2 Efficiency Performance Measures				
(a) Direct line costs per kilometre	\$1,886	\$1,565	\$1,222	\$1,454
Direct Expenditure	\$1,091,268			
System Length	578.50	574.27	574.27	568.48
(b) Indirect line costs per electricity customer	\$163	\$127	\$169	\$189
Indirect Expenditure	\$692,238			
Total consumers	4,241	4,243	4,250	4,238

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 ($=a/b*c*100$)	70.81%	65.39%	64.66%	70.92%
a = kWh of electricity entering system				
b = Maximum demand				
c = Total number of hours in year				
(b) Loss Ratio ($=a/b*100$)	2.86%	3.40%	4.32%	4.03%
a = losses in electricity in kWh				
b = kWh of electricity entering system				
(c) Capacity Utilisation ($=a/b*100$)	56.08%	59.2%	62.3%	60.4%
a = Maximum demand				
b = Transformer Capacity				

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000	1999	1998	1997
2 Statistics				
(a) System Length				
Circuit Kilometres 33kV	111.49	111.31	111.31	111.30
Circuit Kilometres 11kV	336.27	332.82	332.82	330.35
Circuit Kilometres 400V	130.74	130.14	130.14	126.83
Total	<u>578.50</u>	<u>574.27</u>	<u>574.27</u>	<u>568.48</u>
(b) System Length Overhead				
Circuit Kilometres 33kV	111.31	111.31	111.31	111.30
Circuit Kilometres 11kV	333.01	330.11	330.11	328.70
Circuit Kilometres 400V	119.25	119.25	119.25	116.33
Total Overhead	<u>563.57</u>	<u>560.67</u>	<u>560.67</u>	<u>556.33</u>
(c) System Length Underground				
Circuit Kilometres 33kV	0.18	0	0	0
Circuit Kilometres 11kV	3.26	2.71	2.71	1.65
Circuit Kilometres 400V	11.49	10.89	10.89	10.50
Total Underground	<u>14.93</u>	<u>13.60</u>	<u>13.60</u>	<u>12.15</u>
(d) Transformer Capacity (In Kilovolt Amperes)	26,875	26,640	25,930	24,565
(e) Maximum Demand	15,072	15,818	16,150	14,844
(f) Total electricity supplied from the system after losses (in Kilowatt Hours)	91,068,243	90,609,887	91,472,062	92,223,142
(g) Electricity conveyed for each retailer including losses.	93,745,841	87,519,601	87,525,038	88,284,057
Retailer 1	50,522,001			
Retailer 2	40,926,034			
Retailer 3	1,451,263			
Retailer 4	846,543			
	<u>93,745,841</u>			
(h) Total Customers	4,241	4,243	4,250	4,238

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

Disclosure of reliability performance measures under regulation 22 of the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000.

	2000	1999	1998	1997
1 Total Number of Interruptions				
Class A - Planned by Transpower	0	0	0	0
Class B - Planned by Line Owners	33	51	36	34
Class C - Unplanned by Line Owners	58	56	97	64
Class D - Unplanned by Transpower	1	0	1	4
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	1	0	0	1
	<u>93</u>	<u>107</u>	<u>134</u>	<u>103</u>
2 Interruption Targets for 2000/2001				
Class B - Planned by Line Owners	45			
Class C - Unplanned by Line Owners	65			
3 Average Interruption Targets for 2000/2001 to 2004/2005 years				
Class B - Planned by Line Owners	45	45	41	37
Class C - Unplanned by Line Owners	65	65	65	65
4 Proportion of Class C Interruptions not restored within: (=a/b*100)				
3 Hours				
a = number of interruptions not restored within 3	12			
b = Total number of Class C interruptions	58			
24 Hours				
a = number of interruptions not restored within 2	0			
b = Total number of Class C interruptions	58			
5 (a) The total number of faults per 100 circuit kilometres of prescribed voltage electric line				
11kV	17	24.32	29.95	22.18
33kV	2	6	0	0
(b) Target for 2000/2001 year				
11kV	15			
33kV	2			
(c) Average Target for 2000/2001 to 2004/2005 years				
11kV	12			
33kV	2			
6 The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line				
11kV	67	0	0	0
7 The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line				
33kV	2	6	30.13	22.27
11kV	16	14	2.70	8.08
8 The SAIDI for the total number of interruptions	365.88	381.50	369.80	597.10
9 SAIDI targets for 2000/2001				
Class B - Planned by Line Owners	189			
Class C - Unplanned by Line Owners	141			

BULLER ELECTRICITY LIMITED ■ LINE BUSINESS

	2000	1999	1998	1997	
10	Average SAIDI targets for 2000/2001 to 2004/2005 years				
	Class B - Planned by Line Owners	141	125	120	115
	Class C - Unplanned by Line Owners	118	250	250	250
11	The SAIDI for the total number of interruptions within each interruption class				
	Class A - Planned by Transpower	0	0	0	0
	Class B - Planned by Line Owners	218.41	147.88	123.16	210.19
	Class C - Unplanned by Line Owners	146.51	233.63	201.61	265.89
	Class D - Unplanned by Transpower	0.32	0	45.03	121.00
	Class E - Unplanned by ECNZ	0	0	0	0
	Class F - Unplanned by other generator	0	0	0	0
	Class G - Any Other Loss of Supply	0.64	0	0	0.02
12	The SAIFI for the total number of Interruptions				
		3.11	3.30	4.90	7.41
13	SAIFI Targets for 2000/2001				
	Class B - Planned by Line Owners	0.90			
	Class C - Unplanned by Line Owners	2.00			
14	Average SAIFI targets for 2000/2001 to 2004/2005 years				
	Class B - Planned by Line Owners	0.80	0.83	0.80	0.78
	Class C - Unplanned by Line Owners	1.80	2.30	2.30	2.30
15	The SAIFI for the total number of interruptions within each interruption class				
	Class A - Planned by Transpower	0	0	0	0
	Class B - Planned by Line Owners	0.95	0.91	0.79	0.82
	Class C - Unplanned by Line Owners	2.15	2.39	3.11	2.59
	Class D - Unplanned by Transpower	0.01	0	1.00	4.00
	Class E - Unplanned by ECNZ	0	0	0	0
	Class F - Unplanned by other generator	0	0	0	0
	Class G - Any Other Loss of Supply	0	0	0	0
16	The CAIDI for the total number of interruption				
		117.0	115.7	75.50	80.63
17	CAIDI targets for 2000/2001				
	Class B - Planned by Line Owners	209			
	Class C - Unplanned by Line Owners	71			
18	Average CAIDI Target for 2000/2001 to 2004/2005 years				
	Class B - Planned by Line Owners	177	160	160	160
	Class C - Unplanned by Line Owners	65	97	97	97
19	The CAIDI for the total number of interruptions within each interruption class				
	Class A - Planned by Transpower	0	0	0	0
	Class B - Planned by Line Owners	230	163.14	156.41	256.79
	Class C - Unplanned by Line Owners	68	97.68	64.83	102.83
	Class D - Unplanned by Transpower	27	0	45.0	30.25
	Class E - Unplanned by ECNZ	0	0	0	0
	Class F - Unplanned by other generator	0	0	0	0
	Class G - Any Other Loss of Supply	340	0	0	10.0

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	212,061				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	212,061				
Interest on cash, bank balances, and short-term investments (ISTI)	109,247				
OSBIIT minus ISTI	102,814	a	102,814		102,814
Net surplus after tax from financial statements	235,055	n		235,055	
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	235,055	ng		add 0	add 0
Amortisation of goodwill and amortisation of other intangibles	0	s		add 0	add 0
Subvention payment	0				
Depreciation of SFA at BV (x)	477,407	d		add 0	add 0
Depreciation of SFA at ODV (y)	477,407	s ^t		deduct 0	deduct 0
ODV depreciation adjustment	0	q			
Subvention payment tax adjustment	(36,052)	r			
Interest tax shield	(57,000)	p			
Revaluations	(22,994)				
Income tax					
Numerator			OSBIIT ^{Adj} = a + g + s + d	NSAT ^{Adj} = n + g + s ^t + d	OSBIIT ^{Adj} = a + g - q + r + s + d - p - s ^t
			102,814	235,055	104,860
Fixed assets at end of previous financial year (FA ₀)	13,551,031				
Fixed assets at end of current financial year (FA ₁)	13,155,731				
Adjusted net working capital at end of previous financial year (ANWC ₀)	536,770				
Adjusted net working capital at end of current financial year (ANWC ₁)	7,364				
Average total funds employed (ATFE)	13,625,448	c	13,625,448		13,625,448
Total equity at end of previous financial year (TE ₀)	15,301,480				
Total equity at end of current financial year (TE ₁)	15,437,535				
Average total equity	15,369,508	k		15,369,508	
WUC at end of previous financial year (WUC ₀)	754				
WUC at end of current financial year (WUC ₁)	0				
Average total works under construction	377	e	377	deduct 377	deduct 377

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
Revaluations	(57,000)	r			
Half of revaluations	(28,500)	r/2			deduct -28,500
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	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})	13,203,511				
System fixed assets at end of current financial year at book value (SFA _{0,bv1})	12,844,839				
Average value of system fixed assets at book value	13,024,175	f	deduct 13,024,175	deduct 13,024,175	deduct 13,024,175
System Fixed assets at year beginning at ODV value (SFA _{0,odv})	13,203,511				
System Fixed assets at end of current financial year at ODV value (SFA _{0,odv1})	12,844,839				
Average value of system fixed assets at ODV value	13,024,175	h	add 13,024,175	add 13,024,175	add 13,024,175
Denominator					
Financial Performance Measure:			ROF = $\frac{OSBIT^{ADU}}{ATFE^{ADU}} \times 100$	ROE = $\frac{NSA1^{ADU}}{ATE^{ADU}} \times 100$	ROI = $\frac{OSBIT^{ADU}}{ATFE^{ADU}} \times 100$
			0.75	1.53	0.77
			ATFE ^{ADU} = c - e - f + h	Ave TE ^{ADU} = k - e - m + v - f + h	ATFE ^{ADU} = c - e - 1/2r - f + h

t = maximum statutory income tax rate applying to corporate entities bv = book value 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 ROF = return on investment ROI = return on investment



Audit New Zealand

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

We have audited the accompanying financial statements of Buller Electricity Limited. The financial statements provide information about the past financial performance of Buller Electricity Limited and its financial position as at 31 March 2000. This information is stated in accordance with the accounting policies.

Directors' Responsibilities

The Electricity (Information Disclosure) Regulations 1999 require the Directors to prepare financial statements which give a true and fair view of the financial position of Buller Electricity 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 J L Palmer, of Audit New Zealand, to undertake the audit.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements and performance information. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Buller Electricity Limited circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, 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 Buller Electricity Limited.

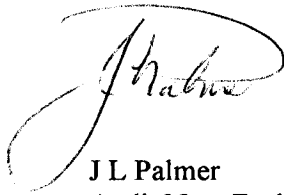
Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by Buller Electricity Limited as far as appears from our examination of those records; and
- the attached financial statements of Buller Electricity Limited:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of Buller Electricity Limited as at 31 March 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 1 September 2000 and our opinion is expressed as at that date.



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





Audit New Zealand

AUDIT OFFICE OPINION ON THE PERFORMANCE MEASURES

We 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 Buller Electricity Limited and dated 31 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.

J L Palmer
Audit New Zealand
On behalf of the Controller & Auditor-General
Christchurch, New Zealand
1 September 2000