



New Zealand Gazette

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WELLINGTON: FRIDAY, 31 AUGUST 2001 — ISSUE NO. 111

DUNEDIN ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

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



Information Disclosure by Dunedin Electricity Ltd
for the year ended 31 March 2001

Pursuant to the
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999
and the
ELECTRICITY (INFORMATION DISCLOSURE) AMENDMENT REGULATIONS 2000 AND 2001

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- B Disclosure of Information Required in Financial Statements (Regulation 6 Schedule 1 Part 2)
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Information Disclosure Disclaimer

Information disclosed in this document has been prepared solely for the purposes of the Electricity (Information Disclosure) Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000 and 2001.

The Regulations require the information to be disclosed in the manner it is presented.

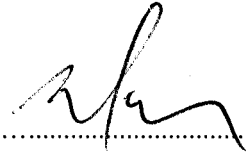
The information should not be used for any other purpose than that intended under the Regulations.

The information disclosed is for the lines business as described in the Regulations. There are other activities of the Company that are not required to be reported under the Regulations.

A. STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION SUPPLIED TO SECRETARY OF COMMERCE (REGULATION 37)

I, Raymond Stuart Polson of 80 Browns Road, St Albans, Christchurch, being a Director of Dunedin Electricity Ltd, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public under the Electricity (Information Disclosure) Regulations 1999.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.



Declared at Dunedin this 23rd day of August 2001



~~Justice of the Peace (or Solicitor or other person authorised to take a statutory declaration)~~

B. DISCLOSURE OF INFORMATION REQUIRED IN FINANCIAL STATEMENTS
(REGULATION 6 SCHEDULE 1 PART 2)

	note*	2001 \$000	2000 \$000
<u>STATEMENT OF FINANCIAL POSITION</u>			
1. Current Assets			
(a) Cash and Bank Balances		-	-
(b) Short Term Investments		-	-
(c) Inventories		-	-
(d) Accounts Receivable		1,633	1,136
(e) Other Current Assets Not Listed in (a) to (d):		88	125
(f) Total Current Assets		<u>1,721</u>	<u>1,261</u>
2. Fixed Assets	3		
(a) System Fixed Assets		193,624	193,217
(b) Customer Billing and Information System Assets		-	-
(c) Motor Vehicles		15	-
(d) Office Equipment		6	3
(e) Land and Buildings		3,764	3,665
(f) Capital Works Under Construction		1,460	1,768
(g) Other Fixed Assets Not Listed in (a) to (f)		-	-
(h) Total Fixed Assets		<u>198,869</u>	<u>198,653</u>
3. Other Tangible Assets Not Listed Above		-	-
4. Total Tangible Assets		<u>200,590</u>	<u>199,914</u>
5. Total Intangible Assets			
(a) Goodwill		-	-
(b) Other Intangible Assets Not Listed in (a)		-	-
(c) Total Intangible		<u>-</u>	<u>-</u>
6. Total Assets		<u>200,590</u>	<u>199,914</u>
7. Current Liabilities			
(a) Bank Overdraft		75	54
(b) Short Term Borrowings		-	-
(c) Accounts Payables and Accruals		3,851	4,977
(d) Dividend Provision		-	-
(e) Provision for Income Tax		-	-
(f) Other Current Liabilities not listed in (a) to (e)		-	-
(g) Total Current Liabilities		<u>3,926</u>	<u>5,031</u>

* The accompanying notes form an integral part of these financial statements.

	note*	2001 \$000	2000 \$000
8. Non-Current Liabilities			
(a) Payables and Accruals		-	-
(b) Long-term Debt	5	110,800	112,000
(c) Deferred Taxation	4	11,356	12,309
(d) Other funding not listed in (a) or (b)		-	-
(e) Total Non-Current Liabilities		122,156	124,309
9. Equity			
(a) Shareholder's Equity:	2		
(i) Share capital		2,000	2,000
(ii) Retained earnings		(200)	599
(iii) Reserves		72,708	67,975
(iv) Total Shareholder's Equity		74,508	70,574
(b) Minority Interests in Subsidiaries		-	-
(c) Total Equity		74,508	70,574
(d) Capital Notes		-	-
(e) Total Capital Funds		74,508	70,574
10. Total Equity and Liabilities (7(a) + 8(e) + 9(e))		200,590	199,914

STATEMENT OF FINANCIAL PERFORMANCE

11. Operating Revenue			
(a) Revenue from line/access charges		48,957	47,008
(b) Revenue from "Other" business (transfer payment)		-	-
(c) Interest on short-term investments, cash and bank balances		-	-
(d) AC loss-rental rebates		1,981	856
(e) Other Revenue not listed in (a) to (e)		3,435	1,612
(f) Total Operating Revenue		54,373	49,476
12. Operating Expenditure			
(a) Transmission charges		15,673	15,920
(b) Transfer payments to "Other" business:			
(i) asset maintenance		6,924	6,959
(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		-	-
(vii) other goods and services		3,206	3,132
(viii) total transfer payment to other business		10,130	10,091

* The accompanying notes form an integral part of these financial statements.

	note*	2001 \$000	2000 \$000
(c) Payments to non-related entities for:			
(i) asset maintenance		-	10
(ii) consumer disconnections and reconnections		-	-
(iii) meter data		-	-
(iv) consumer-based load control		-	-
(v) royalty and patent expenses		-	-
		<hr/>	<hr/>
(vi) total of specified expenses to non-related parties		-	10
(d) Employee salaries, wages and redundancies		-	-
(e) Consumer billing and information system expense		-	-
(f) Depreciation on:			
(i) system fixed assets		6,284	6,260
(ii) other assets not listed in (i)		1	1
		<hr/>	<hr/>
(iii) total depreciation expense		6,285	6,261
(g) Amortisation of:			
(i) goodwill		-	-
(ii) other intangibles		-	-
		<hr/>	<hr/>
(iii) total amortisation of intangibles		-	-
(h) Corporate and administration		743	763
(i) Human resource expenses		-	-
(j) Marketing and advertising		83	-
(k) Merger and acquisition expenses		-	-
(l) Take-over defence expenses		-	-
(m) Research and development expenses		-	-
(n) Consultancy and legal expenses		220	73
(o) Donations		-	-
(p) Directors' fees		63	60
(q) Auditor's fees:			
(i) audit fees to principal auditor		20	38
(ii) audit fees to other auditors		-	-
(iii) fees paid for other services provided by principal and other auditors		-	-
		<hr/>	<hr/>
(iv) total auditor's fees		20	38
(r) Cost of offering credit:			
(i) bad debts written off		-	-
(ii) increase in estimated doubtful debts		-	-
		<hr/>	<hr/>
(iii) total cost of offering credit		-	-
(s) Local Authority rates expense		97	88
(t) AC loss rental rebates paid to retailers		1,981	-
(u) Rebates to consumers due to ownership interest		-	-
(v) Subvention payments		2,055	2,000
(w) Unusual expenses		-	-
(x) Other expenditure not listed in (a) to (w)		-	-
		<hr/>	<hr/>
13. Total Operating Expenditure (sum (12(a) to 12(x))		37,350	35,304

* The accompanying notes form an integral part of these financial statements.

	note*	2001 \$000	2000 \$000
14. Operating Surplus Before Interest and Income Tax		17,023	14,172
15. Interest Expense:			
(a) Interest expense on borrowings		7,605	7,989
(b) Financing charges relating to finance leases		-	-
(c) Other interest expense not listed in (a) or (b)		-	-
		<hr/>	<hr/>
(d) Total interest expense		7,605	7,989
16. Operating Surplus Before Income Tax		9,418	6,183
17. Income Tax	1	4,217	3,584
18. Net Surplus After Tax		5,201	2,599

STATEMENT OF MOVEMENTS IN EQUITY

Equity at Beginning of Year		70,574	71,470
Surplus and Revaluations			
Net Profit after tax for period		5,201	2,599
Revaluations		-	7,105
Adjustment Prior Year Deferred Tax Liability		4,733	(8,600)
		<hr/>	<hr/>
Total Recognised Revenues and Expenses		9,934	1,104
Other Movements			
Dividend Distributions		(6,000)	(2,000)
		<hr/>	<hr/>
		(6,000)	(2,000)
		<hr/>	<hr/>
Equity at End of Year		74,508	70,574

STATEMENT OF CASHFLOWS

Cashflows From Operating Activities

Cash was Provided From:			
Receipts from Customers		51,895	56,677
		<hr/>	<hr/>
		51,895	56,677
Cash was Disbursed to:			
Payments to Suppliers and Employees		30,210	28,034
Income tax paid		400	4,032
Interest paid		7,605	7,989
		<hr/>	<hr/>
		38,215	40,055
Net Cash Inflows/(Outflows) From Operating Activities	6	13,680	16,622

* The accompanying notes form an integral part of these financial statements.

	2001	1999
	\$000	\$000
Cashflows From Investing Activities		
Cash was Provided From:		
Sale of assets	-	-
Cash was Disbursed to:		
Purchase of fixed assets	<u>6,501</u>	<u>122,506</u>
Net Cash Inflows/(Outflows) From Investing Activities	(6,501)	(122,506)
Cashflows From Financing Activities		
Cash was Provided From:		
Proceeds of borrowings	<u>-</u>	<u>115,000</u>
	-	115,000
Cash was Disbursed to:		
Repayment of term liabilities	1,200	3,000
Dividend distributions	6,000	7,769
	<u>7,200</u>	<u>10,769</u>
Net Cash Inflows/(Outflows) from Financing Activities	(7,200)	104,231
Net Increase/(Decrease) in Cash Held	(21)	(1,653)
Cash at Beginning of Year	(54)	1,599
Cash at End of Year	(75)	(54)

STATEMENT OF ACCOUNTING POLICIES

SPECIAL PURPOSE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1999 and Amendment Regulations 2000 and 2001, and relate to:

- The Company's Line Business incorporating the conveyance of electricity, ownership of works for conveyance of electricity and provision of line function services.
- *DELTA* Utility Services Ltd is a 100% owned subsidiary of Dunedin Electricity Ltd.

SPECIFIC ACCOUNTING POLICIES

In accordance with clause 6 of the Regulations, the methodology adopted to allocate costs, revenues, assets and liabilities among the businesses is in accordance with the Guidelines.

The particular accounting policies adopted in the preparation of these financial statements are:

(a) **Revenue**

Revenue shown in the Statement of Financial Performance for: the Line Business relates to the provision of electricity distribution.

(b) **Expenditure**

Expenditure shown in the Statement of Financial Performance is derived as follows:

Line Business

- Transmission charges, employee remuneration, administration and operating expenses are directly attributable to the Line Business.
- Maintenance and operation is provided in accordance with a 10 year Asset Management Services Contract with *DELTA* Utility Services Ltd.
- Other costs are allocated in accordance with the avoidable cost allocation methodology.

(c) **Dividends**

Dividends have been calculated in accordance with the Company's dividend policy.

(d) **Allocation of Assets and Liabilities**

Assets and liabilities are those which are directly related to the Lines Business.

(e) **Current Assets**

Accounts receivable are those directly related to the Lines Business and are valued at expected realisable value less provision for doubtful debts.

(f) **Fixed Assets**

Dunedin network assets were revalued to the 1 January 2000 Optimised Deprival Valuation of those assets. This valuation was carried out in accordance with the statutory requirements of the Electricity (Information Disclosure) Regulations 1999, prepared and certified by Catherall Taylor Associates. Additions to the Dunedin network since this revaluation are carried at cost less depreciation.

On 1 April 1999, the Lines Business purchased the network related assets of Central Electric Ltd. Central network assets are carried at cost less depreciation.

Furniture and fittings, plant and equipment, and motor vehicles are valued at market value as at 31 December 1992 and have been adjusted by accumulated depreciation, subsequent additions at cost and disposals at book value.

(g) **Distinction Between Capital and Revenue Expenditure**

Capital expenditure is defined as all expenditure on the creation of a new asset, and any expenditure which results in a significant improvement to the original function of an existing asset. Revenue expenditure is defined as expenditure which maintains an asset in working condition and expenditure incurred in maintaining and operating the Company.

(h) **Depreciation**

Fixed assets are depreciated on the basis of valuation or cost price less estimated residual value on a straight line basis over their estimated useful life. Rates used are:

Buildings	1 - 2.5%
Plant and equipment	2.5 - 15%
Network assets	1 - 5%
Furniture and fittings	10%
Computer equipment	20%

(i) **Taxation**

Income tax expense is charged in the statement of financial performance in respect of current year's earnings after allowing for permanent differences. Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are only recognised where there is virtual certainty of realisation.

(j) **Goods and Services Tax**

These accounts are prepared exclusive of GST except for accounts receivable and accounts payable which are GST inclusive.

(k) **Financial Instruments**

The Lines Business is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position. All revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

(l) **Changes in Accounting Policies**

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

2001
\$000

2000
\$000

NOTES TO THE FINANCIAL STATEMENTS

Note 1 : Taxation

Net Profit Before Tax	9,418	6,183
Permanent Difference	3,360	4,678
	<u>12,778</u>	<u>10,861</u>
Tax at 33 Cents in the Dollar	4,217	3,584
Income Tax Charge	<u>4,217</u>	<u>3,584</u>
Income Tax Charge comprises:		
Current Taxation	437	(125)
Deferred Taxation	3,780	3,709
	<u>4,217</u>	<u>3,584</u>

Note 2 : Shareholders Funds

Issued and paid up capital 2,000,000 ordinary shares	<u>2,000</u>	<u>2,000</u>
Reserves		
Asset Revaluation Reserve		
Balance at beginning of year	67,975	69,470
Revaluation	-	7,105
Adjustment for Prior Year Deferred Tax Liability	4,733	(8,600)
Balance at end of year	<u>72,708</u>	<u>67,975</u>
Retained Earnings		
Balance at Beginning of year	599	-
Net surplus for year	5,201	2,599
Dividend Distributions	(6,000)	(2,000)
	<u>(200)</u>	<u>599</u>
Total Shareholders Funds	<u>74,508</u>	<u>70,574</u>

Note 3 : Fixed Assets

2000 Book Value \$000	Line Business	AS AT 31 MARCH 2001 Cost or Revaluation \$000	Accumulated Depreciation \$000	Book Value \$000
192,492	Network	205,684	12,841	192,843
76	Plant	257	54	203
649	Load Control Equipment	696	118	578
<u>193,217</u>	Subtotal	<u>206,637</u>	<u>13,013</u>	<u>193,624</u>
2,733	Buildings	3,027	198	2,829
932	Land	935	-	935
-	Motor Vehicles	18	3	15
<u>196,882</u>	Subtotal	<u>210,617</u>	<u>13,214</u>	<u>197,403</u>
3	Furniture	10	4	6
1,768	Capital Work in Progress	1,460	-	1,460
<u>198,653</u>		<u>212,087</u>	<u>19,218</u>	<u>198,869</u>

2000 Book Value \$000		AS AT 31 MARCH 2001 Cost or Revaluation \$000
	Capital Work in Progress Comprises:	
326	Distribution Substations	249
652	Low Voltage Reticulation	498
652	Distribution Lines and Cables	497
138	Distribution Transformers	19
-	Other	197
1,768		1,460

2001	2000
\$000	\$000

Note 4 : Deferred Tax Liability

Balance at beginning of year	12,309	-
Movement from income tax charge	3,780	3,709
Adjustment for prior year deferred tax liability	(4,733)	8,600
Balance at end of year	11,356	12,309

Note 5 : Term Debt

Balance at beginning of year	112,000	-
Current year borrowing	-	115,000
Current year repayment	(1,200)	(3,000)
Balance at end of the year	110,800	112,000

The Line Business has a borrowing facility allowing it to draw funds up to \$115 million. At year-end \$110.8 million had been drawn on the facility. The weighted average interest rate on the advances at 31 March 2001 was 6.86%. The repayment period on the advances is between 2 and 10 years as follows:

1 - 2 years	15,800
2 - 5 years	15,000
5 years and greater	80,000
	110,800

In addition a call facility exists with a floating interest rate.

Note 6 : Reconciliation of Net Surplus from Operating Activities

Net profit after tax	5,201	2,599
Items not Involving Cashflows Depreciation	6,285	6,261
Impact of Changes in Working Capital Items		
(Increase)/Decrease in Accounts Receivable	(497)	7,201
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Tax Refund	37	(125)
Increase/(Decrease) in Taxation Payable	-	(4,032)
Increase/(Decrease) in Accounts Payable	(1,126)	1,009
Increase/(Decrease) in Term Liabilities	-	-
Gain on Sale of Assets	-	-
Increase/(Decrease) in Deferred Tax Liability	3,780	3,709
Net Cash Inflows/(Outflows) From Operating Activities	13,680	16,622

Note 7 : Commitments

As 31 March 2001, capital expenditure contracted for was \$2,531,000 (2000 : \$2,035,000).

Note 8 : Contingent Liabilities

There were no contingent liabilities as at 31 March 2001 (2000 nil).

Note 9 : Financial Instruments

Financial instruments which potentially subject the Lines Business to credit risk principally consist of cash and accounts receivable.

Credit Risk

Contracts have been entered into with various counter-parties having such credit ratings and in accordance with dollar limits as set forth by the board of directors.

Collateral

The Lines Business does not generally require collateral or other security to support service contracts. While the Lines Business may be subject to credit losses up to the notional value of the services or goods supplied in the event of non-performance by counter-parties, it does not expect such losses to occur.

Concentration of Credit Risk

Financial instruments which potentially subject the Lines Business to concentrations of credit risk principally consist of cash and accounts receivable.

The Lines Business places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution.

The Lines Business has several large customers for which no collateral is required. These debtors are subject to normal on-going credit control procedures.

Note 10 : Disclosure of Information Relating to Transactions Between Persons in a Prescribed Business Relationship and Related Parties (Regulation 9)

	2001 \$000	2000 \$000
<u>The Line Business:</u>		
Purchased the following services from <i>DELTA</i> Utility Services Ltd:		
Asset Maintenance	6,924	6,959
Network Management, Operation and Other	3,206	3,132
Total	<u>10,130</u>	<u>10,091</u>
Network Capital Work and Development		
Distribution Substations	675	725
Low Voltage Reticulation	1,404	1,197
Distribution Lines and Cables	1,508	1,242
Transformers	193	1,210
Zone Substations	-	39
Plant and Equipment	131	-
Total	<u>3,910</u>	<u>4,413</u>

Network operation and maintenance is charged in accordance with a Fixed Term Contract.

All capital work is subject to open tender, established market rates, or competitive pricing.

At Balance Date \$2,519,203 was owed to *DELTA* Utility Services Ltd (2000 : \$2,029,880). Of this, \$1,271,286 was due and payable on 20 April, while \$1,247,917 relating to capital work in progress was paid at a later date.

Other Line Business Related Parties:

The Lines Business has a borrowing facility with Dunedin City Treasury Ltd. During the year it paid \$7.605 million interest (2000 : \$7.989 million) and as at 31 March 2001 \$110.8 million of loan monies were outstanding (2000 : \$112 million).

During the year the Lines Business also undertook the following transactions with Dunedin City Holdings Ltd:

Purchase of subvention expense	\$2.06 million (2000 : \$2.0 million)
Dividends provided	\$6.00 million (2000 : \$2.0 million)


As at 31 March 2001, \$1.6 million was outstanding (2000 : \$1.45 million).

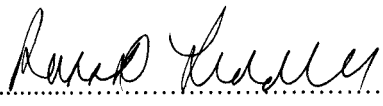
C. **DIRECTORS' CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED (REGULATION 32)**

We, RAYMOND STUART POLSON and ROSS DOUGLAS LIDDELL
Directors of Dunedin Electricity Ltd, certify that, having made all reasonable enquiry, to the best of our knowledge

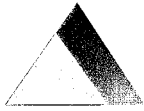
- (a) The attached audited financial statements of Dunedin Electricity Ltd prepared for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of those Regulations; and
- (b) The attached information, being the derivation table, financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Dunedin Electricity Ltd, 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 2001.


.....
(Director)


.....
(Director)

.....23 August.....2001



Audit New Zealand

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

We have audited the financial statements of Dunedin Electricity Limited on pages 2 to 11. The financial statements provide information about the past financial performance of Dunedin Electricity Limited and its financial position as at 31 March 2001. 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 Dunedin Electricity Limited as at 31 March 2001 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 R B Robertson, 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 Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Dunedin Electricity Limited's 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 Dunedin Electricity Limited.

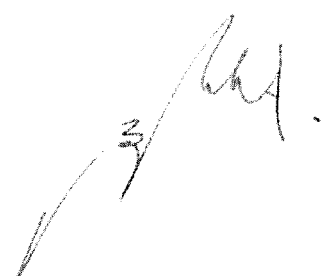
Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by Dunedin Electricity Limited as far as appears from our examination of those records; and
- the financial statements of Dunedin Electricity Limited on pages 2 to 11:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of Dunedin Electricity Limited as at 31 March 2001 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 23 August 2001 and our opinion is expressed as at that date.



R/B Robertson
Audit New Zealand
On behalf of the Controller and Auditor-General
Dunedin, New Zealand



E. PERFORMANCE MEASURES

	2001	2000	Dunedin Area Only	
			1999	1998
Financial performance measures and efficiency performance measures (Regulation 15)				
1. Financial performance measures				
(a) Return on funds	15.0%	13.2%	15.2%	13.1%
(b) Return on equity	36.8%	29.9%	9.1%	7.7%
(c) Return on investment	11.7%	10.7%	9.1%	8.9%
Return on investment as restated – see below	⁽ⁱ⁾ 10.1%	⁽ⁱ⁾ 8.6%	9.1%	8.9%
Note				
⁽ⁱ⁾ The ODV increased in the 2001 and 2000 years due to revaluation. The ROI has been restated to exclude the effect of the revaluations.				
2. Efficiency performance measures				
(a) Direct line costs per kilometre	\$2,148	\$2,325	\$3,314	\$3,083
(b) Indirect line costs per electricity consumer	\$19.95	\$15.66	\$21.08	\$23.76
Delivery efficiency performance measures and statistics (Regulation 21)				
1. Energy Delivery efficiency performance measures				
(a) Load factor	56%	56%	56%	57%
(b) Loss ratio	*6.0%	*6.0%	5.8%	5.9%
* Note – the loss ratio is deduced from reports of energy injected by others and reports of retail sales by others. Dunedin Electricity is unable to audit these reports and has little confidence in their accuracy. Accordingly the ratio should be treated with great caution.				
(c) Capacity utilisation	35.7%	35.0%	36.5%	36.6%
2. Statistics				
(a) System length				
Circuit kilometres 33 kV	606	621	225	225
Circuit kilometres 11 kV	1,876	1,809	258	258
Circuit kilometres 6.6 kV	775	751	724	721
Circuit kilometres 400 V	1,373	1,132	729	729
Circuit kilometres 600 V DC	4	4	4	4
Total	4,634	4,317	1,940	1,937
(b) System length – overhead				
Circuit kilometres 33 kV	515	527	150	150
Circuit kilometres 11 kV	1,656	1,581	237	237
Circuit kilometres 6.6 kV	555	527	492	490
Circuit kilometres 400 V	979	791	630	630
Circuit kilometres 600 V DC	1	1	1	1
Total Overhead	3,706	3,426	1,510	1,508

	2001	2000	Dunedin Area Only	
			1999	1998
(c) System length – underground				
Circuit kilometres 33 kV	91	94	75	75
Circuit kilometres 11 kV	220	228	21	21
Circuit kilometres 6.6 kV	220	224	232	231
Circuit kilometres 400 V	393	341	99	99
Circuit kilometres 600 V DC	3	3	3	3
Total Underground	927	891	430	429
(d) Transformer capacity (kVA)	708,484	686,994	483,005	483,000
(e) Maximum demand (kW)	252,775	240,400	176,000	171,000
(f) Total electricity supplied after losses from the system (kWh)	1,159,709,552	1,118,117,100	817,580,703	835,582,607
(g) Electricity conveyed before losses for each party (kWh)				
Party 1	651,749,697	742,100,150	197,711,000	-
Party 2	329,715,687	297,082,494	428,288	-
Party 3	98,364,356	15,426,021		
Party 4	71,907,870	96,179,809	47,892,265	8,283,387
Party 5	26,558,721	20,487,800		
Party 6	18,161,425	8,353,689	3,194,052	5,417,336
Party 7	17,459,278	1,072,785		
Party 8	13,358,739	4,984,807		
Party 9	2,883,939	1,506,547		
Party 10	2,971,843	2,794,080		
Party 11	478,005	-	-	-
Party 12	171,272	-	-	-
Party 13	-	-	573,288,000	811,095,000
Party 14	-	-	20,783,600	17,953,691
Party 15	-	-	17,259,149	40,509,996
Party 16	-	-	4,308,025	4,260,979
Party 17	-	-	3,254,180	-
Total	1,233,780,832	1,188,915,397	868,118,559	887,520,389
(h) Total consumers	70,208	69,494	50,059	49,904

Reliability performance measures (Regulation 22)

1. Total number of interruptions

Class A – planned by Transpower	0	0	0	0
Class B – planned by line owners	209	136	93	113
Class C – unplanned by line owners	407	285	129	131
Class D – unplanned by Transpower	1	3	0	0
Class E – unplanned by embedded generation	0	0	0	0
Class F – unplanned by generation on other networks	0	0	0	0
Class G – unplanned by other line owner	0	0	0	0
Class H – planned by another line owner	0	0	0	0
Class I – any other loss of supply	0	0	0	0

2. No of interruption targets for next financial year

Class B – planned by line owners	200	120	100	
Class C – unplanned by line owners	350	280	130	

	2001	2000	Dunedin Area Only	
			1999	1998
3. Average no of interruption targets for next 5 years				
Class B – planned by line owners	190	115	100	
Class C – unplanned by line owners	350	280	130	
4. Proportion of Class C interruptions not restored within:				
3 hours	10.8%	16%	18%	
24 hours	0.0%	0.7%	0.0%	
5. (a) and (d) The total number of faults per 100 circuit kilometres of prescribed voltage electric line				
33 kV	1.2	2.9	4.9	4.9
11 kV	11.8	7.5	12.5	21.0
6.6 kV	4.9	2.8	7.1	8.3
Total	8.2	5.5	7.8	10.4
5. (b) and (d) Target number of faults per 100 circuit kilometres for next financial year				
33 kV	2.5	2.9	4.0	
11 kV	6.4	8.0	15.9	
6.6 kV	2.3	3.0	6.5	
Total	3.6	8.1	8.0	
5. (c) and (d) Average target number of faults per 100 circuit kilometres for next 5 years				
33 kV	2.5	2.9	4.0	
11 kV	10.0	8.0	15.9	
6.6 kV	4.0	3.0	6.8	
Total	7.2	8.1	8.2	
6. The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line				
33 kV	0.0	1.1	1.3	1.3
11 kV	6.4	3.9	9.5	14.4
6.6 kV	2.3	1.8	3.0	3.5
Total	3.6	2.6	3.1	3.7
7. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line				
33 kV	1.4	3.2	6.7	6.7
11 kV	12.5	8.0	21.7	21.6
6.6 kV	5.9	3.2	9.0	10.6
Total	9.1	6.1	9.6	12.9
8. The SAIDI for the total number of interruptions (minutes)	82.4	208.1	50.9	37.2

	2001	2000	Dunedin Area Only	
			1999	1998
9. SAIDI target for next financial year (minutes)				
Class B – planned by line owners	10.0	10.0	3.0	
Class B – unplanned by line owners	80.0	80.0	34.5	
10. Average SAIDI targets for next 5 years (minutes)				
Class B – planned by line owners	10.0	10.0	3.0	
Class C – unplanned by line owners	80.0	80.0	37.5	
11. The SAIDI for the total number of interruptions within each interruption class (minutes)				
Class A – planned by Transpower	-	-	-	-
Class B – planned by line owners	16.7	18.9	2.7	4.7
Class C – unplanned by line owners	62.4	175.7	48.2	32.5
Class D – unplanned by Transpower	3.3	13.4	-	-
Class E – unplanned by embedded generation	-	-	-	-
Class F – unplanned by generation on other net-works	-	-	-	-
Class G – unplanned by other line owner	-	-	-	-
Class H – planned by another line owner	-	-	-	-
Class I – any other loss of supply	-	-	-	-
12. The SAIFI for the total number of interruptions	1.4	2.19	1.09	1.03
13. SAIFI target for next financial year				
Class B – planned by line owners	0.07	0.07	0.04	
Class C – unplanned by line owners	0.80	0.80	0.82	
14. Average SAIFI targets for next 5 years				
Class B – planned by line owners	0.07	0.07	0.04	
Class C – unplanned by line owners	0.80	0.80	0.82	
15. The SAIFI for the total number of interruptions within each interruption class				
Class A – planned by Transpower	-	-	-	-
Class B – planned by line owners	0.11	0.12	0.33	0.06
Class C – unplanned by line owners	1.19	1.62	1.06	0.97
Class D – unplanned by Transpower	0.11	0.45	-	-
Class E – unplanned by embedded generation	-	-	-	-
Class F – unplanned by generation on other networks	-	-	-	-
Class G – unplanned by other line owner	-	-	-	-
Class H – planned by another line owner	-	-	-	-
Class I – any other loss of supply	-	-	-	-
16. The CAIDI for the total number of interruptions	58.6	94.9	46.7	36.1
17. CAIDI target for next financial year				
Class B – planned by line owners	150.0	150.0	72.0	
Class C – unplanned by line owners	100.0	100.0	42.2	
18. Average CAIDI targets for next 5 years				
Class B – planned by line owners	150.0	150.0	72.0	
Class C – unplanned by line owners	100.0	100.0	45.9	

	2001	2000	Dunedin Area Only	
			1999	1998
19. The CAIDI for the total number of interruptions within each interruption class				
Class A – planned by Transpower	-	-	-	100.0
Class B – planned by line owners	158.6	159.9	78.6	78.9
Class C – unplanned by line owners	52.6	108.3	45.7	33.5
Class D – unplanned by Transpower	29.2	29.6	-	-
Class E – unplanned by embedded generation	-	-	-	-
Class F – unplanned by generation on other networks	-	-	-	-
Class G – unplanned by other line owner	-	-	-	-
Class H – planned by another line owner	-	-	-	-
Class I – any other loss of supply	-	-	-	-

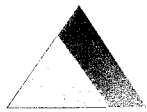
F. SCHEDULE 1 – PART 7
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table	Input and Calculations	Symbol in Formula	ROF		ROE		ROI	
Operating surplus before interest and income tax from financial statements	17,023							
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	17,023							
Interest on cash, bank balances, and short-term investments (ISTI)	0							
OSBIT minus ISTI	17,023	a		17,023				17,023
Net surplus after tax from financial statements	5,201							
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	5,201	n				5,201		
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add	0	add	0
Subvention payment	2,055	s	add	2,055	add	2,055	add	2,055
Depreciation of SFA at BV (x)	6,284							
Depreciation of SFA at ODV (y)	3,008							
ODV depreciation adjustment	3,276	d	add	3,276	add	3,276	add	3,276
Subvention payment tax adjustment	678	s*t			deduct	678	deduct	678
Interest tax shield	2,510	q					deduct	2,510
Revaluations	2,287	r					add	2,287
Income tax	4,217	p					deduct	4,217
Numerator				22,354		9,854		17,236
				OSBIT ^{Adj} = a + g + s + d		NSAT ^{Adj} = n + g + s - s*t + d		OSBIT ^{Adj} = a + g - q + r + s + d - p - s*t
Fixed assets at end of previous financial year (FA ₀)	198,653							
Fixed assets at end of current financial year (FA ₁)	198,869							
Adjusted net working capital at end of previous financial year (ANWC ₀)	-3,841							
Adjusted net working capital at end of current financial year (ANWC ₁)	-2,218							
Average total funds employed (ATFE)	195,732	c		195,732				195,732
	(or regulation 33 time-weighted average)							
Total equity at end of previous financial year (TE ₀)	70,574							
Total equity at end of current financial year (TE ₁)	74,508							
Average total equity	72,541	k				72,541		
	(or regulation 33 time-weighted average)							
WUC at end of previous financial year (WUC ₀)	1,758							
WUC at end of current financial year (WUC ₁)	1,460							
Average total works under construction	1,614	e	deduct	1,614	deduct	1,614	deduct	1,614
	(or regulation 33 time-weighted average)							
Revaluations	2,287	r						
Half of revaluations	1,144	r/2					deduct	1,144
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		
	(or regulation 33 time-weighted average)							
Subvention payment at end of previous financial year (S ₀)	2,000							
Subvention payment at end of current financial year (S ₁)	2,055							
Subvention payment tax adjustment at end of previous financial year	660							
Subvention payment tax adjustment at end of current financial year	678							
Average subvention payment and related tax adjustment	1,359	v			add	1,359		
System fixed assets at end of previous financial year at book value (SFA _{bv,0})	196,882							
System fixed assets at end of current financial year at book value (SFA _{bv,1})	197,403							
Average value of system fixed assets at book value	197,143	f	deduct	197,143	deduct	197,143	deduct	197,143
	(or regulation 33 time-weighted average)							
System fixed assets at year beginning at ODV value (SFA _{odv,0})	149,867							
System fixed assets at end of current financial year at ODV value (SFA _{odv,1})	153,360							
Average value of system fixed assets at ODV value	151,614	h	add	151,614	add	151,614	add	151,614
	(or regulation 33 time-weighted average)							
Denominator				148,589		26,757		147,445
				ATFE ^{Adj} = c - e - f + h		Ave TE ^{Adj} = k - e - m + v - f + h		ATFE ^{Adj} = c - e - 1/2r - f + h
Financial Performance Measure:				15.0		36.8%		11.7
				ROF = OSBIT ^{Adj} /ATFE ^{Adj} x 100		ROE = NSAT ^{Adj} /ATE ^{Adj} x 100		ROI = OSBIT ^{Adj} /ATFE ^{Adj} x 100

t = maximum statutory income tax rate applying to corporate entities 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 bv = book value ave = average odv = optimised deprival valuation

G. SCHEDULE 1 PART 8
ANNUAL VALUATION RECONCILIATION REPORT

	2001 \$000
System Fixed Assets at Year Beginning at ODV	149,867
Add system fixed assets acquired during the year at ODV	4,214
Less system fixed assets disposed of during the year at ODV	-
Less depreciation of system fixed assets at ODV	(3,008)
Add revaluation of system fixed assets	2,287
System Fixed Assets at End of Current Financial Year at ODV	153,360



Audit New Zealand

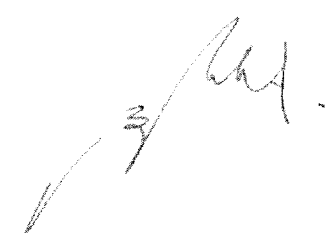
AUDITOR'S OPINION OF PERFORMANCE MEASURES

We have examined the information on pages 15, 20 and 21, 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 Dunedin Electricity Limited and dated 23 August 2001 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999.

In our opinion, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1999.



R/B Robertson
Audit New Zealand
On behalf of the Controller & Auditor-General
Dunedin, New Zealand
23 August 2001

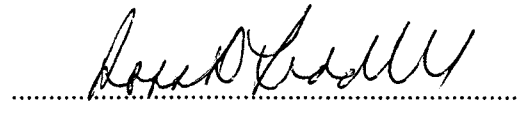
I. CERTIFICATION OF VALUATION REPORT OF LINE OWNER

We, GRAEME JAMES MARSH and ROSS DOUGLAS LEEDALL,
Directors of Dunedin Electricity Limited, certify that, having made all reasonable enquiry, to
the best of our knowledge:

- (a) the attached valuation report of Dunedin Electricity Limited prepared for the purposes of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of those regulations; and
- (b) the replacement cost of the line business fixed assets of Dunedin Electricity Limited is \$318,414,425; and
- (c) the depreciated replacement cost of the line business system fixed assets of Dunedin Electricity Limited is \$159,894,152; and
- (d) the optimised depreciated replacement cost of the line business system fixed assets of Dunedin Electricity Limited is \$153,579,681; and
- (e) the optimised deprival valuation of the line business system fixed assets of Dunedin Electricity Limited is \$153,359,754; and
- (f) the values in (b) through to (e) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 2001.


.....
(Director)


.....
(Director)

14 June 2001