



# New Zealand Gazette

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## NETWORK TASMAN LIMITED

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1999  
AND THE ELECTRICITY (INFORMATION DISCLOSURE)  
AMENDMENT REGULATIONS 2000 & 2001

## **NETWORK TASMAN LIMITED INFORMATION DISCLOSURE**

### **Information Disclosure Disclaimer**

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

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

The information disclosed is for the line business as described in the Electricity (Information Disclosure) Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000 & 2001. There are also additional activities of the company that are not required to be reported under the Regulations.

**NetworkTasman**

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Nelson, New Zealand      website: www.networktasman.co.nz  
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**IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1999 (AS AMENDED BY THE  
ELECTRICITY (INFORMATION DISCLOSURE) AMENDMENT  
REGULATIONS 2000 & 2001)**

**Reg. 32 (2)**

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CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER FOR THE YEAR ENDING 31 MARCH 2002.

We, Ian Francis Kearney and Christopher Ian Menzies Turner, directors of Network Tasman Limited certify that, having made all reasonable enquiry, to the best of our knowledge,


- (a) The attached audited financial statements of Network Tasman 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 Network Tasman 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 2001.

**SIGNATURES OF DIRECTORS:**

  
\_\_\_\_\_  
**I.F. Kearney**

**Date: 31<sup>st</sup> May 2002**

  
\_\_\_\_\_  
**C.I.M Turner**

**Date: 31<sup>st</sup> May 2002**



**REPORT OF THE AUDITOR GENERAL**  
**AUDITOR'S REPORT**  
**TO THE READERS OF THE FINANCIAL STATEMENTS**  
**OF NETWORK TASMAN LIMITED FOR THE YEAR ENDED 31 MARCH 2002**

We have audited the financial statements of Network Tasman Limited on pages 4 to 21. The financial statements provide information about the past financial performance of Network Tasman Limited and its financial position as at 31 March 2002. This information is stated in accordance with the accounting policies set out on pages 8 to 11.

**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 Network Tasman Limited as at 31 March 2002, and the results of its operations and cash flows for the year then ended on that date.

**Auditor's Responsibilities**

Section 15 of the Public Audit Act 2001 and Regulation 31 of the Electricity (Information Disclosure) Regulations 1999 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements presented by the Directors and report its opinion to you.

The Auditor-General has appointed Bede Kearney, 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 Network Tasman Limited circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate 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 in order to provide us with sufficient evidence to obtain 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 Auditor-General, we have no relationship with or interests in Network Tasman Limited.

### **Unqualified Opinion**

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

In our opinion –

- proper accounting records have been kept by Network Tasman Limited as far as appears from our examination of those records; and
- the financial statements of Network Tasman Limited on pages 4 to 21:
  - (a) comply with generally accepted accounting practice in New Zealand; and
  - (b) give a true and fair view of the financial position of Network Tasman Limited as at 31 March 2001 and the results of its operations and cash flows for the year then ended; and
  - (c) comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 7 June 2002 and our opinion is expressed as at that date.



B F Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

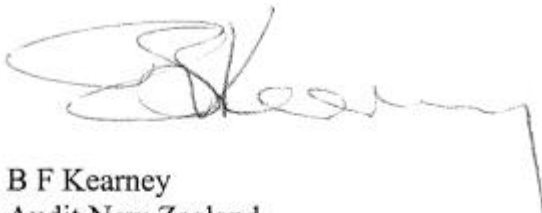
**AUDITOR- GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF  
NETWORK TASMAN LIMITED**

We have examined the information on pages 22 to 24, being –

- (a) the derivation table specified in regulation 16;
- (b) the annual ODV reconciliation report in regulation 16A;
- (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 Network Tasman Limited and dated 31 March 2002 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.



B F Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
7 June 2002



**Network Tasman Limited**  
**Line Business Financial Statements**

**Statement of financial performance**

*For the year ended 31 March 2002*

|   | <b>Note</b> | <b>2002</b>         | 2001            |
|---|-------------|---------------------|-----------------|
|   |             | <b>\$000</b>        | \$000           |
| Total operating revenue   | 2, 3        | 23,270              | 27,199          |
| Total operating expenses  | 4           | <u>(15,287)</u>     | <u>(19,838)</u> |
| <b>Operating surplus before interest expense and income tax</b> |             | <b>7,983</b>        | 7,361           |
| Interest expense  |             | <u>(13)</u>         | <u>(19)</u>     |
| <b>Operating surplus before income tax</b>                      |             | <b>7,970</b>        | 7,342           |
| Income tax  | 5           | <u>(2,503)</u>      | <u>(2,480)</u>  |
| <b>Operating surplus after income tax</b>                       | 3           | <u><b>5,467</b></u> | <u>4,862</u>    |

**Network Tasman Limited**  
**Line Business Financial Statements**

**Statement of movements in equity**

*For the year ended 31 March 2002*

|  | Note | 2002<br>\$000  | 2001<br>\$000  |
|--|------|----------------|----------------|
| <b>Total equity at beginning of year</b>                     | 7    | 81,545         | 80,029         |
| <b>Total recognised revenues and expenses</b>                |      |                |                |
| Operating surplus after income tax                           |      | 5,467          | 4,862          |
| Movement in property, plant & equipment revaluation reserve  |      | 0              | (737)          |
| Adjustment to property, plant & equipment from previous year | 10   | (575)          | 0              |
| <b>Total recognised revenues and expenses for the year</b>   |      | <u>4,892</u>   | <u>4,125</u>   |
| <b>Other movements</b>                                       |      |                |                |
| Distributions to owners during the year                      | 6    | (1,497)        | (2,100)        |
| Transfer of land & buildings to "Other" business             |      | (481)          | (509)          |
|  |      | <u>(1,978)</u> | <u>(2,609)</u> |
| <b>Total equity at end of year</b>                           | 7    | <u>84,459</u>  | <u>81,545</u>  |



**Network Tasman Limited**  
**Line Business Financial Statements**

**Statement of financial position**

*As at 31 March 2002*

|   | Note | 2002<br>\$000 | 2001<br>\$000 |
|---|------|---------------|---------------|
| <b>Current assets</b>                       |      |               |               |
| Cash and short term deposits                |      | 11,771        | 8,279         |
| Receivables                                 | 9    | <u>2,517</u>  | <u>3,146</u>  |
| <b>Total current assets</b>                 |      | <b>14,288</b> | <b>11,425</b> |
| <b>Non-current assets</b>                   |      |               |               |
| Property, plant and equipment               | 10   | 72,586        | 72,620        |
| Assets under construction                   |      | 0             | 0             |
| Deferred taxation                           | 11   | <u>115</u>    | <u>68</u>     |
| <b>Total non-current assets</b>             |      | <b>72,701</b> | <b>72,688</b> |
| <b>Total assets</b>                         |      | <b>86,989</b> | <b>84,113</b> |
| <b>Current liabilities</b>                  |      |               |               |
| Payables and provisions                     | 12   | <u>2,388</u>  | <u>2,438</u>  |
| <b>Total current liabilities</b>            |      | <b>2,388</b>  | <b>2,438</b>  |
| <b>Non-current liabilities</b>              |      |               |               |
| Payables and provisions                     | 12   | <u>142</u>    | <u>130</u>    |
| <b>Total non-current liabilities</b>        |      | <b>142</b>    | <b>130</b>    |
| <b>Equity</b>                               |      |               |               |
| Attributable to shareholders of the company | 7    | <u>84,459</u> | <u>81,545</u> |
| <b>Total equity</b>                         |      | <b>84,459</b> | <b>81,545</b> |
| <b>Total liabilities and equity</b>         |      | <b>86,989</b> | <b>84,113</b> |

For and on behalf of the board:



IF Kearney  
 Chairman  
 31 May 2002



CIM Turner  
 Director  
 31 May 2002

**Network Tasman Limited**  
**Line Business Financial Statements**

**Statement of cash flows**

*For the year ended 31 March 2002*

|   | Note | 2002<br>\$000  | 2001<br>\$000  |
|---|------|----------------|----------------|
| <b>Cash flows from operating activities</b>         |      |                |                |
| <i>Cash was provided from:</i>                      |      |                |                |
| Receipts from customers                             |      | 19,920         | 22,392         |
| Interest income received                            |      | 583            | 714            |
| Capital contributions from consumers                |      | 0              | 0              |
|   |      | <u>20,503</u>  | <u>23,106</u>  |
| <i>Cash was applied to:</i>                         |      |                |                |
| Payments to suppliers and employees                 |      | 11,147         | 13,841         |
| Interest expense paid                               |      | 0              | 19             |
| Income tax paid                                     |      | 2,020          | 3,254          |
|   |      | <u>13,167</u>  | <u>17,114</u>  |
| <b>Net cash flows from operating activities</b>     | 13   | <u>7,336</u>   | <u>5,992</u>   |
| <b>Cash flows from investing activities</b>         |      |                |                |
| <i>Cash was provided from:</i>                      |      |                |                |
| Proceeds from sale of property, plant and equipment |      | 10             | 4              |
|   |      | <u>10</u>      | <u>4</u>       |
| <i>Cash was applied to:</i>                         |      |                |                |
| Purchase of property, plant and equipment           |      | 2,357          | 2,461          |
|   |      | <u>2,357</u>   | <u>2,461</u>   |
| <b>Net cash flows from investing activities</b>     |      | <u>(2,347)</u> | <u>(2,457)</u> |
| <b>Cash flows from financing activities</b>         |      |                |                |
| <i>Cash was applied to:</i>                         |      |                |                |
| Dividends paid                                      |      | 1,497          | 2,100          |
| Repayment of term loans                             |      | 0              | 0              |
|   |      | <u>1,497</u>   | <u>2,100</u>   |
| <b>Net cash flows from financing activities</b>     |      | <u>(1,497)</u> | <u>(2,100)</u> |
| <b>Net increase (decrease) in cash balances</b>     |      | <u>3,492</u>   | <u>1,435</u>   |
| Cash balances at beginning of year                  |      | 8,279          | 6,844          |
| <b>Cash balances at end of year</b>                 |      | <u>11,771</u>  | <u>8,279</u>   |

## **Network Tasman Limited Line Business Financial Statements**

**Notes to and forming part of the financial statements**  
*For the year ended 31 March 2002*

### **1. Statement of significant accounting policies**

#### **Reporting entity**

The reporting entity is Network Tasman Limited. Network Tasman Limited is a company registered under the Companies Act 1993.

The financial statements have been prepared in accordance with, and for the purposes of, complying with the requirements of the Electricity (Information Disclosure) Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000.

Network Tasman Limited is a reporting entity for the purposes of the Financial Reporting Act 1993. The financial statements of Network Tasman Limited have been prepared pursuant to the Energy Companies Act 1992 and in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993.

#### **Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. The financial statements have been prepared on the basis of historical cost with the exception of distribution assets which are stated at valuation.

The financial statements comprise of statements of financial performance, movements in equity, financial position, cash flows and notes to these statements.

The assets and liabilities of Network Tasman Limited were vested from the Tasman Electric Power Board on 1 May 1993 in accordance with the Establishment Plan approved by the Governor General by Order of Council on 26 April 1993.

#### **Specific accounting policies**

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

##### **(a) Revenue recognition**

Retailer-owned electricity meters are read on the basis of constant cycles each year. Line revenues include an estimated amount for accrued sales as at 31 March 2002.

##### **(b) Property, plant and equipment**

*Recognition of property, plant and equipment*

The company has the following classes of property, plant and equipment:

###### **Distribution system assets**

- Primary distribution assets
- Secondary distribution assets
- Substation assets
- Load control plant
- Streetlights
- Consumer connection assets

- Plant and equipment
- Computer equipment
- Motor vehicles

All owned items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant & equipment comprises its purchase price plus any other costs directly attributable to bringing the item to working condition for its intended use. Donated assets are recorded at fair value.

Distribution system assets are stated at valuation as determined every three years by an independent registered valuer. Plant and equipment, computer equipment and motor vehicles are recorded at cost.

#### *Asset components*

When the components of an item of property, plant and equipment have different useful lives, the cost of the item is allocated to its components and each component is accounted for separately in accordance with the company's Asset Management Plan (AMP).

#### *Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that the expenditure increases the economic benefits over the total life of the item beyond those most recently assessed in determining the basis of the item's carrying amount.

#### *Revaluations*

Distribution system assets are revalued every three years to fair value, or more regularly if necessary to ensure that no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value. Fair value is determined using optimised depreciated replacement cost. The distribution system assets were last revalued by an independent registered valuer as at 31 March 2001.

Any revaluation increment or decrement is recognised in the statement of movements in equity. If the revaluation results in a revaluation deficit, the revaluation deficit is recognised in the statement of financial performance. To the extent that a revaluation reverses a previous revaluation deficit that was recognised in the statement of financial performance, such revaluation increment is recognised in the statement of financial performance.

#### *Disposal of property, plant and equipment*

Where an item of property, plant and equipment is disposed of, the difference between net disposal proceeds and the carrying amount are recognised in the statement of financial performance.

#### *Depreciation*

Depreciation on items of property, plant and equipment is calculated to allocate the cost or revalued amount, less any residual value, over the item's useful life.

The depreciation methods and depreciation rates used are as follows:

| <b>Asset class</b>            | <b>Depreciation method</b> | <b>Depreciation rates</b> |
|-------------------------------|----------------------------|---------------------------|
| Primary distribution assets   | Straight line              | 1.43% - 3.66%             |
| Secondary distribution assets | Straight line              | 1.33% - 10.31%            |
| Substation assets             | Straight line              | 2.22% - 14.58%            |
| Load control plant            | Straight line              | 5.00% - 36.39%            |
| Streetlights                  | Straight line              | 1.67% - 2.55%             |
| Consumer connection assets    | Straight line              | 1.82% - 6.59%             |
| Plant and equipment           | Diminishing value          | 20%                       |
| Motor vehicles                | Diminishing value          | 20%                       |
| Computer equipment            | Diminishing value          | 48%                       |

The depreciation rates on distribution system assets were reassessed for existing assets as at 1 April 2001 based on the assessed residual lives as determined in the calculation of the Optimised Depreciated Replacement Cost (ODRC).

New assets purchased from 1 April 2001 are assessed based on the standard useful lives as contained in the Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses (4<sup>th</sup> edition) as issued by the Ministry of Economic Development and dated October 2000.

Pole structures, which have a physical life well in excess of the assessed residual life, have been reassessed by the company's qualified engineers.

#### **(c) Taxation**

The income tax expense charged to the statement of financial performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is recognised only if there is virtual certainty of realisation.

#### **(d) Vested assets**

Vested assets from consumers are credited to the statement of financial performance.

#### **(e) Receivables**

Receivables are stated at their estimated net realisable value. Bad debts are written off during the period in which they are identified.

#### **(f) Financial instruments**

The company estimates that in respect of the reported financial instruments, being cash, short term investments and debtors, fair value is equivalent to the carrying amount as stated in the statement of financial position.

##### *Credit risk*

The company places short term investments with only registered banks. The company has a credit policy which is used to manage this exposure to credit risk. As part of this policy, limits on the amount of surplus funds placed with any one banking institution have been set and approved by the board of directors.

##### *Concentrations of credit risk*

Network Tasman's customers are electricity retailers. The credit risk is not considered to be high. The company does not have any other significant concentrations of credit risk.

##### *Interest rate risk*

Short term investments mature within the range of on call to 180 days. The interest rates on these investments range from 4.60% to 5.60%.

#### **(g) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks and investments in money market instruments.

#### **(h) Employee entitlements**

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date. Employee benefits include annual leave and long service leave. The provision is the estimated amount expected to be paid out by the company.

**(i) Operating leases**

Payments made under operating leases are recognised in the statement of financial performance on a basis representative of the pattern of benefits expected to be derived from the leased asset.

**(j) Changes In accounting policies**

Uniform accounting policies have been applied on a consistent basis with those of the previous year.

**Network Tasman Limited**  
**Line Business Financial Statements**

**Notes to and forming part of the financial statements**

*For the year ended 31 March 2002*

|  | 2002<br>\$000 | 2001<br>\$000 |
|--|---------------|---------------|
| <b>2. Operating revenue</b>                                  |               |               |
| <b>Operating revenue comprises:</b>                          |               |               |
| Line revenue (net of discounts)                              | 19,549        | 22,995        |
| Interest income  | 624           | 714           |
| Other revenue  | 3,097         | 3,490         |
| <b>Total operating revenue</b>                               | <b>23,270</b> | <b>27,199</b> |
| <b>3. Continuing &amp; discontinued operations</b>           |               |               |
| <b>Continuing operations</b>                                 |               |               |
| Operating revenue  | 23,270        | 27,199        |
| Net surplus  | 5,467         | 4,862         |
| <b>Discontinued operations</b>                               |               |               |
| Operating revenue  | 0             | 0             |
| Net surplus  | 0             | 0             |
| <b>Totals</b>  |               |               |
| Operating revenue  | 23,270        | 27,199        |
| Net surplus  | 5,467         | 4,862         |
| <b>4. Operating expenses</b>                                 |               |               |
| <b>Operating expenses include:</b>                           |               |               |
| Audit fees   | 26            | 27            |
| Bad debts written off  | 1             | 9             |
| <b>Depreciation of property, plant &amp; equipment</b>       |               |               |
| Freehold buildings   | 0             | 6             |
| Primary distribution assets                                  | 86            | 63            |
| Secondary distribution assets                                | 2,079         | 1,893         |
| Substation assets  | 196           | 261           |
| Load control plant   | 122           | 94            |
| Streetlights   | 4             | 13            |
| Consumer connections   | 65            | 23            |
| Plant and equipment  | 121           | 125           |
| Computer equipment   | 257           | 153           |
| Motor vehicles   | 11            | 10            |
| <b>Total depreciation of property, plant &amp; equipment</b> | <b>2,941</b>  | <b>2,641</b>  |
| Directors' fees  | 129           | 124           |
| Donations  | 1             | 1             |
| Change in provision for doubtful debts                       | 2             | (4)           |
| Interest expense   | 13            | 19            |
| Loss on sale of fixed assets                                 | 2             | 63            |
| Other remuneration paid to auditor                           | 0             | 0             |
| Rental and operating lease costs                             | 238           | 164           |

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

|   | 2002<br>\$000 | 2001<br>\$000 |
|---|---------------|---------------|
| <b>5. Income tax</b>                            |               |               |
| <b>(a) Income tax expense</b>                   |               |               |
| Operating surplus before income tax             | 7,970         | 7,342         |
| Permanent differences:                          |               |               |
| Vested asset income reversal                    | (1,332)       | (1,140)       |
| Depreciation                                    | 1,182         | 1,026         |
| Other permanent differences                     | (237)         | (76)          |
|   | <u>(387)</u>  | <u>(190)</u>  |
| Taxable income                                  | 7,583         | 7,152         |
| Tax expense @ 33%                               | 2,503         | 2,360         |
| Income tax (over) under provided in prior year  | 0             | 120           |
|   | <u>2,503</u>  | <u>2,480</u>  |
| The income tax expense is represented by:       |               |               |
| Current taxation                                | 2,550         | 2,435         |
| Deferred taxation                               | (47)          | 45            |
|   | <u>2,503</u>  | <u>2,480</u>  |
| <b>6. Dividends</b>                             |               |               |
| Distributions during the year:                  |               |               |
| Dividends paid                                  | 1,497         | 2,100         |
| <b>Total distributions paid</b>                 | <u>1,497</u>  | <u>2,100</u>  |
| <b>7. Equity</b>                                |               |               |
| Ordinary shares fully paid                      | 14,280        | 14,280        |
| Property, plant & equipment revaluation reserve | 47,158        | 47,158        |
| Share premium reserve                           | 1,938         | 1,938         |
| Retained earnings                               | 8 21,083      | 18,169        |
| <b>Total equity</b>                             | <u>84,459</u> | <u>81,545</u> |

#### Share premium reserve

The share premium reserve was created on 1 May 1993, recognising the difference between the share capital issued and the closing value of corporate ownership of the Tasman Electric Power Board at 30 April 1993.

#### Property, plant & equipment revaluation reserve

The property, plant and equipment revaluation reserve relates to the revaluation of the distribution system assets. The initial valuation was carried out at 31 March 1997 with a subsequent valuation at 31 March 2001.

As at 1 April 2001, the company's accounting asset register was reconstructed to a component level based on the ODRC asset register. The revaluation surpluses have been allocated to each asset component as required by FRS-3: *Property, Plant & Equipment*.



## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

|  | 2002<br>\$000 | 2001<br>\$000 |
|--|---------------|---------------|
| <b>8. Retained earnings</b>                                  |               |               |
| Retained earnings at beginning of year                       | 18,169        | 15,916        |
| Net surplus for the year                                     | 5,467         | 4,862         |
| Adjustment to property, plant & equipment from previous year | (575)         | 0             |
| <b>Total available for appropriation</b>                     | <b>23,061</b> | <b>20,778</b> |
| Dividends paid   | 6 (1,497)     | (2,100)       |
| Transfer of land & buildings to "Other" business             | (481)         | (509)         |
| <b>Retained earnings at end of year</b>                      | <b>21,083</b> | <b>18,169</b> |

#### 9. Receivables

##### Current receivables

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Trade receivables                | 2,431        | 2,791        |
| Less doubtful debts              | 2            | 0            |
|                                  | <b>2,429</b> | <b>2,791</b> |
| Hire purchase receivables        | 0            | 0            |
| Tax refund due                   | 0            | 257          |
| Prepayments                      | 88           | 98           |
| <b>Total current receivables</b> | <b>2,517</b> | <b>3,146</b> |

#### 10. Property, plant & equipment

|   | At cost      | At valuation  | Accum.<br>depreciation | Carrying<br>Amount |
|---|--------------|---------------|------------------------|--------------------|
| <b>Property, plant &amp; equipment - March 2002</b> |              |               |                        |                    |
| Primary distribution assets                         | 198          | 2,589         | 86                     | 2,701              |
| Secondary distribution assets                       | 2,761        | 60,793        | 2,079                  | 61,475             |
| Substation assets                                   | 358          | 5,109         | 196                    | 5,271              |
| Load control plant                                  | 292          | 810           | 122                    | 980                |
| Streetlights  | 0            | 169           | 4                      | 165                |
| Consumer connections                                | 179          | 948           | 65                     | 1,062              |
| Plant and equipment                                 | 1,369        | 0             | 834                    | 535                |
| Computer equipment                                  | 1,788        | 0             | 1,436                  | 352                |
| Motor vehicles                                      | 144          | 0             | 99                     | 45                 |
| <b>Total</b>  | <b>7,089</b> | <b>70,418</b> | <b>4,921</b>           | <b>72,586</b>      |

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

|   | At cost      | At valuation  | Accum.<br>depreciation | Carrying<br>Amount |
|---|--------------|---------------|------------------------|--------------------|
| <b>Property, plant &amp; equipment - March 2001</b> |              |               |                        |                    |
| Freehold land                                       | 2            | 582           | 0                      | 584                |
| Freehold buildings                                  | 42           | 527           | 93                     | 476                |
| Primary distribution assets                         | 0            | 2,589         | 0                      | 2,589              |
| Secondary distribution assets                       | 0            | 60,793        | 0                      | 60,793             |
| Substation assets                                   | 0            | 5,109         | 0                      | 5,109              |
| Load control plant                                  | 0            | 810           | 0                      | 810                |
| Streetlights  | 0            | 169           | 0                      | 169                |
| Consumer connections                                | 0            | 948           | 0                      | 948                |
| Plant and equipment                                 | 1,317        | 0             | 714                    | 603                |
| Computer equipment                                  | 1,691        | 0             | 1,208                  | 483                |
| Motor vehicles                                      | 144          | 0             | 88                     | 56                 |
| <b>Total</b>  | <b>3,196</b> | <b>71,527</b> | <b>2,103</b>           | <b>72,620</b>      |

#### Valuation

The distribution system assets were last revalued as at 31 March 2001 to a net current value of \$70.418 million. The valuation to optimised depreciated replacement cost (ODRC) was carried out by independent valuers, PricewaterhouseCoopers and Meritec Limited. The valuation report is dated 25 May 2001. The valuation was undertaken in accordance with the methodology detailed in the Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses (4th edition) as issued by the Ministry of Economic Development and dated October 2000.

#### Adjustment to property, plant & equipment

Land and buildings associated with the distribution system assets were included in both the optimised depreciated replacement cost valuation for distribution system assets and in the land and buildings category. An adjustment has been made to the land and buildings categories. Distribution system land and buildings are included in the substation assets category.

#### Review of useful lives of property, plant and equipment

Estimate of increase in depreciation charge following a review of useful lives

705

|                                    | 2002<br>\$000 | 2001<br>\$000 |
|------------------------------------|---------------|---------------|
| <b>11. Deferred taxation</b>       |               |               |
| Balance at beginning of year       | 68            | 113           |
| Deferred tax on timing differences | 47            | (45)          |
| <b>Balance at end of year</b>      | <b>115</b>    | <b>68</b>     |

#### 12. Payables and provisions

##### Current

|  |              |              |
|--|--------------|--------------|
| Trade payables and accruals                  | 1,723        | 2,185        |
| Taxation payable                             | 286          | 0            |
| Employee entitlements                        | 210          | 207          |
| Dividend provision                           | 0            | 0            |
| Sundry provisions                            | 169          | 46           |
| <b>Total current payables and provisions</b> | <b>2,388</b> | <b>2,438</b> |

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

|  | 2002<br>\$000 | 2001<br>\$000 |
|--|---------------|---------------|
| <b>Non-current</b>                               |               |               |
| Employee entitlements                            | 142           | 130           |
| <b>Total non-current payables and provisions</b> | <u>142</u>    | <u>130</u>    |
| <br>   |               |               |
| <b>Provision for employee entitlements</b>       |               |               |
| Balance at beginning of year                     | 337           | 261           |
| Additional provisions made                       | 222           | 222           |
| Amount utilised                                  | (184)         | (115)         |
| Provision reversed                               | (23)          | (31)          |
| <b>Balance at end of year</b>                    | <u>352</u>    | <u>337</u>    |
| Current  | 210           | 207           |
| Non-current                                      | 142           | 130           |
|  | <u>352</u>    | <u>337</u>    |

The provision for employee entitlements relates to employee benefits such as accrued annual leave and long service leave.

|                               |            |           |
|-------------------------------|------------|-----------|
| <b>Sundry provisions</b>      |            |           |
| Balance at beginning of year  | 46         | 174       |
| Additional provisions made    | 139        | 10        |
| Amount utilised               | (9)        | (3)       |
| Provision reversed            | (7)        | (135)     |
| <b>Balance at end of year</b> | <u>169</u> | <u>46</u> |
| Current                       | 169        | 46        |
| Non-current                   | 0          | 0         |
|                               | <u>169</u> | <u>46</u> |

Sundry provisions relate to easements in progress and allowances for revenue wash-ups.

#### 13. Reconciliation of operating surplus after income tax with net cash flows from operating activities

|   |              |              |
|---|--------------|--------------|
| <b>Operating surplus after income tax</b>                 | <u>5,467</u> | <u>4,862</u> |
| <b>Add (less) non-cash items and non-operating items:</b> |              |              |
| Depreciation  | 2,941        | 2,641        |
| Movement in deferred taxation                             | (47)         | 45           |
| Vested assets   | (1,332)      | (1,140)      |
| Bad debts written-off                                     | 1            | 9            |
| Change in provision for doubtful debts                    | 2            | (4)          |
| (Gain) loss on sale of fixed assets                       | 2            | 63           |
| Movement in capital expenditure in creditors              | (289)        | 202          |
|   | <u>1,278</u> | <u>1,816</u> |
| <b>Movement in working capital:</b>                       |              |              |
| Increase (decrease) in payables and provisions            | (324)        | 204          |
| (Increase) decrease in receivables                        | 372          | (70)         |
| Increase (decrease) in taxation payable                   | 543          | (820)        |
|   | <u>591</u>   | <u>(686)</u> |
| <b>Net cash flows from operating activities</b>           | <u>7,336</u> | <u>5,992</u> |

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

| 2002  | 2001  |
|-------|-------|
| \$000 | \$000 |

#### 14. Related parties

There were no related party transactions in relation to the following (2001: nil):

- Construction of subtransmission assets
- Construction of zone substations
- Construction of distribution lines and cables
- Construction of medium voltage switchgear
- Construction of distribution transformers
- Construction of distribution substations
- Construction of low voltage reticulation
- Construction of other system fixed assets
- Maintenance of assets
- Consumer connections and disconnections

#### Parent entity

The holding entity of the company is the Network Tasman Trust which holds 100% (2001: 100%) of the company's shares.

Refer to Note 6 for dividends paid to the holding entity.

#### Associate company

Network Tasman Limited has a 50% shareholding in Nelson Electricity Limited. Nelson Electricity Limited owns and operates the electricity distribution network in Nelson city.

Transmission costs charged by national grid operator Transpower NZ Limited for connection by Nelson Electricity Limited to the national grid are on-charged, at cost, by Network Tasman Limited to Nelson Electricity Limited.

|   |       |
|---|-------|
| Net transmission costs on-charged (1 April 2001 to 31 March 2002) | 1,401 |
| Balance due from Nelson Electricity Limited as at 31 March 2002   | 127   |

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

#### 15. Segmental Information

For reporting purposes the company operates predominantly in one industry - the distribution of electricity. The operations of the company are carried out in New Zealand and are therefore within one geographical segment for reporting purposes.

#### 16. Commitments

##### Capital commitments

Capital commitments as at 31 March 2002 were \$181,763 (2001: \$nil).

##### Operating lease commitments

Lease commitments under non-cancellable operating leases are payable as follows:

|                            |       |
|----------------------------|-------|
| Less than one year         | 254   |
| Between one and two years  | 254   |
| Between two and five years | 763   |
| Greater than five years    | 2,156 |

**Total operating lease commitments**

**3,427**

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

#### 17. Contingencies

Network Tasman Limited issued court proceedings against Transpower New Zealand Limited in respect of the Output Connection Contract.

There is no adverse financial exposure to Network Tasman Limited except for associated legal costs.

As at 31 March 2002 there were no material contingent liabilities.

#### 18. Comparative information

Certain comparatives have been restated to ensure consistent presentation with the current year.

#### 19. Events occurring after balance date

The directors of Network Tasman Limited are not aware of any significant event occurring subsequent to balance date which, if known at balance date, would have resulted in a different assessment within the financial statements.

#### 20. Mandatory specific disclosures

Items required to be separately listed in the financial statements as required under regulation 6 (1) of the Electricity (Information Disclosure) Regulations 1999 are as follows:

|  | 2002<br>\$000 | 2001<br>\$000 |
|--|---------------|---------------|
| <b>1. Current assets</b>                           |               |               |
| (a) Cash & bank balances                           | 132           | 9             |
| (b) Short-term investments                         | 11,639        | 8,270         |
| (c) Inventories                                    | 0             | 0             |
| (d) Accounts receivable                            | 2,429         | 2,791         |
| (e) Other receivables                              | 0             | 257           |
| (f) Prepayments                                    | 88            | 98            |
| (g) Other current assets not listed in (a) to (f)  | 0             | 0             |
| <b>(h) Total current assets</b>                    | <b>14,288</b> | <b>11,425</b> |
| <b>2. Fixed assets</b>                             |               |               |
| (a) System fixed assets                            | 71,654        | 70,418        |
| (b) Consumer billing and information system assets | 352           | 483           |
| (c) Motor vehicles                                 | 45            | 56            |
| (d) Office equipment                               | 160           | 200           |
| (e) Land and buildings                             | 0             | 1,060         |
| (f) Capital works under construction               | 0             | 0             |
| (g) Other fixed assets not listed in (a) to (f)    | 375           | 403           |
| <b>(h) Total fixed assets</b>                      | <b>72,586</b> | <b>72,620</b> |
| <b>3. Other tangible assets not listed above</b>   | <b>115</b>    | <b>68</b>     |
| <b>4. Total tangible assets</b>                    | <b>86,989</b> | <b>84,113</b> |

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

|   | 2002<br>\$000 | 2001<br>\$000 |
|---|---------------|---------------|
| <b>5. Intangible assets</b>   |               |               |
| (a) Goodwill  | 0             | 0             |
| (b) Other intangibles not listed in (a) above                                   | 0             | 0             |
| <b>(c) Total intangible assets</b>  | <u>0</u>      | <u>0</u>      |
| <b>6. Total assets</b>  | <b>86,989</b> | <b>84,113</b> |
| <b>7. Current liabilities</b>   |               |               |
| (a) Bank overdraft  | 0             | 0             |
| (b) Short-term borrowings   | 0             | 0             |
| (c) Payables & accruals   | 1,723         | 2,185         |
| (d) Accrued payroll   | 210           | 207           |
| (e) Provision for dividend payable  | 0             | 0             |
| (f) Provision for income tax  | 286           | 0             |
| (g) Other current liabilities not listed in (a) to (f)                          | 169           | 46            |
| <b>(h) Total current liabilities</b>  | <u>2,388</u>  | <u>2,438</u>  |
| <b>8. Non-current Liabilities</b>   |               |               |
| (a) Payables & accruals   | 142           | 130           |
| (b) Borrowings  | 0             | 0             |
| (c) Deferred tax  | 0             | 0             |
| (d) Other non-current liabilities not listed in (a) to (c) above                | 0             | 0             |
| <b>(e) Total non-current liabilities</b>  | <u>142</u>    | <u>130</u>    |
| <b>9. Equity</b>  |               |               |
| (a) Shareholders' equity  |               |               |
| (i) Share capital   | 14,280        | 14,280        |
| (ii) Retained earnings  | 21,083        | 18,169        |
| (iii) Reserves  | 49,096        | 49,096        |
| (iv) Total shareholders equity  | <u>84,459</u> | <u>81,545</u> |
| (b) Minority interests in subsidiaries  | 0             | 0             |
| <b>(c) Total equity</b>   | <u>84,459</u> | <u>81,545</u> |
| (d) Capital notes   | 0             | 0             |
| <b>(e) Total capital funds</b>  | <u>84,459</u> | <u>81,545</u> |
| <b>10. Total equity and liabilities</b>   | <b>86,989</b> | <b>84,113</b> |
| <b>11. Operating revenue</b>  |               |               |
| (a) Revenue from line/access charges  | 23,960        | 27,331        |
| (b) Line charge discounts to consumers  | (4,411)       | (4,336)       |
| (c) Revenue from "other" business for services carried out by the line business | 0             | 0             |
| (d) Interest on cash, bank balances and short-term investments                  | 624           | 714           |
| (e) AC loss rental rebates  | 1,760         | 2,336         |
| (f) Other revenue not listed in (a) to (e)                                      | 1,337         | 1,154         |
| <b>(g) Total operating revenue</b>  | <u>23,270</u> | <u>27,199</u> |

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2002

|   | 2002<br>\$000 | 2001<br>\$000 |
|---|---------------|---------------|
| <b>12. Operating expenditure</b>  |               |               |
| (a) Payment for transmission charges  | 7,507         | 11,758        |
| (b) Transfer payments to the "other" business for:                          |               |               |
| (i) Asset maintenance   | 0             | 0             |
| (ii) Consumer disconnections/reconnection services                          | 0             | 0             |
| (iii) Meter data  | 0             | 0             |
| (iv) Consumer-based load control services                                   | 0             | 0             |
| (v) Royalty and patent expenses   | 0             | 0             |
| (vi) Avoided transmission charges on account of own generation              | 0             | 0             |
| (vii) Other goods and services not listed in (i) to (vi) above              | 53            | 0             |
| <b>(viii) Total transfer payment to the "Other" business</b>                | <b>53</b>     | <b>0</b>      |
| (c) Expense to entities that are not related parties for:                   |               |               |
| (i) Asset maintenance   | 1,878         | 2,587         |
| (ii) Consumer disconnections/reconnection services                          | 5             | 6             |
| (iii) Meter data  | 0             | 0             |
| (iv) Consumer-based load control services                                   | 1             | 0             |
| (v) Royalty and patent expenses   | 0             | 0             |
| <b>(vi) Total of specified expenses to non-related parties</b>              | <b>1,884</b>  | <b>2,593</b>  |
| (d) Employee salaries, wages and redundancies                               | 1,213         | 1,138         |
| (e) Consumer billing and information system expense                         | 96            | 65            |
| (f) Depreciation on:  |               |               |
| (i) System fixed assets   | 2,552         | 2,347         |
| (ii) Other assets not listed in (i)   | 389           | 294           |
| <b>(iii) Total depreciation</b>   | <b>2,941</b>  | <b>2,641</b>  |
| (g) Amortisation of:  |               |               |
| (i) Goodwill  | 0             | 0             |
| (ii) Other intangibles  | 0             | 0             |
| <b>(iii) Total amortisation of intangibles</b>                              | <b>0</b>      | <b>0</b>      |
| (h) Corporate and administration  | 355           | 250           |
| (i) Human resource expenses   | 40            | 33            |
| (j) Marketing/advertising   | 77            | 94            |
| (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  | 132           | 220           |
| (o) Donations   | 1             | 1             |
| (p) Directors' fees   | 129           | 124           |
| (q) Auditors' fees:   |               |               |
| (i) Audit fees paid to principal auditors                                   | 26            | 27            |
| (ii) Audit fees paid to other auditors                                      | 0             | 0             |
| (iii) Fees paid for other services provided by principal and other auditors | 0             | 0             |
| <b>(iv) Total auditors' fees</b>  | <b>26</b>     | <b>27</b>     |
| (r) Costs of offering credit:   |               |               |
| (i) Bad debts written off   | 1             | 9             |
| (ii) Increase in estimated doubtful debts                                   | 2             | (4)           |
| <b>(iii) Total cost of offering credit</b>                                  | <b>3</b>      | <b>5</b>      |
| (s) Local authority rates expense   | 6             | 7             |
| (t) AC loss-rentals rebates expense   | 728           | 547           |
| (u) Rebates to consumers due to ownership interest                          | 0             | 0             |
| (v) Subvention payments   | 0             | 0             |
| (w) Unusual expenses  | 0             | 0             |
| (x) Other expenditure not listed in (a) to (w)                              | 96            | 335           |
| <b>13. Total operating expenditure</b>                                      | <b>15,287</b> | <b>19,838</b> |

**Network Tasman Limited**  
**Line Business Financial Statements**

**Notes to and forming part of the financial statements**

*For the year ended 31 March 2002*

|   | 2002<br>\$000 | 2001<br>\$000 |
|---|---------------|---------------|
| <b>14. Operating surplus before interest and income tax</b>     | <u>7,983</u>  | <u>7,361</u>  |
| <b>15. Interest expense</b>                                     |               |               |
| (a) Interest expense on borrowings                              | 0             | 0             |
| (b) Financing charges related to finance leases                 | 0             | 0             |
| (c) Other interest expense not listed in (a) or (b)             | 13            | 19            |
| <b>(d) Total interest expense</b>                               | <u>13</u>     | <u>19</u>     |
| <b>16. Operating surplus before income tax</b>                  | <u>7,970</u>  | <u>7,342</u>  |
| <b>17. Income tax</b>   | 2,503         | 2,480         |
| <b>18. Net surplus after tax</b>                                | <u>5,467</u>  | <u>4,862</u>  |
| <b>19. Annual valuation reconciliation report</b>               |               |               |
| System fixed assets at ODV - end of the previous financial year | 70,418        | 86,988        |
| Add system fixed assets acquired during the year at ODV         | 3,788         | 2,722         |
| Less system fixed assets disposed of during the year at ODV     | 0             | 0             |
| Less depreciation on system fixed assets at ODV                 | (2,552)       | (2,562)       |
| Add revaluations of system fixed assets                         | 0             | (16,730)      |
| <b>System fixed assets at ODV - end of the financial year</b>   | <u>71,654</u> | <u>70,418</u> |



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                  | 7,983,045  |                   |                                      |  |  |
| Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT) | 7,983,045  |                   |                                      |  |  |
| Interest on cash, bank balances, and short-term investments (ISTI)                          | 623,750  |                   |                                      |  |  |
| OSBIT minus ISTI  | 7,359,295  | a                 | 7,359,295                            |  | 7,359,295  |
| Net surplus after tax from financial statements   | 5,486,888  |                   |                                      |  |  |
| Net surplus after tax adjusted pursuant to regulation 18 (NSAT)                             | 5,486,888  | n                 |                                      | 5,486,888  |  |
| Amortisation of goodwill and amortisation of other intangibles                              | 0  | g                 | add                                  | add  | add  |
| Subvention payment  | 0  | s                 | add                                  | add  | add  |
| Depreciation of SFA at BV (x)   | 2,552,259  |                   |                                      |  |  |
| Depreciation of SFA at ODV (y)  | 2,552,259  | d                 | add                                  | add  | add  |
| ODV depreciation adjustment   | 0  | s <sup>1</sup>    | deduct                               | deduct   | deduct   |
| Subvention payment tax adjustment   | -201,818   | q                 |                                      |  | deduct   |
| Interest tax shield   | 0  | r                 |                                      |  | add  |
| Revaluations  | 0  |                   |                                      |  | 0  |
| Income tax  | 2,502,570  | p                 |                                      |  | deduct   |
| <b>Numerator</b>  |  |                   | OSBIT <sup>adj</sup> = a + g + s + d | NSAT <sup>adj</sup> = n + g + s - s <sup>1</sup> + d | SBIT <sup>adj</sup> = a + g - q + r + s + d - p - s <sup>1</sup> |
| Fixed assets at end of previous financial year (FA <sub>0</sub> )                           | 72,620,180   |                   |                                      |  |  |
| Fixed assets at end of current financial year (FA <sub>1</sub> )                            | 72,586,414   |                   |                                      |  |  |
| Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )         | 465,056  |                   |                                      |  |  |
| Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )          | 301,867  |                   |                                      |  |  |
| Average total funds employed (ATFE)   | 72,986,663<br>(or regulation 33 time-weighted average) | c                 | 72,986,663                           |  | 72,986,663   |
| Total equity at end of previous financial year (TE <sub>0</sub> )                           | 81,544,545   |                   |                                      |  |  |
| Total equity at end of current financial year (TE <sub>1</sub> )                            | 84,458,807   |                   |                                      |  |  |
| Average total equity  | 83,001,576<br>(or regulation 33 time-weighted average) | k                 |                                      | 83,001,576   |  |
| WUC at end of previous financial year (WUC <sub>0</sub> )                                   | 0  |                   |                                      |  |  |
| WUC at end of current financial year (WUC <sub>1</sub> )                                    | 0  |                   |                                      |  |  |
| Average total works under construction  | 0<br>(or regulation 33 time-weighted average)          | e                 | deduct                               | deduct   | deduct   |



## Network Tasman Limited

### Line Business Performance Measures

#### Performance Measures and Statistics

For the year ended 31 March 2001

|   | 2002           | 2001           | 2000           | 1999           |
|---|----------------|----------------|----------------|----------------|
| <b>Financial performance measures</b>                                 |                |                |                |                |
| (a) Return on Funds   | 10.08%         | 7.90%          | 5.47%          | 7.45%          |
| (b) Return on Equity  | 6.59%          | 5.23%          | 3.61%          | 5.06%          |
| (c) Return on Investment  | 6.93%          | -13.97%        | 3.62%          | 4.57%          |
| Return on Investment - as restated (excludes revaluation)             |                | 5.13%          |                |                |
| <b>Efficiency performance measures</b>                                |                |                |                |                |
| (a) Direct Line Costs per Kilometre                                   | \$934          | \$1,181        | \$993          | \$1,092        |
| (b) Indirect Line Costs per Consumer                                  | \$38           | \$39           | \$41           | \$86           |
| <b>Energy delivery efficiency performance measures and statistics</b> |                |                |                |                |
| <b>1. Energy delivery efficiency performance measures</b>             |                |                |                |                |
| (a) Load Factor   | 63.30%         | 65.28%         | 63.65%         | 63.91%         |
| (b) Loss Ratio  | 3.39%          | 4.12%          | 5.01%          | 5.04%          |
| (c) Capacity Utilisation  | 44.67%         | 43.24%         | 42.95%         | 34.62%         |
| <b>2. Statistics</b>  |                |                |                |                |
| <b>(a) System Length</b>  |                |                |                |                |
| 33 kV system  | 125.51         | 125.24         | 124.89         | 124.67         |
| 11 kV system  | 1989.13        | 1983.89        | 1977.04        | 1970.14        |
| 6.6 kV system   | 34.37          | 34.37          | 34.37          | 34.37          |
| 400 V system  | 972.70         | 978.42         | 977.46         | 972.02         |
| <b>Total Kilometres</b>   | <b>3121.71</b> | <b>3121.92</b> | <b>3113.76</b> | <b>3101.20</b> |
| <b>(b) System Length - Overhead</b>                                   |                |                |                |                |
| 33 kV system  | 120.04         | 120.55         | 121.13         | 121.18         |
| 11 kV system  | 1867.89        | 1864.96        | 1863.08        | 1859.69        |
| 6.6 kV system   | 33.03          | 33.03          | 33.03          | 33.03          |
| 400 V system  | 604.88         | 626.19         | 638.21         | 643.90         |
| <b>Total Kilometres</b>   | <b>2625.84</b> | <b>2644.73</b> | <b>2655.45</b> | <b>2657.80</b> |
| <b>(c) System Length - Underground</b>                                |                |                |                |                |
| 33 kV system  | 5.47           | 4.69           | 3.76           | 3.49           |
| 11 kV system  | 121.24         | 118.93         | 113.96         | 110.45         |
| 6.6 kV system   | 1.34           | 1.34           | 1.34           | 1.34           |
| 400 V system  | 367.82         | 352.23         | 339.25         | 328.12         |
| <b>Total Kilometres</b>   | <b>495.87</b>  | <b>477.19</b>  | <b>458.31</b>  | <b>443.40</b>  |
| (d) Transformer Capacity (kVA)  | 276,450        | 272,605        | 271,270        | 314,717        |
| (e) Maximum Demand (kW)   | 123,500        | 117,886        | 116,520        | 108,944        |

|   | 2002               | 2001        | 2000        | 1999        |
|---|--------------------|-------------|-------------|-------------|
| <b>(f) Total electricity entering the system (before losses) (kWh)</b>                                      | <b>684,837,910</b> | 646,403,247 | 624,462,165 | 586,496,577 |
| <i>(Comparative figures are for total electricity supplied from the system after losses of electricity)</i> |                    |             |             |             |

| <b>(g) Total amount of electricity supplied from the system (after losses of electricity) on behalf of each person (kWh)</b>  |                    |             |             |             |
|---|--------------------|-------------|-------------|-------------|
| Retailer A  | 286,066,967        | 318,775,514 | 18,489,649  | 15,032,189  |
| Retailer B  | 6,774,941          | 15,607,381  | 9,503,102   | 103,261,877 |
| Retailer C  | 931,754            | 8,813,481   | 53,538,368  | 293,098,776 |
| Retailer D  | 165,792,163        | 140,099,112 | 389,318,020 | 174,863,015 |
| Retailer E  | 187,190,919        | 10,223,036  | 151,458,083 | 59,350      |
| Retailer F  | 13,127,997         | 178,900,081 | 2,154,944   | 181,370     |
| Retailer G  | 39,774             | 105,660     |             |             |
| Generator 1   | 1,670,828          | 1,650,939   | 1,947,361   |             |
| <b>Total</b>  | <b>661,595,344</b> | 674,175,204 | 626,409,527 | 586,496,577 |
| <i>(Comparative figures are for the total amount of electricity conveyed through the system before losses of electricity)</i> |                    |             |             |             |

|                            |               |        |        |        |
|----------------------------|---------------|--------|--------|--------|
| <b>(h) Total Consumers</b> | <b>31,293</b> | 30,790 | 30,246 | 29,750 |
|----------------------------|---------------|--------|--------|--------|

#### Reliability performance measures to be disclosed by line owners

##### 1. Total number of Interruptions

|                              |               |        |        |        |
|------------------------------|---------------|--------|--------|--------|
| Class A Transpower Planned   | 3.00          | 4.00   | 2.00   | 6.00   |
| Class B Line Owner Planned   | 80.00         | 138.00 | 185.00 | 162.00 |
| Class C Line Owner Unplanned | 84.00         | 112.00 | 124.00 | 140.00 |
| Class D Transpower Unplanned | 0.00          | 0.00   | 1.00   | 6.00   |
| <b>Total</b>                 | <b>167.00</b> | 254.00 | 312.00 | 314.00 |

##### 2. Interruption Targets (next year)

|   | 2002/03 | 2001/02 | 2000/01 | 1999/00 |
|---|---------|---------|---------|---------|
| (a) Planned Interruptions by Line Owner (Class B)   | 120.00  | 160.00  | 180.00  | 172.00  |
| (b) Unplanned Interruptions by Line Owner (Class C) | 110.00  | 120.00  | 125.00  | 108.00  |

##### 3. Average Interruption Targets (5 years)

|   | 2003/07 | 2002/06 | 2001/05 | 2000/04 |
|---|---------|---------|---------|---------|
| (a) Planned Interruptions by Line Owner (Class B)   | 110.00  | 124.00  | 140.00  | 130.00  |
| (b) Unplanned Interruptions by Line Owner (Class C) | 100.00  | 120.00  | 121.00  | 90.00   |

##### 4. Fault Restoration Times (Class C) not restored within

|              |     |     |     |     |
|--------------|-----|-----|-----|-----|
| (a) 3 hours  | 14% | 13% | 24% | 20% |
| (b) 24 hours | 0%  | 0%  | 0%  | 0%  |

##### 5. Number of faults per 100km of prescribed voltage line

|                            |      |      |      |      |
|----------------------------|------|------|------|------|
| (a) Total number of faults | 3.91 | 5.22 | 5.80 | 6.57 |
|----------------------------|------|------|------|------|

|   | 2002/03 | 2001/02 | 2000/01 | 1999/00 |
|---|---------|---------|---------|---------|
| (b) Number of faults targeted (next year) | 6.00    | 6.00    | 6.00    | 5.00    |

|   | 2003/07 | 2002/06 | 2001/05 | 2000/04 |
|---|---------|---------|---------|---------|
| (c) Average number of faults targeted (5 years) | 6.00    | 6.00    | 6.00    | 4.00    |

##### (d) Number of faults per nominal line voltages

| <b>Total number of faults</b> |      |      |      |      |
|-------------------------------|------|------|------|------|
| 33 kV system                  | 1.59 | 1.59 | 3.20 | 9.60 |
| 11 kV system                  | 4.12 | 5.39 | 6.07 | 6.50 |
| 6.6 kV system                 | 0.00 | 8.75 | 0.00 | 0.00 |

| <b>Number of faults targeted (next year)</b> |      |      |      |      |
|--|------|------|------|------|
| 33 kV system                                 | 1.50 | 1.50 | 1.50 | 7.00 |
| 11 kV system                                 | 5.00 | 6.30 | 6.30 | 5.00 |

|   | 2002           | 2001           | 2000           | 1999           |
|---|----------------|----------------|----------------|----------------|
| 6.6 kV system   | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Average number of faults targeted (5 years)</b>                          | <b>2003/07</b> | <b>2002/06</b> | <b>2001/05</b> | <b>2000/04</b> |
| 33 kV system  | 1.50           | 1.50           | 1.50           | 6.00           |
| 11 kV system  | 5.00           | 6.30           | 6.30           | 4.00           |
| 6.6 kV system   | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>6. Number of faults per 100km of prescribed voltage underground line</b> |                |                |                |                |
| 33 kV system  | 0.00           | 0.00           | 52.63          | 28.65          |
| 11 kV system  | 2.47           | 8.31           | 3.51           | 10.86          |
| 6.6 kV system   | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Total</b>  | <b>2.34</b>    | <b>7.86</b>    | <b>5.04</b>    | <b>11.28</b>   |
| <b>7. Number of faults per 100km of prescribed voltage overhead line</b>    |                |                |                |                |
| 33 kV system  | 1.67           | 1.67           | 1.65           | 9.08           |
| 11 kV system  | 4.28           | 5.21           | 6.23           | 6.24           |
| 6.6 kV system   | 0.00           | 9.09           | 0.00           | 0.00           |
| <b>Total</b>  | <b>4.06</b>    | <b>5.06</b>    | <b>5.85</b>    | <b>6.31</b>    |
| <b>8. SAIDI for the total number of interruptions</b>                       | <b>114.68</b>  | 172.57         | 215.00         | 340.20         |
| <b>9. SAIDI targets (next year)</b>   | <b>2002/03</b> | <b>2001/02</b> | <b>2000/01</b> | <b>1999/00</b> |
| (a) Planned Interruptions by Line Owner (Class B)                           | 35.00          | 40.00          | 75.00          | 86.00          |
| (b) Unplanned Interruptions by Line Owner (Class C)                         | 60.00          | 90.00          | 134.00         | 146.00         |
| <b>10. Average SAIDI targets (5 years)</b>                                  | <b>2003/07</b> | <b>2002/06</b> | <b>2001/05</b> | <b>2000/04</b> |
| (a) Planned Interruptions by Line Owner (Class B)                           | 32.00          | 35.00          | 56.00          | 65.00          |
| (b) Unplanned Interruptions by Line Owner (Class C)                         | 55.00          | 77.00          | 111.80         | 122.00         |
| <b>11. Classification of SAIDI interruptions by Class</b>                   |                |                |                |                |
| Class A Transpower Planned  | 43.92          | 67.28          | 19.00          | 56.27          |
| Class B Line Owner Planned  | 21.39          | 34.86          | 62.00          | 80.59          |
| Class C Line Owner Unplanned  | 49.37          | 70.14          | 122.00         | 188.72         |
| Class D Transpower Unplanned  | 0.00           | 0.29           | 12.00          | 14.62          |
| <b>Total</b>  | <b>114.68</b>  | <b>172.57</b>  | <b>215.00</b>  | <b>340.20</b>  |
| <b>12. SAIFI for the total number of interruptions</b>                      | <b>1.14</b>    | 1.92           | 2.94           | 4.51           |
| <b>13. SAIFI targets (next year)</b>  | <b>2002/03</b> | <b>2001/02</b> | <b>2000/01</b> | <b>1999/00</b> |
| (a) Planned Interruptions   | 0.25           | 0.29           | 0.54           | 0.61           |
| (b) Unplanned Interruptions   | 1.33           | 1.50           | 2.23           | 2.43           |
| <b>14. Average SAIFI targets (5 years)</b>                                  | <b>2003/07</b> | <b>2002/06</b> | <b>2001/05</b> | <b>2000/04</b> |
| (a) Planned Interruptions by Line Owner (Class B)                           | 0.23           | 0.25           | 0.40           | 0.00           |
| (b) Unplanned Interruptions by Line Owner (Class C)                         | 1.00           | 1.29           | 1.86           | 2.00           |
| <b>15. Classification of SAIFI interruptions by Class</b>                   |                |                |                |                |
| Class A Transpower Planned  | 0.14           | 0.23           | 0.05           | 0.22           |
| Class B Line Owner Planned  | 0.13           | 0.29           | 0.65           | 0.57           |
| Class C Line Owner Unplanned  | 0.87           | 1.34           | 2.01           | 3.22           |
| Class D Transpower Unplanned  | 0.00           | 0.06           | 0.23           | 0.50           |
| <b>Total</b>  | <b>1.14</b>    | <b>1.92</b>    | <b>2.94</b>    | <b>4.51</b>    |
| <b>16. CAIDI for the total number of interruptions</b>                      | <b>100.59</b>  | 90.27          | 73.00          | 75.43          |

|   | 2002           | 2001           | 2000           | 1999           |
|---|----------------|----------------|----------------|----------------|
| <b>17. CAIDI Targets (next year)</b>                      | <b>2002/03</b> | <b>2001/02</b> | <b>2000/01</b> | <b>1999/00</b> |
| (a) Planned Interruptions                                 | 128.00         | 138.00         | 140.00         | 140.00         |
| (b) Unplanned Interruptions                               | 45.00          | 60.00          | 60.09          | 60.00          |
| <b>18. Average CAIDI targets (5 years)</b>                | <b>2003/07</b> | <b>2002/06</b> | <b>2001/05</b> | <b>2000/04</b> |
| (a) Planned Interruptions by Line Owner (Class B)         | 139.00         | 141.00         | 140.00         | 140.00         |
| (b) Unplanned Interruptions by Line Owner (Class C)       | 55.00          | 60.00          | 59.97          | 60.00          |
| <b>19. Classification of CAIDI interruptions by Class</b> |                |                |                |                |
| Class A Transpower Planned                                | 313.71         | 296.57         | 391.00         | 260.05         |
| Class B Line Owner Planned                                | 164.54         | 120.29         | 95.00          | 140.89         |
| Class C Line Owner Unplanned                              | 56.75          | 52.38          | 60.00          | 58.56          |
| Class D Transpower Unplanned                              | 0.00           | 5.10           | 54.00          | 29.27          |