



New Zealand Gazette

OF THURSDAY, 12 SEPTEMBER 2002

WELLINGTON: TUESDAY, 17 SEPTEMBER 2002 — ISSUE NO. 138

HORIZON ENERGY DISTRIBUTION LIMITED

INFORMATION FOR DISCLOSURE

Amendment

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

This supplement replaces the following information in the Horizon Energy Distribution Limited Information For Disclosure Pursuant to the Electricity (Information Disclosure) Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000 and 2001, issue No. 113, dated Wednesday, 21 August 2002:

Pages 3015, 3016, 3017, 3018 and 3024 – replace with the following:

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	13,081				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	13,081				
Interest on cash, bank balances, and short-term investments (ISTI)	0				
OSBIT minus ISTI	13,081	a	13,081		13,081
Net surplus after tax from financial statements	6,757			6,757	
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	6,757	n		6,757	
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)	2,156	d	add	add	add
Depreciation of SFA at ODV (y)	2,156	s ¹	deduct	deduct	deduct
ODV depreciation adjustment	0	q			
Subvention payment tax adjustment	800	r	add	add	add
Interest tax shield	-5	p	deduct	deduct	deduct
Revaluations	3,900				
Income tax					
Numerator			OSBIT ^(a) = a + g + s + d	NSAT ⁽ⁿ⁾ = n + g + s - s ¹ + d	OSBIT ^(a) = a + g - q + r + s + d - p - s ¹
			13,081	6,757	8,376
Fixed assets at end of previous financial year (FA ₀)	65,306				
Fixed assets at end of current financial year (FA ₁)	64,890				
Adjusted net working capital at end of previous financial year (ANWC ₀)	81				
Adjusted net working capital at end of current financial year (ANWC ₁)	1,821				
Average total funds employed (ATFE)	66,048 (or regulation 33 time-weighted average)	c	66,048		66,048
Total equity at end of previous financial year (TE ₀)	27,867				
Total equity at end of current financial year (TE ₁)	32,739				
Average total equity	30,346 (or regulation 33 time-weighted average)	k		30,346	
WUC at end of previous financial year (WUC ₀)	0				
WUC at end of current financial year (WUC ₁)	0				
Average total works under construction	0 (or regulation 33 time-weighted average)	e	deduct	deduct	deduct

SCHEDULE 1 - PART 7
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Revaluations		r			
Half of revaluations		r/2			deduct
Intangible assets at end of previous financial year (IA _{t-1})					
Intangible assets at end of current financial year (IA _t)					
Average total intangible asset (or regulation 33 time-weighted average)		m		add	
Subvention payment at end of previous financial year (S ₀)					
Subvention payment at end of current financial year (S _t)					
Subvention payment tax adjustment at end of previous financial year					
Subvention payment tax adjustment at end of current financial year					
Average subvention payment & related tax adjustment		v		add	
System fixed assets at end of previous financial year at book value (SFA _{t-1,0})	64,420				
System fixed assets at end of current financial year at book value (SFA _{t-1,t})	63,994				
Average value of system fixed assets at book value (or regulation 33 time-weighted average)	64,207	f	deduct	deduct	deduct
System Fixed assets at year beginning at ODV value (SFA _{t-1,0})	64,420				
System Fixed assets at end of current financial year at ODV value (SFA _{t-1,t})	63,994				
Average value of system fixed assets at ODV value (or regulation 33 time-weighted average)	64,207	h	add	add	add
Denominator					
Financial Performance Measure:					
			ROF = OSBIT ^{ODV} /ATFE ^{ODV} x 100	ROE = NSAT ^{ODV} /ATE ^{ODV} x 100	ROI = OSBIT ^{ODV} /ATFE ^{ODV} x 100
			66,049 ATFE ^{ODV} = c - e - f + h	30,348 Ave TE ^{ODV} = k - e - m + v - f + h	66,062 ATFE ^{ADV} = c - e - 1/2r - f + h
			19.8	22.3	12.7

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

HORIZON ENERGY DISTRIBUTION LIMITED
Performance Measures for the purposes of the Electricity (Information Disclosure
Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000

Performance Measures
for the 12 Months ended 31 March 2002

Disclosure of Financial Performance Measures and Efficiency Performance Measures pursuant to
 Regulations 15, 21 and 22 of the Electricity (Information Disclosure) Regulations 1999 as amended
 by the Electricity (Information Disclosure) Amendment Regulations 2000, 2001

Regulation 15 - Financial Performance Measures and Efficiency Performance Measures :

	2002	2001	2000	1999
1) Financial Performance Measures				
(a) Return on Funds	19.80% ①③	16.10% ①	13.76% ①	11.02% ②
(b) Return on Equity	22.26% ①③	17.65% ①	7.80% ①	6.09% ②
(c) Return on Investment	12.68% ①③	10.09% ①	9.29% ①	7.37% ②
<p>① The 2000, 2001, and 2002 Financial Performance Measures are based on the 2000 Amendment Regulations and MED Derivation Table included in these statements.</p> <p>② The 1999 Financial Performance Measures are based on the 1999 Regulations and 1999 MOC Derivation Table.</p> <p>③ This includes prior year revenue of \$816,000 not previously accrued because of outstanding litigation and prior year transmission costs reversed of \$716,000.00.</p> <p>If the prior year revenue and adjustments were excluded, the 2002 Performance measures would read.</p>				
(a) Return on Funds	17.49% ①③			
(b) Return on Equity	19.21% ①③			
(c) Return on Investment	11.13% ①③			
2) Efficiency Performance Measures				
(a) Direct line costs per kilometre	\$ 1,158	\$ 999	\$ 1,176	\$ 1,925
(b) Indirect Line costs per Customer as prescribed	\$ 75	\$ 59	\$ 88	\$ 88



PricewaterhouseCoopers
188 Quay Street
Private Bag 92162
Auckland, New Zealand
DX CP24073
Telephone +64 9 355 8000
Facsimile +64 9 355 8001

Auditors' Opinion of Performance Measures

Horizon Energy Distribution Limited - lines business

We have examined the attached information, being –

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

that were prepared by Horizon Energy Distribution Limited – lines business and dated 3 September 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.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

Auckland

**CERTIFICATION OF PERFORMANCE MEASURES, AND STATISTICS
DISCLOSED BY HORIZON ENERGY DISTRIBUTION LIMITED (REGULATION 32)
[FORM 5]**

We, Colin George Houston Holmes and John Gordon Forsythe, directors of Horizon Energy Distribution Limited certify that, having made all reasonable enquiry, to the best of our knowledge, -

The attached information, being the derivation table , financial performance measures, and efficiency performance measures, in relation to Horizon Energy Distribution 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 the Electricity (Information Disclosure) Regulations 1999, and the Electricity (Information Disclosure) Amendment Regulations 2000 and 2001.

The valuations on which those financial performance measures are based are as at 31 March 2001.

This certificate replaces the certificate dated 5 August 2002 insofar as that certificate related to the derivation table and performance measures referred to above.



C G H Holmes (Director)



J G Forsythe (Director)

Date : 3 September 2002