



New Zealand Gazette

OF THURSDAY, 20 MARCH 2003

WELLINGTON: FRIDAY, 21 MARCH 2003 — ISSUE NO. 28

DUNEDIN ELECTRICITY 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 Dunedin Electricity Limited Information For Disclosure Pursuant to the Electricity (Information Disclosure) Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000 and 2001, Issue No. 3, dated Friday, 10 January 2003:

Pages 87, 97, 98, 101, 106, 107, 108 and 109 – replace with the following:

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.

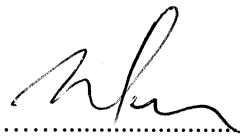
The information should not be used for any other purpose than that intended under the Regulations.

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.

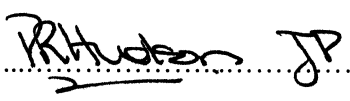
A STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION SUPPLIED TO SECRETARY OF COMMERCE (REGULATION 37)

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 26 day of February, 2003


.....

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

Other Line Business Related Parties:

The Lines Business has a borrowing facility with Dunedin City Treasury Ltd. During the year it paid \$7.556 million interest (2001 : \$7.605 million) and as at 31 March 2002 \$114.0 million of loan monies were outstanding (2001 : \$110.8 million).

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

Purchase of subvention expense	\$1.57 million (2001 : \$2.06 million)
Dividends provided	\$7.67 million (2001 : \$6.0 million)

As at 31 March 2002, \$1.2 million was outstanding (2001 : \$1.6 million).

Tax losses of \$2.45 million (tax effect \$0.8 million) were purchased from the Council and other companies in the Dunedin City Council group to reduce group tax payable in the 2002 year.

Note 11 :

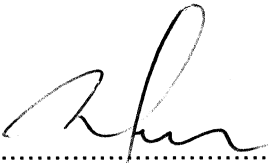
These financial statements replace financial statements previously audited on 18 December 2002 and publicly disclosed on 10 January 2003 in the New Zealand Gazette - Issue No 3. They include a \$3.553 million increase in the ODV value which was incorrectly calculated in the 18 December accounts. They also include consequent changes to those financial performance indicators which are based on the ODV valuation.

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 2002.



Raymond Stuart Polson



Ross Douglas Liddell

26th Feb
2003

E PERFORMANCE MEASURES

	2002	2001	2000	Dunedin Area only 1999
Financial performance measures and efficiency performance measures (Regulation 15)				
1 Financial performance measures				
(a) Return on funds	15.1%	15.0%	13.2%	15.2%
(b) Return on equity	32.0%	36.8%	29.9%	9.1%
(c) Return on investment	9.0%	11.7%	10.7%	9.1%
2 Efficiency performance measures				
(a) Direct line costs per kilometre	\$2,217	\$2,148	\$2,325	\$3,314
(b) Indirect line costs per electricity consumer	\$24.65	\$19.95	\$15.66	\$21.08
Delivery efficiency performance measures and statistics (Regulation 21)				
1 Energy delivery efficiency performance measures				
(a) Load factor	53.9%	55.7%	56.5%	56.3%
(b) Loss ratio	*6.4%	*6.0%	6.1%	5.8%
* 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 caution.				
(c) Capacity utilisation	36.2%	35.7%	35.0%	36.5%
2 Statistics				
(a) System length				
Circuit kilometres 33 kV	591	606	621	225
Circuit kilometres 11 kV	1,959	1,876	1,809	258
Circuit kilometres 6.6 kV	804	775	751	724
Circuit kilometres 400 V	1,385	1,373	1,132	729
Circuit kilometres 600 V DC	4	4	4	4
Total	4,743	4,634	4,317	1,940
(b) System length – overhead				
Circuit kilometres 33 kV	503	515	527	150
Circuit kilometres 11 kV	1,734	1,656	1,581	237
Circuit kilometres 6.6 kV	579	555	527	492
Circuit kilometres 400 V	980	979	791	630
Circuit kilometres 600 V DC	1	1	1	1
Total Overhead	3,797	3,706	3,426	1,510

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

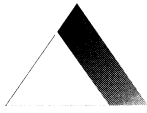
Derivation Table	Input and Calculations	Symbol in Formula	ROF		ROE		ROI	
Operating surplus before interest and income tax from financial statements	18,649							
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	18,649							
Interest on cash, bank balances, and short-term investments (ISTI)	0							
OSBIIT minus ISTI	18,649	a		18,649				18,649
Net surplus after tax from financial statements	4,788							
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	4,788	n				4,788		
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add	0	add	0
Subvention payment	1,574	s	add	1,574	add	1,574	add	1,574
Depreciation of SFA at BV (x)	8,016							
Depreciation of SFA at ODV (y)	5,194							
ODV depreciation adjustment	2,822	d	add	2,822	add	2,822	add	2,822
Subvention payment tax adjustment	519	s*t			deduct	519	deduct	519
Interest tax shield	2,493	q					deduct	2,493
Revaluations	0	r					add	0
Income tax	6,305	p					deduct	6,305
Numerator				23,045 OSBIIT ^{ADJ} = a + g + s + d		8,665 NSAT ^{ADJ} = n + g + s - s*t + d		13,727 OSBIIT ^{ADJ} = a + g - q + r + s + d - p - s*t
Fixed assets at end of previous financial year (FA ₀)	198,869							
Fixed assets at end of current financial year (FA ₁)	242,383							
Adjusted net working capital at end of previous financial year (ANWC ₀)	-2,218							
Adjusted net working capital at end of current financial year (ANWC ₁)	523							
Average total funds employed (ATFE)	219,779 (or regulation 33 time-weighted average)	c		219,779				219,779
Total equity at end of previous financial year (TE ₀)	74,508							
Total equity at end of current financial year (TE ₁)	110,697							
Average total equity	92,603 (or regulation 33 time-weighted average)	k				92,603		
WUC at end of previous financial year (WUC ₀)	1,460							
WUC at end of current financial year (WUC ₁)	2,943							
Average total works under construction	2,202 (or regulation 33 time-weighted average)	e	deduct	2,202	deduct	2,202	deduct	2,202
Revaluations	0	r						
Half of revaluations	0	r/2					deduct	0
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 (or regulation 33 time-weighted average)	m			add	0		
Subvention payment at end of previous financial year (S ₀)	2,055							
Subvention payment at end of current financial year (S ₁)	1,574							
Subvention payment tax adjustment at end of previous financial year	678							
Subvention payment tax adjustment at end of current financial year	519							
Average subvention payment and related tax adjustment	1,216 v				add	1,216		
System fixed assets at end of previous financial year at book value (SFA _{bv0})	197,403							
System fixed assets at end of current financial year at book value (SFA _{bv1})	239,440							
Average value of system fixed assets at book value	218,422 (or regulation 33 time-weighted average)	f	deduct	218,422	deduct	218,422	deduct	218,422
System fixed assets at year beginning at ODV value (SFA _{odv0})	153,360							
System fixed assets at end of current financial year at ODV value (SFA _{odv1})	154,403							
Average value of system fixed assets at ODV value	153,882 (or regulation 33 time-weighted average)	h	add	153,882	add	153,882	add	153,882
Denominator				153,037 ATFE ^{ADJ} = c - e - f + h		27,076 Ave TE ^{ADJ} = k - e - m + v - f + h		153,037 ATFE ^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:				15.1 ROF = OSBIIT ^{ADJ} /ATFE ^{ADJ} x 100		32.0% ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100		9.0 ROI = OSBIIT ^{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

Amended Information - Refer Note 11

G SCHEDULE 1 PART 8 ANNUAL VALUATION RECONCILIATION REPORT

	2002 \$000
System Fixed Assets at ODV-End of Previous Financial Year	153,360
Add system fixed assets acquired during the year at ODV	6,237
Less system fixed assets disposed of during the year at ODV	-
Less depreciation of system fixed assets at ODV	(5,194)
System Fixed Assets at End of Current Financial Year at ODV	<u>154,403</u>



Audit New Zealand

AMENDED AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF DUNEDIN ELECTRICITY LIMITED

We have examined the information on pages 15, 20 and 21, being –

- (a) the derivation table specified in regulation 16;
- (b) the annual ODV reconciliation report in regulation 16A;
- (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 Dunedin Electricity Limited and dated 11 November 2002 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999.

As stated in Note 11, this performance measures information replaces the information in the Information Disclosure of Dunedin Electricity Limited for the year ended 31 March 2002 and previously included in New Zealand Gazette No 3, dated 10 January 2003. The performance measures information has been amended to:

- exclude a downward adjustment of \$3.553 million to the ODV value reported in the financial statements for the year ended 31 March 2002; and
- reflect consequent changes to the financial performance indicators which are based on the ODV valuation.

The \$3.553 million adjustment was made to correct “inconsistencies” in the ODV valuation identified by the Commerce Commission auditors. These were not considered material by the Commerce Commission however, and the ODV was approved without amendment. Therefore the original adjustment should not have been made.

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
14 March 2003

I CERTIFICATION OF VALUATION REPORT OF LINE OWNER
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We, Raymond Stuart Polson and Ross Douglas Liddell, 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 \$324,651,815; and
- (c) the depreciated replacement cost of the line business system fixed assets of Dunedin Electricity Limited is \$160,728,988; and
- (d) the optimised depreciated replacement cost of the line business system fixed assets of Dunedin Electricity Limited is \$154,622,659; and
- (e) the optimised deprival valuation of the line business system fixed assets of Dunedin Electricity Limited is \$154,402,732; 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 2002.



.....
Raymond Stuart Polson



.....
Ross Douglas Liddell

..... 26th Feb. 2003

Amended Information - Refer Note 11
