



New Zealand Gazette

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POWERCO LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE GAS (INFORMATION
DISCLOSURE) REGULATIONS 1997

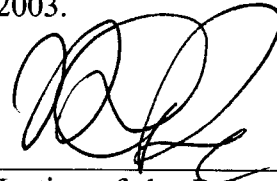
POWERCO LIMITED**GAS (INFORMATION DISCLOSURE) REGULATIONS 1997****STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND
INFORMATION SUPPLIED TO SECRETARY OF COMMERCE**

I, Steven Ronald Boulton, of Level 2, Civic Centre Building, New Plymouth, being a principal of Powerco Limited, solemnly and sincerely declare that, having made all reasonably 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 Gas (Information Disclosure) Regulations 1997.

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 New Plymouth this 21st day of August 2003.



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

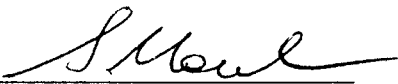
**Nigel Barbour
Solicitor
New Plymouth**

POWERCO LIMITED**GAS (INFORMATION DISCLOSURE) REGULATIONS 1997****CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY PIPELINE OWNERS OTHER THAN THE CORPORATION**

We, Barry Raymond Upson, director, and Steven Ronald Boulton, principal of Powerco Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) The attached audited financial statements of Powerco Limited, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery performance measures and statistics, and reliability performance measures in relation to Powerco Limited, and having been prepared for the purposes of regulations 15 to 19 of the Gas (Information Disclosure) Regulations 1997, complies with the requirements of those regulations.





Date: 21st August 2003

**Deloitte
Touche
Tohmatsu**

POWERCO LIMITED
GAS (INFORMATION DISCLOSURE) REGULATIONS 1997

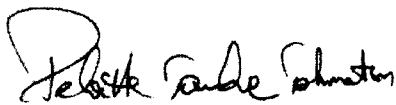
Certification of Performance Measures by Auditor

We have examined the performance measures set out in Note 10 to the attached financial statements being:

- (a) Financial performance measures specified in clause 1 of Part 2 of Schedule 1 of the Gas (Information Disclosure) Regulations 1997;
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part 2 of that schedule;

and having been prepared by Powerco Limited and dated 21 August 2003 for the purposes of regulations 15 and 16 of those regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.



Deloitte Touche Tohmatsu
Hamilton
21 August 2003

**Deloitte
Touche
Tohmatsu**

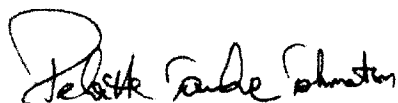
POWERCO LIMITED

GAS (INFORMATION DISCLOSURE) REGULATIONS 1997

Certification by Auditor in Relation to Financial Statements

We have examined the attached financial statements prepared by Powerco Limited dated 21 August 2003 for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997.

We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.



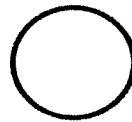
**Deloitte Touche Tohmatsu
Wellington
21 August 2003**



GAS DIVISION

**Statement of Financial Position
As at 31 March 2003**

	Notes	31 March 2003 \$000	31 March 2002 \$000
Equity			
Share capital		119,080	24,369
Retained earnings		(927)	(287)
	2	<u>118,153</u>	<u>24,082</u>
Non Current Liabilities			
Current account		38,966	32,992
Redeemable bonds	3	13,221	20,290
Capital bonds	4	7,512	-
Commercial paper	5	9,251	17,082
Asset purchase facility	6	53,106	-
Deferred taxation		-	(47)
Funding Facility		162,435	221
		<u>284,491</u>	<u>70,538</u>
Current Liabilities			
Accounts payable & accruals		2,395	657
Tax payable		(1,878)	(103)
		<u>517</u>	<u>554</u>
Total Equity and Liabilities		<u><u>\$403,161</u></u>	<u><u>\$95,174</u></u>
Non Current Assets			
Property, plant and equipment	8	400,097	93,836
Current Assets			
Receivables		3,064	1,338
		<u>3,064</u>	<u>1,338</u>
Total Assets		<u><u>\$403,161</u></u>	<u><u>\$95,174</u></u>

POWERCO

GAS DIVISION

**Statement of Financial Performance
For the year ended 31 March 2003**

	Notes	31 March 2003 \$000	31 March 2002 \$000
Operating Revenue	9	29,844	15,565
Operating Surplus before Taxation	9	(4,134)	(312)
Taxation expense @ 33%		(1,364)	(103)
Operating Surplus Attributable to the Shareholders		(\$2,770)	(\$209)



GAS DIVISION

Statement of Movements in Equity
For the year ended 31 March 2003

	31 March 2003 \$000	31 March 2002 \$000
Opening Equity	<u>24,082</u>	<u>24,291</u>
Operating surplus attributable to the shareholders	<u>(2,770)</u>	<u>(209)</u>
Total recognised revenue and expenses for the year.	(2,770)	(209)
Ordinary share issue	94,710	-
Distributions to shareholders: Dividends - paid	2,131	-
Closing Equity	<u>\$118,153</u>	<u>\$24,082</u>

POWERCO LIMITED

Notes to the Financial Statements

For the year ended 31 March 2003

1. Statement of Accounting Policies

Reporting Entity

Powerco Limited is a company registered under the Companies Act 1993. The group consists of Powerco Limited and its subsidiaries.

The following activities were the principal activities undertaken by Powerco Limited throughout the period:

- Distribution of electricity and value added services.
- Distribution of gas and value added services.

These financial statements have been prepared to comply with the provisions of Section 44 of the Energy Companies Act 1992, the Companies Act 1993, and the Financial Reporting Act 1993 and the Gas (Information Disclosure) Regulations 1997.

Measurement Basis

The Group follows the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis.

Specific Accounting Policies

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

a) Basis of Consolidation

The consolidated financial statements include those of Powerco Limited and its subsidiaries, accounted for using the purchase method.

b) Property, Plant and Equipment

All property, plant and equipment values are stated at cost, less accumulated depreciation.

c) Depreciation of Property, Plant and Equipment

Depreciation rates based on remaining useful life, for major classes of asset are:

Land	Not Depreciated
Buildings	100 years
Furniture and Fittings	5 to 10 years
Office Equipment	3 to 10 years
Motor Vehicles	5 years
Network Systems	10 to 60 years

d) Properties intended for Resale

Properties intended for resale are shown at the lower of cost or net current value.

e) Receivables

Accounts receivable are valued at expected realisable value, after providing for doubtful debts. All known bad debts have been written off during the period under review.

f) Income Tax

The group adopts the liability method of accounting for deferred taxation.

The taxation charge against the surplus of the period is the estimated liability in respect of that surplus using a proforma income tax rate of 33%.

g) Inventory

Inventory is valued at the lower of historical cost and net realisable value. The weighted average method has been used to determine historical cost.

h) Investments

Investments are valued at the lower of cost and net realisable value.

i) Revenue Recognition

Revenue from the sale of distribution and value-added services is recognised when services are provided.

j) Contributions for Subdivisions/Uneconomic Lines

Contributions received from customers and grants towards the costs of reticulating new subdivisions and contributions received in constructing uneconomic lines are recognised as revenue. Any identified impairment losses in respect of uneconomic lines are recognised in the Statement of Financial Performance and the asset component is written down to its fair value.

k) Employee Entitlements

Liabilities for amounts expected to be paid to employees for their entitlement to annual leave and other current employee entitlements are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

A liability for long service leave is accrued for the value of expected future payments to be made in respect of services already provided by employees up to the balance date. The value is determined based on current wage and salary levels and service to date.

A liability for gratuities is accrued for the employees value of current entitlements. The value is calculated based on the age of the employee, wage and salary levels and current length of service.

l) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of operating surplus before taxation in equal instalments over the lease term.

m) Finance Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and are capitalised. The finance charge is allocated to periods during the lease term.

n) Financial Instruments

The company has various financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to fluctuations in interest rates. While these financial instruments are subject to risk that market rates may change subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged.

For interest rate swap agreements entered into in connection with the management of interest rate exposure, the differential to be paid or received is accrued as interest rates change and is recognised as a component of interest income/expense over the life of the agreement.

o) Goodwill

The excess of cost over the fair value of the net assets acquired is recognised as goodwill, and is amortised to the Statement of Financial Performance over the expected period of the benefit, currently estimated to be up to 5 years.

p) Changes in Accounting Policies

There have been no changes to accounting policies. All policies have been applied on a basis consistent with prior years.

Notes to and Forming Part of the Financial Statements
For the Year Ending 31 March 2003



GAS DIVISION

2 Shareholders' Funds

	2003 \$000	2002 \$000
Share Capital	119,080	24,369
Retained Earnings	(927)	(287)
	<u>118,153</u>	<u>24,082</u>

3 Redeemable Fixed Coupon Bonds

	2003 \$000	2002 \$000
As Powerco Limited is an integrated business, this disclosure relates to the business as a whole. On 31 March 2003, Redeemable Fixed Coupon Bonds on issue were:		
5 Year Fixed Coupon Bonds @ 7.77% p.a. interest	98,001	98,001
7 Year Fixed Coupon Bonds @ 7.95% p.a. interest	78,004	78,004
	<u>176,005</u>	<u>176,005</u>

These bonds were issued on 1 September 2000 and expire on 1 September 2005 (5 year bonds) and 1 September 2007 (7 year bonds). Bonds are carried at cost and have fixed interest rate terms. As at 1 April 2003, the interest rate on the redeemable fixed coupon bonds are:

5 year fixed coupon bonds	7.97%
7 year fixed coupon bonds	8.15%

On Maturity date, bondholders have a right to require the Company to redeem all of their bonds for cash. If this option is not taken, the Company will redeem the bonds for cash or convert the bonds to ordinary shares.

The fair value of each tranche of the bonds at 31 March are:

5 year fixed coupon bonds	\$101,006,872 (2002: \$100,191,502)
7 year fixed coupon bonds	\$ 81,576,604 (2002: \$80,288,758)

4 Capital Bonds

	2003 \$000	2002 \$000
As Powerco Limited is an integrated business, this disclosure relates to the business as a whole. On 31 March 2003, capital bonds on issue were:		
	<u>100,000</u>	<u>-</u>

The Capital Bonds were issued on 22 May 2002 and are unsecured, subordinated debt obligations of Powerco Limited which are non-cumulative as to interest. The capital bonds have an interest rate of 8.4% p.a. fixed until 22 May 2007. Thereafter, Powerco has the ability to reset the terms and conditions of the capital bonds, including the interest rate, on dates determined by Powerco (Election Dates). On each election Date, Powerco has the right to convert some or all of the capital bonds into Powerco ordinary shares and bondholders can elect to retain their capital bonds or sell some or all of their capital bonds under the resale facility arranged by Powerco. If a bondholder does complete the sale of any bonds it has elected to sell, the bondholder can elect to convert such bonds to Powerco ordinary shares on the election date. The fair value of the capital bonds as at 31 March 2003 is \$101,425,000.

5 Commercial Paper Facility

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.

The Company has established a commercial paper facility to enable the Company to borrow money from the capital market. The programme is supported by a cash advances facility of \$160 million with a syndicate of banks made up of the Bank of New Zealand, Westpac and ANZ Investment Bank, which continues until 30 October 2004. The facility is unsecured and is subject to a negative pledge deed declared by deed poll on August 1997, which has been joined by all subsidiaries (excluding Powerco Australian Holdings Limited and Powerco Holdings Limited) as guaranteeing subsidiaries. At year-end a sum of \$125,000,000, which includes an interest portion of \$1,848,311 of 90 day bills, with varying maturity dates, had been drawn down under the commercial paper programme (2002: \$144,000,000 was drawn down under the commercial paper programme which included an interest portion of \$1,820,306).

6 Cash Advances Facility (Commercial Bank Debt)

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.

Powerco Limited established an Asset Purchase Facility in July 2002 for the purpose of acquiring network assets from UNL. This Asset Purchase Facility for \$740 million is supported by a syndicate made up of Bank of New Zealand, Westpac and ANZ Investment Bank. This facility is made up of three commitments - a Bridge Facility of \$240 million (expiring 31 October 2003), Tranche A of \$250 million (expiring 1 November 2004) and Tranche B of \$250 million (expiring 1 November 2006). The facility is unsecured and is subject to a Negative Pledge Deed declared by Deed Poll on August 1997, which has been joined by all subsidiaries (excluding Powerco Australian Holdings Limited and Powerco Holdings Limited) as Guaranteeing Subsidiaries. At year-end a sum of \$707 million, which has accrued interest of \$7,178,571, had been drawn down under the Asset Purchase Facility. The remaining \$33 million of this facility has since been cancelled. This facility is due for rollover during the next year and will be refinanced on an on-going basis in accordance with normal commercial terms and is therefore of a non-current nature. At 31 March 2002, Powerco Limited had a Commercial Bank Debt facility with Bank of New Zealand totalling \$105 million. This has since been repaid.

Notes to and Forming Part of the Financial Statements
For the Year Ending 31 March 2003



7 Working Capital Advances Facility

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.

Powerco Limited operates a wholesale capital advances facility with the Bank of New Zealand for up to \$15 million. As at 31 March 2003, no funds were drawn down on the facility and \$15.257 million was invested in call funds (2002: investment of \$5.035 million). The facility is based on a revolving credit arrangement and as such does not have set repayment dates. The facility expires on 31 July 2003 but is subject to automatic renewal for a further period. The facility is unsecured and is subject to a negative pledge deed and the guaranteeing subsidiaries referred to in Note 5 above.

8 Property, Plant & Equipment

Property, Plant and Equipment as at 31 March 2003

	2003 \$000	2002 \$000
Information Systems		
Capital value	-	1,451
less Accumulated depreciation	-	78
	<u>-</u>	<u>1,373</u>
Network Systems		
Capital value	409,642	95,353
less Accumulated depreciation	10,696	3,249
	<u>398,946</u>	<u>92,104</u>
Work in Progress	1,151	359
Total Property, Plant and Equipment	<u>\$400,097</u>	<u>\$93,836</u>

Network assets with a book value of \$222,945,918 were purchased on 1 November 2002 from United Networks Limited.

9 Operating Revenue and Expenditure

Operating Revenue for the year ended 31 March

	2003 \$000	2002 \$000
Comprises:		
Line charge revenue	29,254	15,463
Interest revenue	590	102
Other revenue	-	-
	<u>29,844</u>	<u>15,565</u>

Expenditure

	2003 \$000	2002 \$000
Operating Surplus Before Taxation for the year ended 31 March	(4,134)	(312)
Specific disclosures		
Repairs and maintenance costs	5,522	3,723
Human resource costs	136	178
Depreciation on system assets	6,530	2,878
Bad debts	47	1
Interest expense	16,489	6,721
Corporate & administration	2,655	1,142
Marketing & advertising	261	96
Consulting & legal expenses	260	60
Total expenditure	33,978	15,878

Notes to and Forming Part of the Financial Statements
For the Year Ending 31 March 2003



GAS DIVISION

10 Disclosure of Performance Measures pursuant to Regulation 15 and Part II of the First Schedule of the Gas (Information Disclosure) Regulations 1997

Financial Performance Measures	2003	2002	2001	2000
(i) Accounting Return on Total Assets	5.31%	8.27%	8.28%	9.74%
(ii) Accounting Return on Equity	-4.43%	-0.88%	7.17%	7.87%
(iii) Accounting Rate of Profit including revaluation	3.56%	5.69%	5.40%	21.65%
(iv) Accounting Rate of Profit excluding revaluation	3.56%	5.69%	5.40%	7.21%
Efficiency Performance Measures				
(v) Direct Line Cost per Kilometre	\$1,445.52	\$1,634.20	\$1,632.68	\$1,159.84
(vi) Indirect Line Cost per Gas Customer	\$73.27	\$64.45	\$72.26	\$56.54

11 Contingent Liabilities and Commitments

Contingencies

As Powerco is an integrated business, this disclosure relates to the business as a whole.

The Company has been named as a second defendant in a claim issued by Todd Energy Limited against Transpower Limited. The Plaintiffs allege various breaches of the Commerce Act 1986 and claim various declarations and injunctions together with damages. The damages amount is presently unquantified. The claim is being defended by Powerco, which contends that it is not in breach of any of its obligations. No provision for the claim has been included in the financial statements.

Capital Commitments

As Powerco is an integrated business, this disclosure relates to the business as a whole.

Commitments for future capital expenditure resulting from contracts entered into amounts to \$12.6 million (2002: \$840,000).

Notes to and Forming Part of the Financial Statements
For the Year Ending 31 March 2003



12 Financial Instruments

As Powerco is an integrated business, this disclosure relates to the business as a whole.

(i) Credit Risk

Financial instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable. The five largest accounts receivable balances as at 31 March 2003 comprise 63.2% (2002: 11.49%) of total accounts receivable. These accounts are subject to a Board Prudential Supervision Policy which is used to manage the exposure to credit risk. As part of this policy, limits on exposures have been set and are monitored on a regular basis. Cash deposits are only made with registered banks.

(ii) Interest Rate Risk

Interest rate risk is the risk that interest rates will change, increasing or decreasing the cost of borrowing or lending. The company's short-term borrowings are on a floating daily interest rate. Non-current debt is funded by the fixed coupon bonds and Powerco's commercial paper program based on 90 day Bank Bills.

Powerco has entered into interest rate swap agreements to reduce the impact of the changes in interest rates on its borrowings. As at 31 March 2003 the Company had interest rate swap agreements with registered banks. The maturities of these agreements are shown in Note 22 (iv). The weighted average of the interest rate swap agreements (excluding the reverse swap agreements) produce an interest rate of 6.74% p.a.

(iii) Foreign Exchange Risk

The Company has exposure to foreign exchange risk as a result of the independent foreign subsidiary trading in their local currency. There is currently no hedging against the risk of foreign currency exchange variations.

(iv) Fair Value

As at 31 March 2003

Financial assets and liabilities (excluding Bonds and Investments referred to in Note 3 and 4 above) are considered to be at their fair value with the exception of the following items;

	Maturities	Notional Values Current 31 March 2003 \$000	Notional Values Forward rate 31 March 2003 \$000	Mark to Market Adjustment 31 March 2003 \$000
Interest rate swaps (Powerco pays fixed / receives floating)	2003 - 2012	1,416,000	-	(19,188)
Forward rate swaps (Powerco pays fixed / receives floating)	2006 - 2010	-	25,000	(1,234)
Swaps (Fixed to floating for Bonds) (Powerco receives fixed/ pays floating plus margin)	2003 - 2012	420,000	-	(4,715)
				(25,137)

As at 31 March 2002

Financial assets and liabilities (excluding Bonds and Investments referred to in Note 3 and 4 above) are considered to be at their fair value with the exception of the following items;

	Maturities	Notional Values Current 31 March 2002 \$000	Notional Values Forward rate 31 March 2002 \$000	Mark to Market Adjustment 31 March 2002 \$000
Interest rate swaps (Powerco pays fixed / receives floating)	2002-2010	420,000	-	(1,943)
Forward rate swaps (Powerco pays fixed / receives floating)	2005-2011	-	305,000	182
Swaps (Fixed to floating for bonds) (Powerco receives fixed/ pays floating plus margin)	2006-2008	178,000	-	1,614
				(147)

Notes to and Forming Part of the Financial Statements
For the Year Ending 31 March 2003



GAS DIVISION

13 Related Party Transactions

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.

Powerco paid consulting fees amounting to \$109,100 (2002: \$56,200) to Upson Associates Ltd, a company in which Mr B R Upson, a director has an interest, for work performed in the area of corporate development, finance and regulatory advice.

Powerco paid consulting fees amounting to \$17,000 (2002: nil) to Ogden Consulting Limited, a company in which Mr J H Ogden, a director, has an interest, for work performed in the area of corporate finance and regulatory advice.

Powerco is also deemed to have a related party relationship with New Plymouth District Council. The New Plymouth District Council holds a 38.16% material interest in Powerco Limited. Powerco paid \$124,938 (2002: \$62,304) rent to the New Plymouth District Council at market rates. Rates have been paid to New Plymouth District Council to the value of \$7,147 (2002:\$21,060). Utility Rates have been paid to the New Plymouth District Council to the value of \$5,239 (2002: nil). Other arms length transactions with the New Plymouth District Council amounted to \$66,954 (2001: \$131,628).

Powerco paid consulting fees and brokerage amounting to 48% of the total fees paid for asset acquisition transactions (2002: 77%) to companies in the Macquarie New Zealand group, companies in which Mr J H Ogden was a Director. Mr J H Ogden resigned as a Director of Macquarie New Zealand Limited on 30 April 2002, resigned as a Director of Macquarie Equities New Zealand Limited on 5 December 2002 and resigned as a consultant to Macquarie New Zealand Limited on 31 January 2003.

In the financial year under review, all operating activities and relevant assets were transferred to a subsidiary company, Powerco Management Services Limited. PMS Ltd charges Powerco market rates for all services provided, including electricity network management and maintenance. The following amounts were paid to PMS Ltd for services provided:

Network Maintenance	\$14,339,832
Asset Management	\$ 7,466,984
Operations and Dispatch	\$ 2,168,055
Group Services	\$ 3,106,810
Corporate Services	\$12,116,457

These transactions are completed upon normal commercial terms. No amounts have been forgiven or written off in the year.

**14 DISCLOSURE OF PERFORMANCE MEASURES PURSUANT TO REGULATION 17
AND PART III OF THE FIRST SCHEDULE OF THE GAS (INFORMATION
DISCLOSURE) REGULATIONS 1997**

	Notes	2003	2002	2001	2000
14.1 Energy delivery efficiency measures					
(a) Load Factor	2	75.05%	63.14%	79.14%	68.29%
(b) Un-accounted for Gas Ratio	3	2.50%	2.50%	3.20%	13.41%
14.2 Statistics		74.74%			
(a) System Length	2	3820 km	2,726 km	729 km	726 km
(b) Maximum monthly amount entering the system	2	630,043 GJ	445,406 GJ	177,800 GJ	202,631 GJ
(c) Total amount of gas conveyed	4	5,650,470 GJ	3,374,934 GJ	1,688,477 GJ	1,660,443 GJ
(d) Total amount of gas conveyed on behalf of other persons	1, 4	5,650,470 GJ	3,374,934 GJ	1,688,477 GJ	1,660,443 GJ
(e) Total customers	2	74,212	49,381	20,516	20,330

**15 DISCLOSURE OF PERFORMANCE MEASURES PURSUANT TO REGULATION 18
AND PART IV OF THE FIRST SCHEDULE OF THE GAS (INFORMATION
DISCLOSURE) REGULATIONS 1997**

15.1 Un-planned interruptions in transmission systems	4	0	0	0	0
15.2 Un-planned interruptions in distribution systems					
(a) Un-planned interruptions other than those directly resulting from un-planned interruptions of a transmission system.	2, 5	0.022	0.0027	0.0021	0.0023
(b) Un-planned interruptions directly resulting from un-planned interruptions of a transmission system.	2, 5	0	0.53	0	0

Note 1: The information for this disclosure is provided by the retail companies. At the time of publication of these accounts some retail companies had not provided the information required or the accuracy of the information provided was clearly incorrect. On this basis the "total amount of gas conveyed on behalf of other persons" has been made equal to the "total of gas conveyed".

Note 2: Includes information on UnitedNetworks gas networks purchased on 01 November 2002. A time weighted average has been used to calculate the system length, maximum demand, total customers, load factor and unplanned interruptions.

Note 3: Un-accounted for Gas Ratio (UGR) has been assumed at 2.5% as the data for 13 (d) was not provided by retailers and the calculation of the UGR was not possible.

Note 4: Includes information on UnitedNetworks gas networks purchased on 01 November 2002.

Note 5: The information for 14.2 (a) is for the period January 2003 to March 2003. The ex-UnitedNetworks were managed by UnitedNetworks for the period November 2002 to December 2002 while being owned by Powerco. No information relating to 14.2 (a) was provided by UnitedNetworks for this period. The average monthly interruptions relating to the ex-UnitedNetworks for the period January 2003 to March 2003 was used for the period November 2002 to December 2002.