



New Zealand Gazette

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POWERCO LIMITED

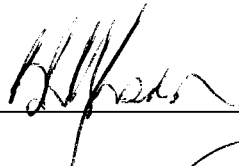
INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

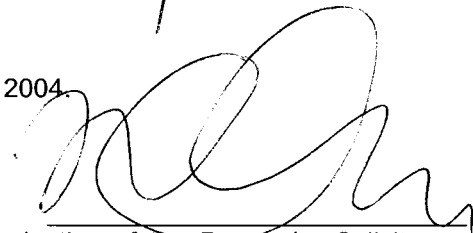
POWERCO LIMITED**ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004****STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION
SUPPLIED TO COMMERCE COMMISSION**

I, Barry Raymond Upson, of Inglewood, being a director of Powerco Limited, 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 by Powerco Limited under the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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 22nd day of December 2004.



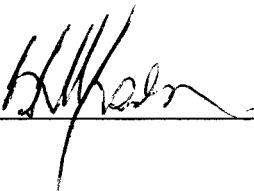
Justice of the Peace (or Solicitor or
other person authorised to take a
statutory declaration)


**Nigel Barbour
Solicitor
New Plymouth**

POWERCO LIMITED**ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004****CERTIFICATION OF VALUATION REPORT OF DISCLOSING ENTITIES**

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 valuation report of Powerco Limited, prepared for the purposes of requirement 19 of the Commerce Commission's Electricity Information Disclosure Requirements 2004 complies with those Requirements; and
- (b) the replacement cost of the line business system fixed assets of Powerco Limited is 1,672,875,644; and
- (c) the depreciated replacement cost of the line business system fixed assets of Powerco Limited is \$905,537,611; and
- (d) the optimised depreciated replacement cost of the line business system fixed assets of Powerco Limited is \$905,537,611; and
- (e) the optimised deprival valuation of the line business system fixed assets of Powerco Limited is \$905,537,611; and
- (f) The values in (b) through (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information Disclosure Requirements 2004). These valuations are as at 31 March 2004.






Date: 22 December 2004

POWERCO LIMITED**ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004****CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND
STATISTICS DISCLOSED BY DISCLOSING ENTITIES OTHER THAN TRANSPower**

We, Barry Raymond Upson, director, and Steven Ronald Boulton, director 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 Commerce Commission's Electricity Information Disclosure Requirements 2004 comply with those Requirements; 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 Powerco Limited, and having been prepared for the purposes of requirements 14, 15, 20 and 21 of the Electricity Information Disclosure Regulations 2004, comply with those Requirements.

The valuations on which those financial performance measures are based are as at 31 March 2004.





22 December 2004

Deloitte

AUDITOR'S REPORT TO THE READERS OF THE FINANCIAL STATEMENTS OF POWERCO LIMITED

We have audited the accompanying financial statements of Powerco Limited. The financial statements provide information about the past financial performance of Powerco Limited and its financial position as at 31 March 2004. This information is stated in accordance with the accounting policies set out on pages 5 to 8.

Directors' Responsibilities

The Commerce Commission's Electricity Information Disclosure Requirements 2004 made under section 57T of the Commerce Act 1986 require the Directors to prepare financial statements which give a true and fair view of the financial position of Powerco Limited as at 31 March 2004, and the results of its operations and cash flows for the year then ended.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. 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 Powerco Limited's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary. We obtained sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in Powerco Limited.

Unqualified Opinion

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

In our opinion –

- proper accounting records have been maintained by Powerco Limited as far as appears from our examination of those records; and
- the financial statements referred to above:
 - (a) comply with generally accepted accounting practice in New Zealand; and
 - (b) give a true and fair view of the financial position of Powerco Limited as at 31 March 2004 and the results of its operations and cash flows for the year then ended; and
- comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 22 December 2004 and our unqualified opinion is expressed as at that date.



Deloitte
Hamilton, New Zealand

Deloitte

AUDITOR'S OPINION ON THE PERFORMANCE MEASURES OF POWERCO LIMITED

We have examined the attached information, being:

- (a) the derivation table; and
- (b) the annual ODV reconciliation report; and
- (c) the financial performance measures; and
- (d) the financial components of the efficiency performance measures,

that were prepared by Powerco Limited and dated 22 December 2004 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

In our opinion, having made all reasonable enquiry, and to the best of our knowledge, that information has been prepared in accordance with those Electricity Information Disclosure Requirements 2004.



Deloitte
Hamilton, New Zealand
22 December 2004.



ELECTRICITY DIVISION

**Statement of Financial Position
As at 31 March 2004**

	Notes	31 March 2004 \$000	31 March 2003 \$000
Equity			
Share capital		431,359	431,359
Retained earnings		12,916	11,506
	2	<u>444,275</u>	<u>442,865</u>
Non Current Liabilities			
Redeemable bonds	3	83,693	86,615
Capital bonds	4	47,551	49,212
Guaranteed bonds	5	118,879	-
US dollar private placement notes	6	139,928	-
Commercial paper facility	7	56,240	60,605
Commercial bank debt	8	76,082	347,928
		<u>522,373</u>	<u>544,360</u>
Current Liabilities			
Accounts payable & accruals		25,249	18,790
Tax payable		21,527	27,138
		<u>46,776</u>	<u>45,928</u>
Total Equity and Liabilities		<u>1,013,424</u>	<u>1,033,153</u>
Non Current Assets			
Property, plant and equipment	10	925,046	718,932
Deferred funding costs		7,362	-
Current account		58,892	40,231
		<u>991,300</u>	<u>759,163</u>
Current Assets			
Funding Facility		3,947	256,787
Receivables		18,177	17,203
		<u>22,124</u>	<u>273,990</u>
Total Assets		<u>1,013,424</u>	<u>1,033,153</u>

The accompanying notes form part of these financial statements.



ELECTRICITY DIVISION

**Statement of Financial Performance
For the year ended 31 March 2004**

	Notes	31 March 2004 \$000	31 March 2003 \$000
Operating Revenue	18	<u>231,489</u>	<u>172,265</u>
Operating Surplus before taxation	19	65,231	59,746
Taxation expense	11	<u>21,526</u>	<u>19,716</u>
Operating Surplus Attributable to the Shareholders		<u>\$43,705</u>	<u>\$40,030</u>

The accompanying notes form part of these financial statements.



ELECTRICITY DIVISION

Statement of Movements in Equity
For the year ended 31 March 2004

	Notes	31 March 2004 \$000	31 March 2003 \$000
Opening Balance		442,865	256,629
Operating surplus attributable to the shareholders		43,705	40,030
Total recognised revenue and expenses for the year.		43,705	40,030
Distributions to shareholders:			
Dividends - paid		(42,295)	(30,776)
Ordinary Share issue		-	66,679
Equity adjustment		-	110,303
Closing Balance		\$444,275	\$442,865

The accompanying notes form part of these financial statements.



ELECTRICITY DIVISION

Statement of Cash Flows
For the year ended 31 March 2004

	31 March 2004 \$000	31 March 2003 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	223,271	159,044
Interest received	608	513
Net movement in GST	-	2,006
Dividends received	-	-
	223,879	161,563
Cash was applied to:		
Payments to suppliers and employees	111,628	59,424
Interest paid	18,219	14,336
Net movement in GST	2,200	-
Payments of income tax	27,138	5,805
	159,185	79,565
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	81,998
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was applied to:		
Purchase of property, plant and equipment	34,313	349,633
	34,313	349,633
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(34,313)	(349,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Issue of Credit Wrap bonds	72,815	176,981
Issue of US dollar private placement	85,853	49,212
Movement in current account	(18,662)	263,468
	-	86,615
	140,006	576,276
Cash was applied to:		
Commercial bank debt	301,887	13,608
Redeemable bonds	34,967	-
Capital Bonds	17,682	-
Repayment of Commercial paper	26,397	10,502
Dividends paid	42,294	30,776
	423,227	54,886
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(283,221)	521,390
NET INCREASE (DECREASE) IN CASH HELD	(252,840)	253,755
Opening cash brought forward	256,787	3,032
ENDING CASH CARRIED FORWARD	3,947	256,787

The accompanying notes form part of these financial statements.

POWERCO LIMITED

Notes to the Financial Statements

For the year ended 31 March 2004

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.

Special purpose financial statements

These financial statements are made pursuant to Powerco's obligations under the Electricity Information Disclosure Regulations 2004.

The Lines Business is treated as the core business and corporate activities are accounted for through the Line and Other Business financial statements. Powerco has adopted the avoidable cost allocation methodology stipulated in the Electricity Information Disclosure Regulations.

There are various matters, which relate across the whole integrated business. These are shown specifically in the respective notes where relevant.

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 Ended 31 March 2004



ELECTRICITY DIVISION

2 Share Capital

	2004 \$000	2003 \$000
Share Capital	431,359	431,359
Retained Earnings	12,916	11,506
	<u>444,275</u>	<u>442,865</u>

3 Redeemable Fixed Coupon Bonds

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.
On 31 March 2004, Redeemable Fixed Coupon Bonds on issue were:

	2004 \$000	2003 \$000
5 Year Fixed Coupon Bonds	98,001	98,001
7 Year Fixed Coupon Bonds	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 2004, 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 2004 were:

5 year fixed coupon bonds	\$100,864,378 (2003: \$101,006,872)
7 year fixed coupon bonds	\$ 82,399,937 (2003: \$81,576,604)

4 Capital Bonds

	2004 \$000	2003 \$000
	<u>100,000</u>	<u>100,000</u>

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.
On 31 March 2004, capital bonds on issue were:

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 2004 was \$104,685,000 (31 March 2003: \$101,425,000).

5 Guaranteed Bonds

	2004 \$000	2003 \$000
7 year guaranteed bonds	100,000	-
9 year guaranteed bonds	100,000	-
11 1/4 year guaranteed bonds	50,000	-
	<u>250,000</u>	<u>-</u>

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

The Guaranteed Bonds were issued on 29 March 2004 and are unsecured debt obligations of Powerco Limited. The scheduled payments by the Company of interest and principal are guaranteed on an unsecured basis by US-based XL Capital Assurance Inc, a specialist financial guaranty organisation. The bonds expire on 29 March 2011 (7 year bonds), 29 March 2013 (9 year bonds) and 29 June 2015 (11 year bonds). As at 1 April 2004, the interest rates on the guaranteed bonds were:

7 year guaranteed bonds	6.22%
9 year guaranteed bonds	6.39%
11 year guaranteed bonds	6.53%

Under the trust documents constituting the Guaranteed Bonds, the Company has covenanted to ensure that, if XLCA defaults on its obligations under the financial guaranty, the Company will procure sufficient of its subsidiaries to guarantee its obligations under the Guaranteed Bonds by signing a Subsidiary Guarantee so that all times the total tangible assets of the Company and all guaranteeing subsidiaries exceeds 85% of the total tangible assets of the Group. As at 1 April 2004, no Subsidiary Guarantees had been executed.

6 US Dollar Private Placement Notes

	2004 \$000	2003 \$000
	<u>294,266</u>	<u>-</u>

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.
On 31 March 2004, US dollar private placement notes on issue were:

The USD Private Placement note issue took place on 25 November 2003 to private US investors. The coupon payments are semi-annual and the note issue expires 25 November 2014 (11 year), 25 November 2015 (12 year), and 25 November 2016 (13 year).

As at 1 April 2004, the interest rates on the notes are:

11 year USD private placement notes	5.47%
12 year USD private placement notes	5.57%
13 year USD private placement notes	5.67%

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 March 2004



ELECTRICITY DIVISION

7 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 \$120,000,000, which includes an interest portion of \$1,729,029 of 90 day bills, with varying maturity dates, had been drawn down under the commercial paper programme (2003: \$125,000,000 was drawn down under the commercial paper programme which included an interest portion of \$1,848,311).

8 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, 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 \$160 million from Tranche B, which has accrued interest of \$1,665,578, (2003: \$707 million, which had accrued interest of \$7,178,571) had been drawn down under the Asset Purchase Facility and expires in October 2006. The remaining \$580 million of this facility has been cancelled.
On 6 November 2003, Powerco Tasmania Pty Limited, a subsidiary of the Company, established a commercial bank borrowing facility from Westpac Banking Corporation for \$30 million. A total of \$5.74 million (AUD\$5 million) has been drawn-down as at 31 March 2004. This facility expires on 6 November 2005. The facility is also unsecured and has the benefit of the Negative Pledge Deed referred to above.

9 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 2004, no funds were drawn down on the facility and \$9.388 million was invested in call funds (2003: investment of \$15.257 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 2004 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.
As at 31 March 2004, Powerco Tasmania Pty Limited, a wholly-owned subsidiary of the Company, had deposits on call with Westpac Banking Corporation amounting to \$2.332 million (AUD \$2.033 million).

10 Property, Plant and Equipment

Property, Plant and Equipment as at 31 March 2004	2004 \$000	2003 \$000
Information Systems		
Capital value	7,660	7,660
less Accumulated depreciation	865	287
	6,796	7,373
Network Systems		
Capital value	954,823	724,286
less Accumulated depreciation	49,286	21,018
	905,537	703,268
Work in Progress	12,713	8,291
Total Property, Plant and Equipment	\$925,046	\$718,932
Annual Valuation Reconciliation Report		
System fixed assets at ODV (end of previous financial year)	703,269	377,156
Increase of value at end of year	196,223	-
Add system fixed assets acquired	34,313	347,131
Less depreciation	28,268	21,018
Equals system fixed assets at ODV - end of financial year	\$905,538	\$703,269

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 March 2004



ELECTRICITY DIVISION

11 Taxation**Taxation for the year ended 31 March 2004**

	2004 \$000	2003 \$000
Operating surplus before taxation	65,231	59,746
Prima facie taxation @ 33%	21,526	19,716
Plus/(less) tax effect of permanent timing differences:	-	-
Taxation expense	<u>21,526</u>	<u>19,716</u>

12 Disclosure of Performance Measures Pursuant to Requirement 15(1) and Part III of the First Schedule of the Electricity Information Disclosure Regulations 2004

Financial Performance Measures	2004	2003	2002	2001
(i) Return on Funds	12.50%	14.42%	14.26%	10.43%
(ii) Return on Equity	10.52%	12.70%	12.22%	8.58%
(iii) Return on Investment including revaluation	37.94%	9.66%	9.55%	4.04%
(iv) Return on Investment excluding revaluation	6.77%	9.66%	9.55%	6.70%
Efficiency Performance Measures				
(v) Direct Line Cost per Kilometre	\$1,117.21	\$986.50	\$949.08	\$1,152.23
(vi) Indirect Line Cost per Electricity Customer (including non-recurring costs)	\$65.87	\$75.43	\$77.61	\$120.12
(vii) Indirect Line Cost per Electricity Customer (excluding non-recurring costs)	\$65.86	\$58.09	\$77.61	\$69.34

13 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 \$5.2 million (2003: \$12.6 million). Commitments for future capital expenditure resulting from the Tasmanian gas network contract entered into amounts to \$40.5 million (2003: nil).

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 March 2004



ELECTRICITY DIVISION

14 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 2004 comprise 62.2% (2003: 63.2%) 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 2004 the Company had interest rate swap agreements with registered banks. The maturities of these agreements are shown in Note 14 (iv). The weighted average of the interest rate swap agreements (excluding the reverse swap agreements) produce an interest rate of 6.6% p.a.

(iii) Foreign Exchange Risk

The Company has exposure to foreign exchange risk as a result of the independent foreign subsidiaries trading in their local currency and the issue of US dollar private placement notes. There is currently no hedging against the risk of foreign currency exchange variations in relation to the independent foreign subsidiaries. The Company has put in place a cross-currency swap to hedge against the cost of the US dollar private placement interest costs.

(iv) Fair Value

As at 31 March 2004

Financial assets and liabilities (excluding Bonds and Investments referred to in Note 3,4 and 5 above) are considered to be at their fair value with the exception of the following items;

	Maturities	Notional Values Current 31 March 2004 \$000	Notional Values Forward rate 31 March 2004 \$000	Mark to Market Adjustment 31 March 2004 \$000
Interest rate swaps (Powerco pays fixed / receives floating)	2004-2012	878,000	-	7,070
Forward rate swaps (Powerco pays fixed / receives floating)	2006-2010	-	340,000	(1,294)
Swaps (Fixed to floating for bonds) (Powerco receives fixed/ pays floating plus margin)	2006-2015	822,266	-	(25,094)
				<u>(19,318)</u>

As at 31 March 2003

Financial assets and liabilities (excluding Bonds referred to in Note 3, 4 and 5 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)
				<u>(25,137)</u>

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 March 2004



ELECTRICITY DIVISION

15 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 \$36,992 (2003: \$109,100) 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 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 \$143,122 (2003: \$124,938) rent to the New Plymouth District Council at market rates. Rates have been paid to New Plymouth District Council to the value of \$29,395 (2003: \$7,147). Utility Rates have been paid to the New Plymouth District Council to the value of \$21,143 (2003: \$5,239). Other arms length transactions with the New Plymouth District Council amounted to \$30,837 (2003: \$66,954).

In the previous financial year ended 31 March 2003, Powerco had paid consulting fees amounting to \$17,000 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.

In the previous financial year ended 31 March 2003, 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.

Powerco Limited has a related party relationship with a 100% subsidiary, Powerco Network Management Limited (PNML). PNML charges Powerco market rates for all services provided, including electricity network management and maintenance. The following amounts were paid to PNML for services provided for the full year ending 31 March 2004:

Asset Management	\$9,195,495
Network Management Centre	\$2,306,662
Corporate Services	\$7,108,829

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

Powerco Limited has a related party relationship with a 100% subsidiary, Powerco Energy Services Limited (PES). PES charges Powerco market rates for electricity and gas maintenance and construction. The following amounts were paid to PES for services provided for the full year ending 31 March 2004:

Network maintenance	\$21,769,889
Network construction:	
Construction of subtransmission assets	\$332,946
Construction of zone substations	\$1,393,354
Construction of distribution lines and cables	\$4,051,972
Construction medium voltage switchgear	\$809,647
Construction of distribution transformers	\$1,293,251
Construction of distribution substations	\$1,203,880
Construction of low voltage reticulation	\$1,670,485
Construction of other system fixed assets	\$131,156
Consumer connections and disconnections	\$7,921,806

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

16 Reconciliation of Operating Surplus After Taxation with cash inflow from operating activities

	2004	2003
	\$000	\$000
Operating surplus after taxation	43,705	40,030
Add (less) non cash items		
Depreciation	28,478	21,305
	<u>28,478</u>	<u>21,305</u>
Movements in working capital		
Accounts receivable	(8,091)	(8,003)
Change in Prepayments	(246)	2,022
Movements in deferred taxation	-	1,134
Tax refund due	(5,611)	12,778
Accounts payable	6,459	12,732
	<u>(7,489)</u>	<u>20,663</u>
Net cashflow from operating activities	\$64,694	\$81,998

17 Comparative Information

The comparative information included was prepared under the revoked Electricity (Information Disclosure) Regulations 1999 and the revoked Electricity (Information Disclosure) Amendment Regulations 2000 and 2001.

18 INFORMATION TO BE DISCLOSED IN FINANCIAL STATEMENTS PURSUANT TO REGULATION 6 AND PART II OF THE FIRST SCHEDULE OF THE ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004

para

	2004 \$'000
11 Operating revenue	
(a) Revenue from line/access charges:	224,000
(b) Revenue from "Other" business for services carried out by the line business (transfer payment):	-
(c) Interest on cash, bank balances and short term investments:	608
(d) AC loss-rental rebates:	6,882
(e) Other operating revenue not listed in (a) to (d):	
Total operating revenue	231,489

19 INFORMATION TO BE DISCLOSED IN FINANCIAL STATEMENTS PURSUANT TO REGULATION 6 AND PART II OF THE FIRST SCHEDULE OF THE ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004

para

	2004 \$'000
12 Operating expenditure	
(a) Payment for transmission charges	52,196
(b) Transfer payments to the "Other" business for:	
(i) Asset maintenance:	27,863
(ii) Consumer disconnection/reconnection services:	-
(iii) Meter data:	-
(iv) Consumer-based load control services:	-
(v) Royalty and patent expenses:	-
(vi) Avoided transmission charges on account of own generation	-
(vii) Other goods and services not listed in (i) to (vi) above	-
(viii) Total transfer payment to the "Other" business	27,863
(c) Expense to entities that are not related parties for:	
(i) Asset maintenance:	-
(ii) Consumer disconnection/reconnection services	-
(iii) Meter data	-
(iv) Consumer-based load control services	-
(v) Royalty and patent expenses	-
(vi) Total of specified expenses to non-related parties (sum of (i) to (v))	-
(d) Employee salaries, wages and redundancies (1)	-
(e) Consumer billing and information system expense	-
(f) Depreciation on:	
(i) System fixed assets:	28,268
(ii) Other assets not listed in (i)	210
(iii) Total depreciation	28,478
(g) Amortisation of:	
(i) Goodwill:	-
(ii) Other intangibles:	-
(iii) Total amortisation of intangibles	-
(h) Corporate and administration:	13,238
(i) Human resource expenses:	574
(j) Marketing/advertising:	889
(k) Merger and acquisition expenses:	2
(l) Takeover defence expenses:	-
(m) Research and development expenses:	-
(n) Consultancy and legal expenses:	2,051

(o)	Donations:	-
(p)	Directors' fees:	1,449
(q)	Auditors' fees:	
	(i) Audit fees paid to principal auditors:	117
	(ii) Audit fees paid to other auditors:	-
	(iii) Fees paid for other services provided by principal and other auditors:	1,107
	(iv) Total auditors' fees:	1,224
(r)	Costs of offering credit:	
	(i) Bad debts written off:	59
	(ii) Increase in estimated doubtful debts:	-
	(iii) Total cost of offering credit:	59
(s)	Local authority rates expense:	24
(t)	AC loss-rentals (distribution to retailers/customers) expense:	4,176
(u)	Rebates to consumers due to ownership interest:	-
(v)	Subvention payments:	-
(w)	Unusual expenses:	-
(x)	Other expenditure not listed in (a) to (w)	-
13	Total operating expenditure	132,223
14	Operating surplus before interest and income tax	99,267
15	Interest expense	
	(a) Interest expense on borrowings	34,036
	(b) Financing charges related to finance leases	-
	(c) Other interest expense	-
	(d) Total interest expense	34,036
16	Operating surplus before income tax	65,231
17	Income tax	21,526
18	Net surplus after tax	43,705

Note 1 Employee salaries, wages and redundancies
This expense is an integral part of the disclosures above.

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	99,267,591				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	99,267,591				
Interest on cash, bank balances, and short-term investments (ISTI)	608,630				
OSBIIT minus ISTI	98,658,961	a	98,658,961		98,658,961
Net surplus after tax from financial statements	43,704,710				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	43,704,710	n		43,704,710	
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	0
Subvention payment	0	s	add	0	0
Depreciation of SFA at BV (x)	28,478,081				
Depreciation of SFA at ODV (y)	28,478,081				
ODV depreciation adjustment	0	d	add	0	0
Subvention payment tax adjustment	0	st		deduct	0
Interest tax shield	11,031,256	q		deduct	11,031,256
Revaluations	196,223,279	r		add	196,223,279
Income tax	21,526,201	p		deduct	21,526,201
Numerator			98,658,961	43,704,710	262,324,763
Fixed assets at end of previous financial year (FA ₀)	718,931,988				
Fixed assets at end of current financial year (FA ₁)	925,045,535				
Adjusted net working capital at end of previous financial year (ANWC ₀)	-1,587,056				
Adjusted net working capital at end of current financial year (ANWC ₁)	-7,071,745				
Average total funds employed (ATFE)	817,659,361 (or regulation 33 time-weighted average)	c	817,659,361		817,659,361
Total equity at end of previous financial year (TE ₀)	442,865,041				
Total equity at end of current financial year (TE ₁)	444,275,659				
Average total equity	443,570,350 (or regulation 33 time-weighted average)	k		443,570,350	

WUC at end of previous financial year (WUC_0)	8,290,981					
WUC at end of current financial year (WUC_1)	12,713,385					
Average total works under construction	10,502,183 (or regulation 33 time-weighted average)	e	deduct	10,502,183	deduct	10,502,183
Revaluations	196,223,279	r				
Half of revaluations	98,111,640	r/2				
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)	0					
Subvention payment at end of current financial year (S_1)	0					
Subvention payment tax adjustment at end of previous financial year	0					
Subvention payment tax adjustment at end of current financial year	0					
Average subvention payment & related tax adjustment	0	v	add	0		
System fixed assets at end of previous financial year at book value ($SFA_{b,0}$)	718,931,988					
System fixed assets at end of current financial year at book value ($SFA_{b,1}$)	925,045,535					
Average value of system fixed assets at book value	821,988,761 (or regulation 33 time-weighted average)	f	deduct	821,988,761	deduct	821,988,761
System Fixed assets at year beginning at ODV value ($SFA_{odv,0}$)	703,268,496					
System Fixed assets at end of current financial year at ODV value ($SFA_{odv,1}$)	905,537,611					
Average value of system fixed assets at ODV value	804,403,053 (or regulation 33 time-weighted average)	h	add	804,403,053	add	804,403,053
Denominator				789,571,470		691,459,830
Financial Performance Measure:				12.50		37.94
					10.52	

DISCLOSURE OF OPTIMAL DEPRIVAL VALUE (ODV) PURSUANT TO REGULATION 19 OF THE ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004

	2004	2003	2002	2001
ODV as per latest valuation	905,537,611	703,268,496	377,155,871	374,105,277

DISCLOSURE OF ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURE AND STATISTICS PURSUANT TO ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004, SCHEDULE 1, PART 4, REQUIREMENT 20.

1 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES	2004 Powerco	2003 Powerco	2002 Powerco	2001 Powerco
(a) Load Factor	67.2%	71.7%	63.5%	63.91%
(b) Loss Ratio	6.82%	6.57%	5.88%	6.80%
(c) Capacity Utilisation	26.8%	25.7%	28.44%	28.19%

Notes:

1 (a): 2003 load factor is calculated using the time weighted average method. The load factor calculated using full-year actual data is 66.8%.

1 (b): 2003 loss ratio is calculated using full year kWh data for Western area, and 5 month (1 Nov 2002 to 31 Mar 03) kWh data for Eastern area. It is a time weighted calculation based on actual data.

1 (c): 2003 capacity utilisation is calculated using the time weighted average method. The capacity utilisation calculated using full-year actual data is 28%.

2 STATISTICS

(a) System Length

Nominal Voltage	2004	2003	2002	2001
	Powerco Total System Length (km)	Powerco Total System Length (km)	Powerco Total System Length (km)	Powerco Total System Length (km)
110kV	-	-	-	-
66kV	150.31	62.64	-	-
33kV	1,444.60	1,193.80	1,030.26	1,030.53
22kV	107.08	107.06	107.70	113.31
11kV	15,240.88	11,869.06	9,896.20	9,501.67
6.6kV	442.02	442.69	444.73	430.75
230/400V	7,554.75	5,883.85	4,481.57	4,236.34
Total	24,939.64	19,559.11	15,960.46	15,312.60

(b) Overhead Line Length

Nominal Voltage	2004	2003	2002	2001
	Powerco O/H Line Length (km)	Powerco O/H Line Length (km)	Powerco O/H Line Length (km)	Powerco O/H Line Length (km)
110kV	-	-	-	-
66kV	150.23	62.61	-	-
33kV	1,343.01	1,122.13	984.31	975.51
22kV	106.71	106.71	107.37	113.07
11kV	13,763.39	10,959.88	9,378.37	9,012.63
6.6kV	432.40	432.40	434.95	430.75
230/400V	4,979.16	4,043.87	3,252.62	3,077.06
Total	20,774.90	16,727.59	14,157.62	13,609.03

(c) Underground Line Length

Nominal Voltage	2004	2003	2002	2001
	Powerco U/G Line Length (km)	Powerco U/G Line Length (km)	Powerco U/G Line Length (km)	Powerco U/G Line Length (km)
110 kV	-	-	-	-
66kV	0.08	0.03	-	-
33kV	101.59	71.67	45.96	55.02
22kV	0.36	0.35	0.33	0.24
11kV	1,477.49	909.18	517.83	485.76
6.6kV	9.62	10.29	9.78	3.27
230/400V	2,575.60	1,839.98	1,228.95	1,159.28
Total	4,164.74	2,831.52	1,802.85	1,703.57

***Note:**

2 (a) - (c): 2003 system lengths are calculated using the weighted average method. The system length (HV and LV) using actual data at the financial year-end is 24,978 km.

	2004 Powerco	2003 Powerco	2002 Powerco	2001 Powerco
(d) Transformer Capacity (kVA)	2,580,877	1,816,103	1,312,237	1,320,123
(e) Maximum Demand (kW)	692,249	466,001	373,232	372,086
(f) Total Electricity Entering the System (before losses of electricity), in kilowatt hours	4,073,919,387	2,926,495,360	2,077,336,916	2,083,151,254

Notes:

2 (d): 2003 transformer capacity was calculated using the time weighted average method. The actual transformer capacity at financial year-end was 2,507,891 kVA.

2 (e): 2003 maximum demand kW was calculated using the time weighted average method. The maximum demand using actual full-year data was 701,126 kW.

2 (f): 2003 kWh supplied to the network was calculated using the time weighted average method.

(g) The total amount of electricity (in kilowatt hours) supplied from the system (after losses of electricity) during the financial year on behalf of each person that is an electricity generator or an electricity retailer, or both:	2004 Powerco	2003 Powerco	2002 Powerco	2001 Powerco
	3,796,233,588	2,734,368,580	1,955,252,266	1,941,496,969

	2004 Powerco 000 kWh	2003 Powerco 000 kWh	2002 Powerco 000 kWh	2001 Powerco 000 kWh
Retailer A	1,730,537	1,465,424	1,279,941	1,331,898
Retailer B	937,591	448,648	103,482	160,686
Retailer C	371,397	344,854	304,821	137,191
Retailer D	297,671	114,646	23,972	78,944
Retailer E		-	15,599	78,307
Retailer F	44,169	95,955	127,445	71,700
Retailer G		-	1,049	53,782
Retailer H		-	-	13,574
Retailer I	414,868	264,842	98,261	8,152
Retailer J		-	-	6,768
Retailer K		-	682	495
Retailer L		-	-	-
Total	3,796,233	2,734,369	1,955,252	1,941,497

Note: 2 (g): The data provided to Powerco by Retailers for electricity delivered to their customers is subject to errors of completeness and timing. This can lead errors in the calculation of loss percentage.

(h) Total Customers	2004 Powerco	2003 Powerco	2002 Powerco	2001 Powerco
	296,165	216,660	157,451	157,120

Note: 2 (h): 2003 number of consumers is given for the time weighted average method. The actual sum for the combined network after acquisition was 293,479 consumer connections.

DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES PURSUANT TO ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004, SCHEDULE 1, PART 5, REQUIREMENT 21.

1 Total Number Of Interruptions

Interruption Class	2004 Powerco Number of Interruptions	2003 Powerco Number of Interruptions	2002 Powerco Number of Interruptions	2001 Powerco Number of Interruptions
Class A - Transpower Planned	10	8	13	4
Class B - Distributor Planned	799	864	673	447
Class C - Distributor Unplanned	2,344	1,504	973	718
Class D - Transpower Unplanned	25	31	10	9
Class E - ECNZ Unplanned	0	0	0	0
Class F - Other Generator Unplanned	0	0	0	0
Class G - Other Line Owner Unplanned	0	2	1	0
Class H - Other Line Owner Planned	0		0	0
Class I - Other Owner (Not in A - H)	20		0	0
Total	3,198	2,409	1,670	1,178

2 Interruption Targets for the Following Financial Year

	2005 Powerco
Class B - Principal Line Owner Planned	822
Class C - Principal Line Owner Unplanned	1797

3 Average Interruption Targets for the Following Financial Year and Subsequent 4 Financial Years

	2005 Powerco	2006-2009 Powerco
Class B - Principal Line Owner Planned	822	822
Class C - Principal Line Owner Unplanned	1797	1692

4 Proportion of the Total Number of Faults Not Restored Within:-

	Period	2004 Powerco	2003 Powerco	2002 Powerco	2001 Powerco
Class C - Principal Line Owner Unplanned	3 hours	25.6%	21.3%	8.22%	8.64%
Class C - Principal Line Owner Unplanned	24 hours	2.5%	0.7%	0.82%	14.00%

5(a) Total Number Of Faults Per 100km Of Prescribed Voltage Line

Nominal Voltage	2004 Powerco	2003 Powerco	2002 Powerco	2001 Powerco
	Number of Faults/100km	Number of Faults/100km	Number of Faults/100km	Number of Faults/100km
110kV	-	-	-	-
66kV	3.33	9.31	-	-
33kV	10.18	6.42	3.98	3.40
22kV	19.61	12.14	13.00	13.24
11kV	14.34	11.69	8.91	11.23
6.6kV	6.33	4.74	6.07	5.34
3.3kV	-	-	-	-
Total	13.72	11.00	8.40	10.29

5(b) Total Number Of Faults Per 100km Of Prescribed Voltage Line (Targeted for the Following Financial Year)

Nominal Voltage	2005 Powerco	2004 Powerco	2003 Powerco	2002 Powerco
	Number of Faults/100km	Number of Faults/100km	Number of Faults/100km	Number of Faults/100km
110kV	N/A	-	-	-
66kV	5.50	4.95	-	-
33kV	6.93	6.49	5.90	6.10
22kV	10.98	9.39	9.50	9.50
11kV	11.28	9.21	9.40	9.40
6.6kV	10.86	9.60	9.70	9.70
3.3kV	N/A	-	-	-
Total (Weighted Average)	10.85	8.96	9.20	9.10

5(c) Total Number Of Faults Per 100km Of Prescribed Voltage Line (Targeted for the Following Financial Year and Subsequent 4 Financial Years)

Nominal Voltage	2005 Powerco	2006-2009 Powerco
	Number of Faults/100km	Number of Faults/100km
110kV	N/A	N/A
66kV	5.50	5.18
33kV	6.93	6.53
22kV	10.98	10.34
11kV	11.28	10.62
6.6kV	10.86	10.23
3.3kV	N/A	N/A
Total (Weighted Average)	10.85	10.22

6 Total Number Of Faults Per 100km Of Prescribed Voltage Underground Line

Nominal Voltage	2004	2003	2002	2001
	Powerco Number of Faults/100km	Powerco Number of Faults/100km	Powerco Number of Faults/100km	Powerco Number of Faults/100km
110kV	-	-	-	-
66kV	-	-	-	-
33kV	2.95	0.58	-	-
22kV	-	-	-	-
11kV	6.84	4.08	4.25	3.29
6.6kV	-	-	-	-
3.3kV	-	-	-	-
Total	6.54	3.78	3.83	2.94

7 Total Number Of Faults Per 100km Of Prescribed Voltage Overhead Line

Nominal Voltage	2004	2003	2002	2001
	Powerco Number of Faults/100km	Powerco Number of Faults/100km	Powerco Number of Faults/100km	Powerco Number of Faults/100km
110kV	-	-	-	-
66kV	3.33	9.32	-	-
33kV	10.72	6.80	4.17	3.59
22kV	19.68	12.18	13.04	13.27
11kV	15.14	12.32	9.17	11.66
6.6kV	6.48	4.86	6.21	5.34
3.3kV	-	-	-	-
Total	14.45	11.56	8.64	10.67

8 SAIDI for total interruptions

11 SAIDI classified

Interruption Class	2004	2003	2002	2001
	Powerco SAIDI	Powerco SAIDI	Powerco SAIDI	Powerco SAIDI
Class A - Transpower Planned	12.86	3.46	8.82	7.51
Class B - Distributor Planned	21.93	46.99	38.02	23.59
Class C - Distributor Unplanned	304.35	234.35	91.92	60.84
Class D - Transpower Unplanned	31.04	10.37	20.59	3.75
Class E - ECNZ Unplanned	-	-	-	-
Class F - Other Generator Unplanned	-	0.16	-	-
Class G - Other Line Owner Unplanned	-	0.22	0.23	-
Class H - Other Line Owner Planned	-	-	-	-
Class I - Other Owner (Not in A - H)	0.24	-	-	-
Total	370.41	295.55	159.57	95.69

Note: 8 & 11 2003 SAIDI, SAIFI and CAIDI are calculated using time weighted averages for all factors. ie: using total Western plus 5/12 Eastern customer minutes, customer interruptions, and customers

9 SAIDI

Targets for the Following Financial Year

Interruption Class	2005	2004	2003	2002
	Powerco SAIDI	Powerco SAIDI	Powerco SAIDI	Powerco SAIDI
Class B - Distributor Planned	20	29	25	25
Class C - Distributor Unplanned	130	101	73	75

10 SAIDI

Targeted for the Following Financial Year and Subsequent 4 Financial Years

Interruption Class	2005	2006-2009
	Powerco SAIDI	Powerco SAIDI
Class B - Distributor Planned	20	20
Class C - Distributor Unplanned	130	118

12 SAIFI for total interruptions

15 SAIFI classified

Interruption Class	2003	2003	2002	2001
	Powerco SAIFI	Powerco SAIFI	Powerco SAIFI	Powerco SAIFI
Class A - Transpower Planned	0.029	0.033	0.038	0.030
Class B - Distributor Planned	0.114	0.249	0.192	0.150
Class C - Distributor Unplanned	3.258	2.930	2.045	1.420
Class D - Transpower Unplanned	0.385	0.257	0.275	0.230
Class E - ECNZ Unplanned	-	-	-	-
Class F - Other Generator Unplanned	-	0.002	-	-
Class G - Other Line Owner Unplanned	-	0.002	0.005	-
Class H - Other Line Owner Planned	-	-	-	-
Class I - Other Owner (Not in A - H)	0.001	-	-	-
Total	3.787	3.473	2.555	1.840

Note: 12 & 15 2003 SAIDI, SAIFI and CAIDI are calculated using time weighted averages for all factors. ie: using total Western plus 5/12 Eastern customer minutes, customer interruptions, and customers.

13 SAIFI

Targeted for the Following Financial Year

Interruption Class	2005	2004	2003
	Powerco	Powerco	Powerco
Class B - Distributor Planned	0.14	0.19	0.16
Class C - Distributor Unplanned	2.36	1.98	1.74

14 SAIFI

Targeted for the Following Financial Year and Subsequent 4 Financial Years

Interruption Class	2005	2006-2009
	Powerco	Powerco
Class B - Distributor Planned	0.14	0.14
Class C - Distributor Unplanned	2.36	2.23

16 CAIDI for total interruptions

19 CAIDI classified

Interruption Class	2004	2003	2002	2001
	Powerco	Powerco	Powerco	Powerco
Class A - Transpower Planned	449.0	105.4	233.5	224.6
Class B - Distributor Planned	191.6	188.6	198.3	153.9
Class C - Distributor Unplanned	93.4	80.0	44.9	42.9
Class D - Transpower Unplanned	80.6	40.3	74.9	16.4
Class E - ECNZ Unplanned	-	-	-	-
Class F - Other Generator Unplanned	-	95.0	-	-
Class G - Other Line Owner Unplanned	-	87.9	46.9	-
Class H - Other Line Owner Planned	-	-	-	-
Class I - Other Owner (Not in A - H)	266.1	-	-	-
Total (Average)	97.8	85.1	62.5	52.1

Note: 16 & 19 2003 SAIDI, SAIFI and CAIDI are calculated using time weighted averages for all factors. ie: using total Western plus 5/12 Eastern customer minutes, customer interruptions, and customers.

17 CAIDI

Targeted for the Following Financial Year

Interruption Class	2005	2004	2003	2002
	Powerco	Powerco	Powerco	Powerco
Class B - Distributor Planned	142.9	153.7	153.0	153.0
Class C - Distributor Unplanned	55.0	51.1	42.0	43.1

18 CAIDI

Targeted for the Following Financial Year and Subsequent 4 Financial Years

Interruption Class	2005	2006-2009
	Powerco	Powerco
Class B - Distributor Planned	142.9	142.9
Class C - Distributor Unplanned	55.0	52.8