



# New Zealand Gazette

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OF THURSDAY, 24 JANUARY 2008

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## NORTHPOWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO  
SECTION 57T OF THE COMMERCE ACT 1986

# Northpower


## **Certification of Financial Statements, Performance Measures, and Statistics Disclosed by Disclosing Entities (other than Transpower)**


We, Warren William Moyes and John Joseph Ward, Directors of Northpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:-

- (a) The attached audited financial statements of Northpower Limited, prepared for the purposes of Requirement 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 Northpower Limited, and having been prepared for the purposes of requirements 14, 15, 20 and 21 of the Electricity Information Disclosure Requirements 2004, comply with those Requirements.

The valuations on which those financial performance measures are based are as at 31 March 2007.

Dated this 20<sup>th</sup> day of December 2007

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**AUDIT NEW ZEALAND**

Maori Kaitiaki Aupōhori

**REPORT OF THE AUDITOR-GENERAL  
TO THE READERS OF THE FINANCIAL STATEMENTS OF  
NORTHPOWER LIMITED  
FOR THE YEAR ENDED 31 MARCH 2007**

We have audited the financial statements of Northpower Limited on pages 4 to 9. The financial statements provide information about the past financial performance of Northpower Limited and its financial position as at 31 March 2007. This information is stated in accordance with the accounting policies set out on pages 1 to 3.

**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 Northpower Limited as at 31 March 2007, and the results of its operations and cash flows for the year ended on that date.

**Auditor's responsibilities**

Section 15 of the Public Audit Act 2001 and Requirement 30 of the Electricity Information Disclosure Requirements 2004 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed F Caetano of Audit New Zealand to undertake the audit.

**Basis of opinion**

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

We conducted the audit in accordance with the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

In addition to issuing audit certificates pursuant to the Electricity Information Disclosure Requirements 2004 we have carried out one other audit assignment for Northpower Limited. This involved issuing an audit opinion on the annual financial statements for the year ended 31 March 2007. Other than this assignment and other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Northpower Limited.

### Unqualified opinion

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

In our opinion:

- proper accounting records have been maintained by Northpower Limited as far as appears from our examination of those records; and
- the financial statements of Northpower Limited on pages 4 to 9:
  - (a) comply with generally accepted accounting practice in New Zealand; and
  - (b) give a true and fair view of Northpower Limited's financial position as at 31 March 2007 and the results of its operations and cash flows for the year ended on that date; and
  - (c) comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 20 December 2007 and our unqualified opinion is expressed as at that date.



F Caetano  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

**MATTERS RELATING TO THE PUBLICATION OF THE AUDITED FINANCIAL STATEMENTS  
IN THE NEW ZEALAND GAZETTE**

This audit report relates to the financial statements of Northpower Limited for the year ended 31 March 2007 that have been published in the *New Zealand Gazette*. The *New Zealand Gazette* is required to publish hard copies of audited financial statements and the related audit report of Northpower Limited for the year ended 31 March 2007, and to include an electronic version of the published *New Zealand Gazette* on the *New Zealand Gazette's* website.

We have not been engaged to report on the integrity of the financial statements of Northpower Limited that have been published on the *New Zealand Gazette's* website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially signed and published.

This audit report refers only to the financial statements named above. If readers of this audit report are concerned with the inherent risks arising from electronic data communication, they should refer to the original signed and published hard copy of the audited financial statements and related audit report dated 20 December 2007 to confirm the information included in the audited financial statements published in the *New Zealand Gazette* or on the *New Zealand Gazette's* website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

## AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF NORTHPOWER LIMITED

We have examined the information on pages 10, 17 and 18, being –

- (a) the derivation table in requirement 15;
- (b) the annual ODV reconciliation report in requirement 16;
- (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 Northpower Limited and dated 20 December 2007 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.



F Caetano  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand  
20 December 2007

### MATTERS RELATING TO THE PUBLICATION OF THE AUDITED PERFORMANCE MEASURES IN THE NEW ZEALAND GAZETTE

This audit report relates to the performance measures of Northpower Limited for the year ended 31 March 2007 that have been published in the *New Zealand Gazette*. The *New Zealand Gazette* is required to publish hard copies of audited performance measures and the related audit report of Northpower Limited for the year ended 31 March 2007, and to include an electronic version of the published *New Zealand Gazette* on the *New Zealand Gazette's* website.

We have not been engaged to report on the integrity of the performance information of Northpower Limited that have been published on the *New Zealand Gazette's* website. We accept no responsibility for any changes that may have occurred to the performance information since they were initially signed and published.

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**NORTHPOWER LIMITED AND SUBSIDIARY****STATEMENT OF ACCOUNTING POLICIES**

For The Year Ended 31 March 2007

**Reporting Entity**

Northpower Limited is a company formed under the Energy Companies Act 1992 and registered under the Companies Act 1993.

The financial statements have been prepared in accordance with the Financial Reporting Act 1993 and Section 44 of the Energy Companies Act 1992.

**Measurement Base**

The general accounting policies recognised as appropriate for the measurement and reporting of results, cashflows and financial position under the historical cost method, as modified by the revaluation of land, buildings and the distribution system assets, have been followed in the preparation of these financial statements.

**Particular Accounting Policies**

The following particular accounting policies, which significantly affect the measurement of profit and of financial position, have been applied:

**(i) Operating Revenue**

Operating Revenue shown in the Statement of Financial Performance comprise the amounts received and receivable by the Company for goods and services supplied to customers in the ordinary course of business. Operating Revenue is stated exclusive of Goods and Services Tax collected from customers.

**(ii) Investments**

Investments are stated at cost and net realisable value. Any decreases are recognised in the Statement of Financial Performance.

**(iii) Properties Intended For Sale**

Properties intended for sale are classified as current assets if sale is expected within 1 year. Such properties are shown at carrying value unless this exceeds net realisable value.

**(iv) Property, Plant and Equipment**

Property, Plant and Equipment are initially recorded at historical cost except for land and buildings, and distribution system assets, which are valued as detailed below.

The cost of purchased Property, Plant and Equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

The cost of assets constructed by the Company includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of production overhead. Costs cease to be capitalised as soon as the asset is ready for productive use.

Land and buildings have been revalued to fair value based on a valuation conducted by Telfer Young (Northland) Ltd, Registered Valuers of Whangarei, as at 31 March 2006.

Buildings on land not owned by the Company are recorded at cost less depreciation and are not revalued.

Distribution system assets have been revalued to Depreciated Replacement Cost (DRC) as at 31 March 2007, based on a valuation conducted by PriceWaterhouseCoopers, Registered Valuers, as at 31 March 2007.

The results of the revaluation of land and buildings, and distribution system assets, are credited or debited to the appropriate revaluation reserve. Where this results in a debit balance in the asset revaluation reserve this balance is expensed in the Statement of Financial Performance.

Land and buildings, and distribution system assets, are revalued by independent registered valuers on a five-yearly basis. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant and equipment within a class is included at a valuation that is not materially different from its fair value.

Additions between revaluations are recorded at cost.

(v) **Depreciation**

Depreciation is charged on a straight line basis so as to write off the cost or valuation of the fixed assets to their estimated residual value over their expected economic lives. The estimated economic lives are as follows:-

Distribution system:	
Lines/transformers/substations	45-70 years
Distribution switchgear	35-55 years
Meters/communication/SCADA	5-15 years
Buildings – structural	50 years
- electrical and mechanical	20 years
- other	10 years
Motor vehicles	5-15 years
Plant and equipment	3-20 years

(vi) **Inventories**

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is principally determined on a weighted average basis.

(vii) **Accounts Receivable**

Accounts Receivable are stated at estimated realisable value after providing against debts where collection is doubtful.

(viii) **Work in Progress**

The value of work in progress is determined using the percentage of completion method. Profits are recognised only when the outcome of the contract can be reliably estimated. Foreseeable losses on a contract are recognised in the Statement of Financial Performance immediately.

(ix) **Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in future periods. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation.

Future taxation benefits attributable to losses carried forward, or timing differences, are recognised in the financial statements only where there is virtual certainty of realisation.

(x) **Research and Development Costs**

Research and development costs are normally expensed in the period incurred except that development costs are deferred where future benefits are expected to exceed these costs. Deferred development costs are amortised over future periods on a basis related to expected future revenue.

(xi) **Financial Instruments**

Northpower and its subsidiary are party to financial instrument arrangements as part of everyday operations. These instruments include bank accounts, accounts receivable, creditors, and short term deposits. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position.



Northpower has limited its exposure to credit risk in respect of its investments by only investing in institutions with a high credit rating, and limiting the proportion that can be invested in any one institution. Northpower believes this policy reduces the risk of any loss which could arise from its investing activities.

(xii) **GST**

These Financial Statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable, which are GST inclusive. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

(xiii) **Employee Entitlements**

Provision is made in respect of the group's liability for annual leave, long service leave and retirement gratuities. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while the other provisions have been calculated on an actuarial basis at current rates of pay.

(xiv) **Goodwill**

Goodwill may arise from the acquisition of a business. An assessment of the economic life of goodwill will be made on a case by case basis and it will be amortised over a period not exceeding five years.

(xv) **Leases**

Northpower entities lease certain land and buildings. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the lease items, are included in the determination of the net surplus in equal instalments over the period of the lease.

(xvi) **Statement of Cash Flows**

*Cash* means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Northpower invests as part of its day-to-day cash management.

*Operating activities* include all activities other than investing and financing activities. The cash inflows include all receipts from the sale of goods and services and other sources of revenue that support Northpower's operating activities. Cash outflows include payments made to employees, suppliers and for taxes.

*Investing activities* are those activities relating to the acquisition and disposal of current and non-current securities and any other non-current assets.

*Financing activities* are those activities relating to changes in equity and debt capital structure of Northpower and those activities relating to the cost of servicing Northpower's equity capital.

**Changes in Accounting Policies:**

There have been no changes in accounting policies. The policies have been applied on a basis consistent with previous years.



NORTHPOWER LIMITED				
STATEMENT OF FINANCIAL PERFORMANCE - LINE BUSINESS				
For the Year Ended 31 March 2007				
	Notes	2007 \$000's	2006 \$000's	
Operating Revenue	1	\$39,974	\$35,761	
Operating Surplus Before Taxation	2	12,080	11,242	
Taxation Expense	4	(2,652)	(2,449)	
Net Surplus After Taxation		\$9,428	\$8,793	
STATEMENT OF MOVEMENTS IN EQUITY - LINE BUSINESS				
For the Year Ended 31 March 2007				
		2007 \$000's	2006 \$000's	
Opening Equity		161,796	155,253	
Net Surplus for Period		9,428	8,793	
Revaluation of Assets	7	51,057	1,905	
Dividends		(3,300)	(4,155)	
Closing Equity		\$218,981	\$161,796	
The accompanying Notes and Accounting Policies form part of these financial statements.				

## NORTHPOWER LIMITED

## STATEMENT OF FINANCIAL POSITION - LINE BUSINESS

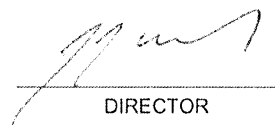
As At 31 March 2007

	Notes	2007 \$000's	2006 \$000's
<b>EQUITY:</b>			
Share Capital	6	27,739	27,739
Asset Revaluation Reserve	7	160,901	109,844
Retained Earnings	8	30,341	24,213
<b>TOTAL EQUITY</b>		<b>\$218,981</b>	<b>\$161,796</b>
<b>NON CURRENT LIABILITIES</b>			
Employee Entitlements		170	121
		<b>\$170</b>	<b>\$121</b>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft		-	-
Sundry Creditors		5,584	1,288
GST Payable		125	145
Provision for Dividend		3,300	4,155
Employee Entitlements		205	191
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$9,214</b>	<b>\$5,779</b>
		<b>\$228,365</b>	<b>\$167,696</b>
<b>NON CURRENT ASSETS</b>			
Fixed Assets		207,456	151,686
Asset under Construction		2,750	-
	5	<b>\$210,206</b>	<b>\$151,686</b>
<b>CURRENT ASSETS</b>			
Cash and Bank		16,211	12,345
Short Term Deposits		-	-
Accounts Receivable		1,686	3,072
Inventory		262	593
<b>TOTAL CURRENT ASSETS</b>		<b>\$18,159</b>	<b>\$16,010</b>
		<b>\$228,365</b>	<b>\$167,696</b>



DIRECTOR

Date:



DIRECTOR

Date:

The accompanying Notes and Accounting Policies form part of these financial statements.

NORTHPOWER LIMITED			
STATEMENT OF CASH FLOWS - LINE BUSINESS			
For the Year Ended 31 March 2007			
	Notes	2007 \$000's	2006 \$000's
<b>Cash Flows from Operating Activities -</b>			
Cash was provided from:			
Receipts from Customers		37,303	31,717
Interest Received		15	106
Cash was distributed to:			
Payments to Suppliers		(16,749)	(19,185)
Payments to Employees		(2,501)	(2,394)
Income Tax Paid		(2,652)	(2,082)
<b>Net Cash Inflow from Operating Activities</b>	9	<b>\$15,416</b>	<b>\$8,162</b>
<b>Cash Flows from Investing Activities -</b>			
Cash was provided from:			
Short Term Deposits Matured		-	100
Cash was applied to:			
Short Term Deposits			-
Purchase of Fixed Assets		(7,395)	(4,562)
<b>Net Cash Inflow from Investing Activities</b>		<b>(\$7,395)</b>	<b>(\$4,462)</b>
<b>Cash Flows from Financing Activities -</b>			
Cash was applied to:			
Dividends		(4,155)	(4,095)
<b>Net Cash Outflow from Financing Activities</b>		<b>(\$4,155)</b>	<b>(\$4,095)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>3,866</b>	<b>(395)</b>
<b>Add Opening Cash Brought Forward</b>		<b>12,345</b>	<b>12,740</b>
<b>Ending Cash Carried Forward</b>		<b>\$16,211</b>	<b>\$12,345</b>

The accompanying Notes and Accounting Policies form part of these financial statements.

<b>NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS</b>			
For the Year Ended 31 March 2007			
	Line Business		
	2007		2006
	\$000's		\$000's
<b>1. Operating Revenue</b>			
Line Charges	34,668		30,527
Loss Rental Rebate	1,104		1,255
Line Contributions	4,043		3,821
Interest Received	15		106
Sundry Income	144		52
	<b>\$39,974</b>		<b>\$35,761</b>
<b>2. Operating Surplus Before Tax After Charging:</b>			
Bad Debts Written Off	-		6
Depreciation - System Assets	3,672		3,566
- Centralised Load Equipment	98		96
- Computer Equipment	50		120
- Plant and Equipment	67		119
- Motor Vehicles	31		27
- Buildings	56		67
Directors' Fees	107		97
Interest	-		-
Rental and Operating Lease Costs	-		-
Research and Development	24		8
Donations	-		-
(Gain) Loss on Sale of Assets	-		(3)
<b>3. Auditors' Remuneration</b>			
Auditing Financial Statements	27		26
Auditing Disclosure Regulations	9		10
<b>4. Taxation</b>			
Operating Surplus Before Taxation	12,080		11,242
Prima Facie Taxation @ 33%	3,986		3,710
Plus Tax Effect of Permanent Differences:-			
Permanent Differences	(1,334)		(1,261)
Timing differences not recognised	-		-
Prior Period Adjustment	-		-
Deferred Tax Adjustment	-		-
Tax on Profits for Year	<b>\$2,652</b>		<b>\$2,449</b>
The Taxation Charge is Represented by:-			
Current Taxation	2,652		2,449
Deferred Taxation	-		-
	<b>\$2,652</b>		<b>\$2,449</b>
A deferred tax liability of \$15,615,000 (2006: \$15,760,000) has not been recognised			
Imputation Credit Account:			
Opening Balance	8,870		8,805
Imputation Credits Attached to Dividends Paid	(2,046)		(2,017)
Income Tax Payments During Year	2,652		2,082
	<b>\$9,476</b>		<b>\$8,870</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)			
		Line Business	
		2007	2006
		\$000's	\$000's
<b>5. Fixed Assets</b>			
System Assets - At Valuation		198,609	136,239
- At Cost		-	12,787
- Under Construction		2,750	437
Less Accumulated Depreciation		-	(6,976)
		<b>\$201,359</b>	<b>\$142,487</b>
Centralised Load Equipment - At Valuation		1,662	2,089
- At Cost		-	90
Less Accumulated Depreciation		-	(190)
		<b>\$1,662</b>	<b>\$1,989</b>
Computer Equipment - At Cost		1,197	1,197
Less Accumulated Depreciation		(1,142)	(1,092)
		<b>\$55</b>	<b>\$105</b>
Plant and Equipment - At Cost		1,973	1,973
Less Accumulated Depreciation		(1,337)	(1,294)
		<b>\$636</b>	<b>\$679</b>
Motor Vehicles - At Cost		192	128
Less Accumulated Depreciation		(85)	(54)
		<b>\$107</b>	<b>\$74</b>
Buildings - At Valuation		3,268	3,444
- At Cost		244	-
Less Accumulated Depreciation		(75)	(19)
		<b>\$3,437</b>	<b>\$3,425</b>
Land - At Valuation		2,927	2,927
- At Cost		23	-
		<b>\$2,950</b>	<b>\$2,927</b>
<b>Total Fixed Assets</b>		<b>\$210,206</b>	<b>\$151,686</b>
<b>6. Share Capital:</b>			
Authorised, issued and paid up capital		27,739	27,739
Total Issued and Paid Up Capital		<b>\$27,739</b>	<b>\$27,739</b>
<b>7. Asset Revaluation Reserve:</b>			
Distribution System - Opening Balance		102,793	102,793
- Revaluation		51,057	-
- Closing Balance		<b>\$153,850</b>	<b>\$102,793</b>
Buildings - Opening Balance		4,623	4,176
- Revaluation		-	447
- Closing Balance		<b>\$4,623</b>	<b>\$4,623</b>
Land - Opening Balance		2,428	970
- Revaluation		-	1,458
- Closing Balance		<b>\$2,428</b>	<b>\$2,428</b>
<b>8. Retained Earnings:</b>			
Opening Balance		24,213	19,575
Net Surplus After Taxation		9,428	8,793
Total Available for Appropriation		<b>33,641</b>	<b>28,368</b>
Dividends		(3,300)	(4,155)
Closing Balance		<b>\$30,341</b>	<b>\$24,213</b>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)		
	Line Business	
	2007	2006
	\$000's	\$000's
9. Reconciliation of Net Surplus After Taxation with Cash Inflow from Operating Activities:		
Net Surplus After Taxation	9,428	8,793
Add (less) Non Cash Items:		
Depreciation	3,974	3,995
Capital Contributions	(4,043)	(3,821)
Movements in Working Capital		
Increase (Decrease) in Creditors	4,339	(1,007)
(Increase) Decrease in Taxation Refund	-	367
(Increase) Decrease in Accounts Receivable	1,387	(117)
(Increase) Decrease in Inventory	331	(48)
Net Cash Flow from Operating Activities	<b>\$15,416</b>	<b>\$8,162</b>
10. Financial Instruments:		
Financial Instruments which potentially subject the company to credit risk principally consist of cash bank balances, short term deposit, and accounts receivable. Northpower does not generally require collateral from customers.		
Northpower places its cash and short term deposits with high credit quality financial institutions (A1 or better), and limits the amount of credit exposure to any one institution, in accordance with Company policy.		
The fair value of all financial instruments is approximated by the carrying value recorded in the Statement of Financial Position.		
11. Segment Information:		
Northpower Ltd operates predominantly in the electricity network industry within the Northland area. Therefore, there is no segmental information.		
12. Contingent Liabilities:		
There are no contingent liabilities (2006 \$Nil)		
13. Commitments:	2007	2006
Commitments relate to purchase of distribution equipment	2,406	286
14. Related Parties:		
Provision has been made in the accounts for payment of a final dividend to Northpower Electric Power Trust of \$3,300,000 (2006 \$4,154,900) and as at 31 March 2007 the amount owing to the Trust is \$3,300,000 (2006 \$4,145,900). The Northpower Electric Power Trust is the sole shareholder. All related party transactions with the Northpower Electric Power Trust have been conducted on a commercial and arms length basis.		
Northpower's Contracting Division provided the following services to the Network Division, for the full year, at cost, including overheads:-	2007	2006
	\$000'S	\$000'S
(i) Maintenance of Assets	6,346	5,545
(ii) Consumer disconnections/reconnections	0	11
(iii) Other Services	850	633
Construction of New Assets:-		
(a) Subtransmission Assets	450	325
(b) Zone Substations	2,103	1,021
(c) Distribution Lines and Cables	131	624
(d) Medium Voltage Switchgear	121	844
(e) Distribution Transformers	34	454
(f) Distribution Substations	-	-
(g) Low Voltage Reticulation	371	52
Network Maintenance and Capital Works are charged in accordance with a Fixed Term Contract.		
- No balance is outstanding at balance date.		
- No amounts have been written off or forgiven during the year.		
- No transactions have been made at nil or nominal value.		



DISCLOSURE OF FINANCIAL PERFORMANCE MEASURES AND EFFICIENCY PERFORMANCE MEASURES PURSUANT TO PART 3 OF THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004					
	2007	2006	2005	2004	2003
<b>1. Financial Performance Measures</b>					
(a) Return on Funds	8.1%	7.6%	7.5%	6.7%	7.3%
(b) Return on Equity	5.9%	5.7%	5.5%	4.8%	5.4%
(c) Return on Investment	7.6%	5.9%	5.7%	24.1%	5.5%
<b>2. Efficiency Performance Measures</b>					
(a) Direct line cost per kilometre	\$1,500	\$1,425	\$1,099	\$1,081	\$1,041
(b) Indirect line cost per electricity customer	\$61	\$46	\$57	\$46	\$38
DISCLOSURE OF RECONCILIATION OF ODV VALUATION PURSUANT TO PART 8 OF THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004					
	2007	2006	2005	2004	2003
	\$000's	\$000's	\$000's	\$000's	\$000's
ODV Valuation 1 April	141,682	136,693	135,098	111,626	111,840
Additions for Year	7,436	8,651	5,226	4,290	3,187
Disposals for Year	-	-	-	-	-
Annual Depreciation	(3,770)	(3,662)	(3,631)	(3,242)	(3,401)
Revaluations	-	-	-	22,424	-
ODV Valuation 31 March	145,348	141,682	136,693	135,098	111,626

DISCLOSURE OF ENERGY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS PURSUANT TO SCHEDULE 1, PART 4 OF THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004					
	2007	2006	2005	2004	2003
<b>1. Energy Delivery Efficiency</b>					
<b>Performance Measures</b>					
(a) Load Factor	76.67%	76.20%	76.37%	77.87%	77.38%
(b) Loss Ratio	2.91%	3.12%	3.22%	3.54%	3.13%
Loss Ratio Estimated	* 3.50%	* 3.60%	* 3.60%	* 3.70%	* 3.70%
(c) Capacity Utilisation	32.52%	33.19%	32.23%	31.82%	32.35%
* Estimated, based on distribution system configuration					
<b>2. Statistics</b>					
(a) System length, broken down by voltage:					
- 33 kV	231.0 km	231.0 km	235.0 km	235.0 km	230.4 km
- 11 kV	3,239.0 km	3,298.0 km	3,244.0 km	3,197.0 km	3,194.1 km
- 400V	2,176.0 km	2,057.0 km	1,940.0 km	1,873.0 km	2,006.0 km
- Total	5,646 km	5,586.0 km	5,419.0 km	5,305.0 km	5,430.5 km
(b) Circuit length of overhead lines, broken down by voltage:					
- 33 kV	215.0 km	215.0 km	219.0 km	219.0 km	213.0 km
- 11 kV	3,103.0 km	3,149.0 km	3,125.0 km	3,093.0 km	3,097.0 km
- 400V	1,577.0 km	1,582.0 km	1,562.0 km	1,557.0 km	1,733.0 km
- Total	4,895.0 km	4,946.0 km	4,906.0 km	4,869.0 km	5,043.0 km
(c) Circuit length of underground cables broken down by voltage:					
- 33 kV	16.0 km	16.0 km	16.0 km	16.0 km	17.4 km
- 11 kV	136.0 km	149.0 km	119.0 km	104.0 km	97.1 km
- 400V	599.0 km	475.0 km	378.0 km	316.0 km	273.0 km
- Total	751.0 km	640.0 km	513.0 km	436.0 km	387.5 km
(d) Transformer capacity	442,875 kVA	433,235 kVA	419,982 kVA	414,440 kVA	406,685 kVA
(e) Maximum demand	144,014 kW	143,800 kW	135,344 kW	131,880 kW	131,560 kW
(f) Total electricity entering the system - kWh	967,221,255	959,899,374	905,439,718	899,598,208	891,815,703
(g) Total electricity supplied from the system for other retailers					
- Meridian Energy	233,711,672	234,998,959	296,082,158	298,266,724	322,048,156
- Trust Power	120,853,458	125,036,672	111,027,589	118,620,725	136,055,824
- On Energy	0	0	0	0	2,359,302
- Genesis	122,880,795	117,444,845	108,385,534	94,838,915	262,402,357
- Mighty River	345,291,382	347,980,217	310,011,324	305,675,711	113,104,961
- Empower	0	0	0	942,581	1,538,915
- Contact Energy	116,310,202	104,474,859	50,803,828	49,375,781	26,420,176
(h) Total Customers	51,669	50,753	49,820	48,852	47,785

DISCLOSURE OF INFORMATION RELATING TO FINANCIAL STATEMENTS UNDER THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004, SCHEDULE 1 PART 2					
	2007	2006	2005	2004	2003
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>1. Current Assets</b>					
(a) Cash and Bank Balances	16,211	12,345	12,740	5,414	1
(b) Short Term Investments	-	-	100	4,109	5,266
(c) Inventories	262	593	545	509	483
(d) Accounts Receivable	1,686	3,072	2,955	3,108	3,299
(e) Other Current Assets Not Listed in (a) to (d)	-	-	367	47	245
(f) Total Current Assets	18,159	16,010	16,707	13,187	9,294
<b>2. Fixed Assets</b>					
(a) System Fixed Assets	200,271	144,039	139,923	138,328	111,667
(b) Customer Billing and Information System Assets	55	105	155	69	163
(c) Motor Vehicles	107	74	121	45	69
(d) Office Equipment	41	61	70	99	99
(e) Land and Buildings	6,387	6,352	4,321	4,962	4,910
(f) Capital Works Under Construction	2,750	437	61	1,054	1,074
(g) Other Fixed Assets Not Listed in (a) to (f)	595	618	742	652	735
(h) Total Fixed Assets	210,206	151,686	145,393	145,209	118,717
<b>3. Other Tangible Assets Not Listed Above</b>		-	-	-	114
<b>4. Total Tangible Assets</b>	<b>228,365</b>	<b>167,696</b>	<b>162,100</b>	<b>158,396</b>	<b>128,125</b>
<b>5. Intangible Assets</b>					
(a) Goodwill	-	-	-	-	-
(b) Other intangibles not listed in (a)	-	-	-	-	-
(c) Total Intangible Assets	-	-	-	-	-
<b>6. Total Assets</b>	<b>228,365</b>	<b>167,696</b>	<b>162,100</b>	<b>158,396</b>	<b>128,125</b>
<b>7. Current Liabilities</b>					
(a) Bank Overdraft	-	-	-	-	-
(b) Short Term Borrowings	-	-	-	-	-
(c) Payables and Accruals	5,584	1,288	2,458	3,455	2,246
(d) Provision for Dividend Payable	3,300	4,155	4,095	3,512	3,264
(e) Provision for Income Tax	-	-	-	-	-
(f) Other Current Liabilities Not Listed in (a) to (e)	330	336	187	183	-
(g) Total Current Liabilities	9,214	5,779	6,740	7,150	5,510
<b>8. Non-current Liabilities</b>					
(a) Payables and Accruals	170	121	107	174	174
(b) Borrowings	-	-	-	-	-
(c) Deferred Tax	-	-	-	-	-
(d) Other Non-current Liabilities Not Listed in (a) to (c)	-	-	-	-	-
(e) Total Non-current Liabilities (sum of (a) to (d))	170	121	107	174	174

DISCLOSURE OF INFORMATION RELATING TO FINANCIAL STATEMENTS UNDER THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004, SCHEDULE 1, PART 2					
Continued					
	2007	2006	2005	2004	2003
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>9. Equity</b>					
(a) Shareholders' Equity:-					
(i) Share capital	27,739	27,739	27,739	27,739	27,739
(ii) Retained earnings	30,341	24,213	19,575	15,394	12,512
(iii) Reserves	160,901	109,844	107,939	107,939	82,190
(iv) Total Shareholders' Equity (sum of (i) to (iii))	218,981	161,796	155,253	151,072	122,441
(b) Minority Interests in Subsidiaries	-	-	-	-	-
(c) Total Equity (sum of (a) and (b))	218,981	161,796	155,253	151,072	122,441
(d) Capital Notes	-	-	-	-	-
(e) Total Capital Funds (sum of (c) and (d))	218,981	161,796	155,253	151,072	122,441
<b>10. Total Equity and Liabilities (Total Assets)</b>	<b>228,365</b>	<b>167,696</b>	<b>162,100</b>	<b>158,396</b>	<b>128,125</b>
<b>11. Operating Revenue</b>					
(a) Revenue from line/access charges	34,668	31,782	30,335	28,128	27,524
(b) Revenue from "Other" business (transfer payment)	-	-	-	-	-
(c) Interest on Cash, Bank Balances and Short Term Investments	15	106	196	222	140
(d) AC Loss-Rental Rebates	1,104	1,255	622	1,097	857
(e) Other Operating Revenue Not Listed in (a) to (d)	4,187	3,876	3,017	1,880	1,810
(f) Total Operating Revenue	39,974	37,019	34,170	31,327	30,331
<b>12. Operating Expenditure</b>					
(a) Payment for Transmission Charges	11,171	10,251	10,067	9,659	9,376
(b) Transfer Payments to the "other" business for:-					
(i) Asset maintenance	6,346	5,545	3,234	2,934	3,366
(ii) Consumer disconnection/reconnection services	-	11	10	15	15
(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)	850	633	787	853	873
(viii) Total transfer payment to the 'Other' business (sum of (i) to (vii))	18,367	6,189	4,031	3,802	4,254
(c) Expense to Entities That Are Not Related Parties for:-					
(i) Asset maintenance	132	38	281	101	259
(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))	132	38	281	101	259
(d) Employee Salaries, Wages and Redundancies	2,564	2,469	2,656	2,408	1,879
(e) Consumer Billing and Information System Expense	192	125	127	111	113
(f) Depreciation On:-					
(i) System fixed assets	3,770	3,662	3,631	3,242	3,401
(ii) Other assets not listed in (i)	204	333	323	305	430
(iii) Total depreciation (sum of (i) and (ii))	3,974	3,995	3,954	3,547	3,831



DISCLOSURE OF INFORMATION RELATING TO FINANCIAL STATEMENTS UNDER THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004, SCHEDULE 1 PART 2					
Continued					
	2007	2006	2005	2004	2003
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>12. Operating Expenditure continued</b>					
(g) Amortisation of:-					
(i) Goodwill	-	-	-	-	-
(ii) Other intangibles	-	-	-	-	-
(iii) Total amortisation of intangibles (sum of (i) and (ii))	-	-	-	-	-
(h) Corporation and Administration	722	949	838	1,051	535
(i) Human Resources Expenses	39	26	24	28	-
(j) Marketing/Advertising	264	183	352	332	108
(k) Merger and Acquisition Expenses	-	-	-	-	-
(l) Takeover Defence Expenses	-	-	-	-	-
(m) Research and Development Expenses	24	8	1	5	24
(n) Consultancy and Legal Expenses	188	123	167	127	176
(o) Donations	-	-	-	-	-
(p) Directors' Fees	107	97	95	89	84
(q) Auditors' Fees					
(i) Audit fees paid to principal auditors	27	26	24	15	12
(ii) Audit fees paid to other auditors	-	-	-	-	-
(iii) Fees paid for other services provided by principal and other auditors	9	10	7	3	3
(iv) Total auditors' fees (sum of (i) to (iii))	36	36	31	18	15
(r) Cost of Offering Credit					
(i) Bad debts written off	-	6	14	-	-
(ii) Increase in estimated doubtful debts	-	-	-	-	-
(iii) Total cost of offering credit (sum of (i) to (ii))	-	6	14	-	-
(s) Local Authority Rates Expense	30	27	25	26	18
(t) AC Loss-Rental Rebates (Distribution to Retailers/Customers) expense	1,104	1,255	622	1,097	857
(u) Rebates to Consumers Due to Ownership Interest	-	-	-	-	-
(v) Subvention Payments	-	-	-	-	-
(w) Unusual Expenses	-	-	-	-	-
(x) Other Expenditure Not Listed in (a) to (w)	-	-	-	-	-
<b>13. Total Operating Expenditure (sum of 12 (a) to 12 (x))</b>	<b>27,894</b>	<b>25,777</b>	<b>23,285</b>	<b>22,401</b>	<b>21,529</b>
<b>14. Operating Surplus Before Interest and Income Tax</b>	<b>12,080</b>	<b>11,242</b>	<b>10,885</b>	<b>8,926</b>	<b>8,802</b>
<b>15. Interest Expense</b>					
(a) Interest expense on borrowings	-	-	-	-	3
(b) Financing charges related to finance leases	-	-	-	-	-
(c) Other interest expense	-	-	-	-	-
	-	-	-	-	3
<b>16. Operating Surplus Before Income Tax (14 - 15 (d))</b>	<b>12,080</b>	<b>11,242</b>	<b>10,885</b>	<b>8,926</b>	<b>8,799</b>
<b>17. Income Tax</b>	<b>(2,652)</b>	<b>(2,449)</b>	<b>(2,609)</b>	<b>(2,532)</b>	<b>(2,322)</b>
<b>18. Net Surplus After Tax (16 - 17)</b>	<b>9,428</b>	<b>8,793</b>	<b>8,276</b>	<b>6,394</b>	<b>6,477</b>

DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES UNDER THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004						
		2007	2006	2005	2004	2003
<b>1. Total Number of Interruptions</b>						
Class A - Planned - by Transpower		0	0	1	1	0
Class B - Planned - by Northpower		208	211	251	149	160
Class C - Unplanned - by Northpower		310	290	225	256	361
Class D - Unplanned - by Transpower		1	1	1	0	2
<b>Total</b>		<b>519</b>	<b>502</b>	<b>478</b>	<b>406</b>	<b>523</b>
<b>2. Interruption Targets for 2007/2008</b>						
Class B - Planned - by Northpower		180				
Class C - Unplanned - by Northpower		220				
<b>3. Average Interruption Targets for Next 5 Yrs</b>						
Class B - Planned - by Northpower		160				
Class C - Unplanned - by Northpower		170				
<b>4. Proportion of Class C Interruptions not restored within</b>						
3 Hrs		17.7%	16.8%	16.4%	15.5%	15.7%
24 Hrs		0%	0%	0%	0%	0%
<b>5. (a) Total No. of Faults per 100 circuit kilometres of prescribed voltage electric line</b>						
11 kV		9.19	8.52	6.72	7.79	10.74
33 kV		4.33	5.63	5.11	7.76	9.57
All		8.87	8.33	6.61	7.79	10.66
<b>(b) Target for 2007/2008 Year</b>						
11 kV		7.30				
33 kV		2.00				
All		7.00				
<b>(c) Average Target for next five years</b>						
11 kV		5				
33 kV		2				
All		5				
<b>6. Total No. of Faults per 100 circuit kilometres of underground prescribed voltage electric line</b>						
11 kV		2.01	2.01	1.68	1.92	1.03
33 kV		0.00	0.00	0.00	0.00	0.00
All		1.82	1.82	1.48	1.67	0.88
<b>7. Total No. of Faults per 100 circuit kilometres of overhead prescribed voltage electric line</b>						
11 kV		9.53	8.83	6.91	7.76	11.04
33 kV		4.65	6.05	5.48	7.79	10.33
All		9.22	8.65	6.82	7.79	11.00
<b>8. The SAIDI for the total No. of Interruptions</b>		<b>151.33</b>	<b>119.23</b>	<b>113.24</b>	<b>145.32</b>	<b>181.83</b>
<b>9. SAIDI Targets for 2007/08</b>						
Class B - Planned - by Line Owners		30				
Class C - Unplanned - by Line Owners		87				
<b>10. Average SAIDI Target for next five years</b>						
Class B - Planned - by Line Owners		30				
Class C - Unplanned - by Line Owners		85				



DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES UNDER THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004					
Continued					
	2007	2006	2005	2004	2003
<b>11. SAIDI For Total No. of Interruptions</b>					
<b>within each Interruption Class</b>	<b>0</b>				
Class A - Planned - by Transpower	29.73	0	15.49	25.79	0
Class B - Planned - by Northpower	110.18	27.57	28.95	36.96	31.96
Class C - Unplanned - by Northpower	11.42	89.46	67.66	82.57	140.53
Class D - Unplanned - by Transpower		2.2	1.14	0	9.73
<b>12. SAIFI for the Total No. of Interruptions</b>	<b>2.73</b>	<b>2.47</b>	<b>2.6</b>	<b>2.71</b>	<b>4.07</b>
<b>13. SAIFI Targets for 2007/08</b>					
Class B - Planned - by Northpower	0.27				
Class C - Unplanned - by Northpower	2.5				
<b>14. Av. SAIFI target for next five years</b>					
Class B - Planned - by Northpower	0.27				
Class C - Unplanned - by Northpower	2.5				
<b>15. SAIFI for the Total No. of Interruptions</b>					
<b>within Each Interruption Class</b>					
Class A - Planned - by Transpower	0	0.00	0.06	0.08	0.00
Class B - Planned - by Northpower	0.16	0.17	0.21	0.21	0.21
Class C - Unplanned - by Northpower	2.42	2.19	1.90	2.42	3.57
Class D - Unplanned - by Transpower	0.15	0.11	0.42	0	0.29
<b>16. CAIDI for the Total No. of Interruptions</b>	<b>55.4</b>	<b>48.3</b>	<b>43.6</b>	<b>53.7</b>	<b>44.7</b>
<b>17. CAIDI Targets for 2007/08</b>					
Class B - Planned - by Northpower	110				
Class C - Unplanned - by Northpower	35				
<b>18. Av. CAIDI Target for next five years</b>					
Class B - Planned - by Northpower	110				
Class C - Unplanned - by Northpower	34				
<b>19. CAIDI for the Total No. of Interruptions</b>					
<b>within each Interruption Class</b>					
Class A - Planned - by Transpower	0	0.0	250.0	315.0	0.0
Class B - Planned - by Northpower	183.4	161.6	136.9	179.0	150.0
Class C - Unplanned - by Northpower	45.5	40.9	35.6	34.1	39.4
Class D - Unplanned - by Transpower	78.1	19.7	2.7	0	32.1

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	12,080				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	12,080				
Interest on cash, bank balances, and short-term investments (ISTI)	15				
OSBIT minus ISTI	12,065	a	12,065		12,065
Net surplus after tax from financial statements	9,428			9,428	
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	9,428	n			
Amortisation of goodwill and amortisation of other intangibles	0	g	add	add	add
Subvention payment	0	s	add	add	add
Depreciation of SFA at BV (x)	3,770				
Depreciation of SFA at ODV (y)	3,770				
ODV depreciation adjustment	0	d	add	add	add
Subvention payment tax adjustment	0	st	deduct	deduct	deduct
Interest tax shield	5	q			
Revaluations	0	r			
Income tax	2,652	p			
Numerator			OSBIT <sup>ADJ</sup> = a + g + s + d	NSAT <sup>ADJ</sup> = n + g + s - st + d	OSBIT <sup>ADJ</sup> = a + g - q + r + s + d - p - st
Fixed assets at end of previous financial year (FA <sub>t-1</sub> )	151,686				
Fixed assets at end of current financial year (FA <sub>t</sub> )	210,206				
Adjusted net working capital at end of previous financial year (ANWC <sub>t-1</sub> )	2,041				
Adjusted net working capital at end of current financial year (ANWC <sub>t</sub> )	-3,966				
Average total funds employed (ATFE)	179,984 (or regulation 32 time-weighted average)	c	179,984		179,984
Total equity at end of previous financial year (TE <sub>t-1</sub> )	161,796				
Total equity at end of current financial year (TE <sub>t</sub> )	218,961				
Average total equity	190,389 (or regulation 32 time-weighted average)	k		190,389	
WUC at end of previous financial year (WUC <sub>t-1</sub> )	437				
WUC at end of current financial year (WUC <sub>t</sub> )	2,750				
Average total works under construction	1,594 (or regulation 32 time-weighted average)	e	deduct 1,594	deduct 1,594	deduct 1,594

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

Derivation Table	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Revaluations Half of revaluations	51,057 25,529	r r/2			deduct 25,529
Intangible assets at end of previous financial year (IA <sub>0</sub> ) Intangible assets at end of current financial year (IA <sub>1</sub> ) Average total intangible asset (or regulation 32 time-weighted average)	0 0 0	m		add 0	
Subvention payment at end of previous financial year (S <sub>0</sub> ) Subvention payment at end of current financial year (S <sub>1</sub> ) Subvention payment tax adjustment at end of previous financial year Subvention payment tax adjustment at end of current financial year Average subvention payment & related tax adjustment	0 0 0 0 0	v		add 0	
System fixed assets at end of previous financial year at book value (SFA <sub>book</sub> ) System fixed assets at end of current financial year at book value (SFA <sub>book,t</sub> ) Average value of system fixed assets at book value (or regulation 32 time-weighted average)	144,039 200,271 172,155	f	deduct 172,155	deduct 172,155	deduct 172,155
System Fixed assets at year beginning at ODV value (SFA <sub>odv</sub> ) System Fixed assets at end of current financial year at ODV value (SFA <sub>odv,t</sub> ) Average value of system fixed assets at ODV value (or regulation 32 time-weighted average)	141,682 145,348 143,515	h	add 143,515	add 143,515	add 143,515
Denominator	149,750		ATFE <sup>odv</sup> = c - e - f + h 149,750	Ave TE <sup>odv</sup> = k - e - m + v - f + h 160,155	ATFE <sup>odv</sup> = c - e - f + h 124,222
Financial Performance Measure:			ROF = OSBIT <sup>odv</sup> /ATFE <sup>odv</sup> x 100 8.1	ROE = NSAIT <sup>odv</sup> /ATE <sup>odv</sup> x 100 5.9	ROI = OSBIT <sup>odv</sup> /ATFE <sup>odv</sup> x 100 7.6

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

# Northpower



## Certification of Valuation Report of Disclosing Entities

We, Warren William Moyes and John Joseph Ward, Directors of Northpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:-

- (a) The attached Valuation Report of Northpower Limited, prepared for the purposes of requirement 19 of the Commerce Commission’s Electricity Information Disclosure Regulations 2004, complies with those Requirements; and
- (b) The Replacement Cost of the line business system fixed assets of Northpower Limited is \$283,377,000; and
- (c) The Depreciated Replacement cost of the line business system fixed assets of Northpower Limited is \$140,922,000; and
- (d) The Optimised Depreciated Replacement Cost of the line business fixed assets of Northpower Limited is \$135,098,000; and
- (e) The Optimised Deprival Valuation of the line business system fixed assets of Northpower Limited is \$135,098,000; and
- (f) The values in (b) through to (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information Disclosures Requirements 2004).

These valuations are as at 31 March 2004.

Dated this 20<sup>th</sup> day of December 2007.

  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director