



New Zealand Gazette

OF THURSDAY, 23 NOVEMBER 2006

WELLINGTON: FRIDAY, 24 NOVEMBER 2006 — ISSUE NO. 148

ELECTRICITY INVERCARGILL LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

**ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

Prepared for the Purposes of the Electricity Information Disclosure Requirements 2004.

INFORMATION DISCLOSURE DISCLAIMER

The information disclosed in this 2006 Information Disclosure package issued by Electricity Invercargill Limited has been prepared solely for the purposes of the Electricity Information Disclosure Requirements 2004.

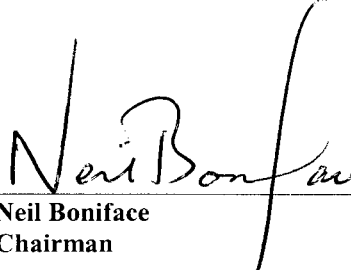
The Requirements require the information to be disclosed in the manner it is presented.

The information should not be used for any other purposes than that intended under the Requirements.


The financial information presented is for the line business as described within the Electricity Information Disclosure Requirements 2004. There are also additional activities of the Company that are not required to be reported under the Requirements.

APPROVAL BY DIRECTORS

The Directors have approved for issue the Financial Statements of Electricity Invercargill Limited Line Business for the period ended 31 March 2006 on pages 2 to 21.



Neil Boniface
Chairman



Philip Mulvey
Director

For and on behalf of the
Board of Directors

20 November 2006

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2006

| | | Group | | Parent | |
|------------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Note | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Operating Revenue | (2) | 13,857 | 13,298 | 7,997 | 8,000 |
| Operating Expenses | (3) | (8,076) | (7,374) | (2,411) | (2,176) |
| Net Surplus Before Taxation | | 5,781 | 5,924 | 5,586 | 5,824 |
| Taxation Expense | | (1,940) | (1,874) | (1,889) | (1,855) |
| Net Surplus After Taxation | | 3,841 | 4,050 | 3,697 | 3,969 |

The accompanying notes on pages 6 to 13 form part of and should be read in conjunction with these financial statements.

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2006

| Note | Group | | Parent | |
|---|----------------|----------------|----------------|----------------|
| | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Total Recognised Revenues and Expenses | | | | |
| Net Surplus for the Year | 3,841 | 4,050 | 3,697 | 3,969 |
| Revaluation of Assets | - | 111 | - | 111 |
| | 3,841 | 4,161 | 3,697 | 4,080 |
| Contributions from Shareholders | | | | |
| - Capital Introduced | - | - | - | - |
| | - | - | - | - |
| Distributions to Shareholders | | | | |
| - Dividend Declared and Paid | (3,300) | (3,100) | (3,300) | (3,100) |
| | (3,300) | (3,100) | (3,300) | (3,100) |
| Movements in Equity for the Year | 541 | 1,061 | 397 | 980 |
| Equity at Beginning of Year | 46,313 | 45,252 | 45,666 | 44,686 |
| Equity at End of Year (4) | 46,854 | 46,313 | 46,063 | 45,666 |

The accompanying notes on pages 6 to 13 form part of and should be read in conjunction with these financial statements.

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2006

| | | Group | | Parent | |
|----------------------------------|------|---------------|---------------|---------------|---------------|
| | Note | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Equity | (4) | 46,854 | 46,313 | 46,063 | 45,666 |
| Represented By: | | | | | |
| Current Assets | | | | | |
| Cash and Short Term Deposits | (5) | 2,378 | 3,235 | 410 | 998 |
| Receivables and Prepayments | (6) | 1,321 | 1,129 | 774 | 1,169 |
| Inventories | | 25 | 24 | - | - |
| Total Current Assets | | 3,724 | 4,388 | 1,184 | 2,167 |
| Non-Current Assets | | | | | |
| Intercompany Advance | | - | - | 1,162 | 946 |
| Property, Plant and Equipment | (7) | 46,134 | 45,793 | 45,632 | 45,274 |
| Capital Work in Progress | | 892 | 727 | 878 | 721 |
| Total Non-Current Assets | | 47,026 | 46,520 | 47,672 | 46,941 |
| Total Assets | | 50,750 | 50,908 | 48,856 | 49,108 |
| Current Liabilities | | | | | |
| Bank Overdraft | | - | - | 104 | - |
| Accounts Payable and Provisions | (8) | 1,596 | 1,495 | 389 | 342 |
| Provision for Dividend | | 2,300 | 3,100 | 2,300 | 3,100 |
| Total Current Liabilities | | 3,896 | 4,595 | 2,793 | 3,442 |
| Total Liabilities | | 3,896 | 4,595 | 2,793 | 3,442 |
| Net Assets | | 46,854 | 46,313 | 46,063 | 45,666 |

The accompanying notes on pages 6 to 13 form part of and should be read in conjunction with these financial statements.

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2006

| | | Group | | Parent | |
|--|------|----------------|----------------|----------------|----------------|
| | Note | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash Was Provided From: | | | | | |
| Receipts from Customers | | 13,356 | 13,038 | 8,091 | 7,136 |
| Interest Received | | 262 | 140 | 227 | 146 |
| Sundry Income | | 59 | 120 | 30 | 79 |
| | | 13,677 | 13,298 | 8,348 | 7,361 |
| Cash Was Applied To: | | | | | |
| Payments to Suppliers | | 5,860 | 5,076 | 591 | 650 |
| Payments to Employees | | 407 | 420 | - | - |
| Income Tax Paid | | 1,861 | 1,887 | 1,888 | 1,854 |
| | | 8,128 | 7,383 | 2,479 | 2,504 |
| Net Cash Flows From Operating Activities | (10) | 5,549 | 5,915 | 5,869 | 4,857 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Cash Was Provided From: | | | | | |
| Sale of Property, Plant and Equipment | | 17 | 18 | 16 | 17 |
| | | 17 | 18 | 16 | 17 |
| Cash Was Applied To: | | | | | |
| Purchase of Property, Plant and Equipment | | 2,323 | 1,914 | 2,260 | 1,830 |
| Intercompany Advance | | - | - | 217 | 7 |
| | | 2,323 | 1,914 | 2,477 | 1,837 |
| Net Cash Flows Used in Investing Activities | | (2,306) | (1,896) | (2,461) | (1,820) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Cash Was Applied To: | | | | | |
| Dividend | | 4,100 | 2,600 | 4,100 | 2,600 |
| | | 4,100 | 2,600 | 4,100 | 2,600 |
| Net Cash Flows Used in Financing Activities | | (4,100) | (2,600) | (4,100) | (2,600) |
| Net Increase/(Decrease) in Cash Held | | (857) | 1,419 | (692) | 437 |
| Add Opening Cash Brought Forward | | 3,235 | 1,816 | 998 | 561 |
| Closing Cash Carried Forward | | 2,378 | 3,235 | 306 | 998 |

The accompanying notes on pages 6 to 13 form part of and should be read in conjunction with these financial statements.

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| <p style="text-align: center;">ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006</p> |
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1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Electricity Invercargill Limited is a company registered under the Companies Act 1993. The Company is a wholly-owned subsidiary of Invercargill City Holdings Limited.

The Parent Entity consists of the network assets of Electricity Invercargill Limited.

The Group consists of the Lines Business network assets of Electricity Invercargill Limited, along with the joint venture interests in PowerNet Limited, held by Electricity Invercargill Limited's wholly owned subsidiary Pylon Limited.

Purpose of the Financial Statements

These financial statements have been prepared for the purpose of complying with the Electricity Information Disclosure Requirements 2004 and relate to the Group's Line Business incorporating the conveyance of electricity, ownership of works for conveyance of electricity and provision of line function services in accordance with Requirement 6 of the Requirements.

The activities of the Parent have been separately disclosed in these Financial Statements as that is a requirement of generally accepted accounting practice. The Parent activities are not required under the Electricity Information Disclosure Requirements 2004.

Measurement Base

The measurement base adopted is that of historical cost except for the revaluation of certain items of property, plant and equipment as stated. Reliance is placed on the fact that Electricity Invercargill Limited is a going concern.

Specific Accounting Policies

a) Principles of Consolidation

The Group interest in PowerNet Limited has been accounted for on a line by line consolidation of revenue and expenses after the elimination of all significant inter-company transactions.

b) Revenue

Network Charges

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Investment Income

Interest and dividend income are accounted for as earned.

Customer Contributions

Contributions from customers in relation to the construction of new lines for the network are accounted for as income in the year in which they are received.

c) Avoidable Cost Allocation Methodology

The Avoidable Cost Allocation Methodology as described in the Electricity Information Disclosure Handbook has been used to separate "Other" activities from Electricity Invercargill Limited and PowerNet Limited. Other activities or non Line Business activity has been excluded from these accounts.

*(Notes to the Consolidated Financial Statements Continued)***d) Receivables**

Receivables are stated at their estimated realisable value. All known losses are written off in the period in which it becomes apparent the debts are not collectable.

e) Inventories

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

f) Property, Plant and Equipment

All property, plant and equipment is initially recorded at cost less accumulated depreciation. The cost of purchased property, plant and equipment is the fair 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.

Revaluation

The Electricity Invercargill Limited network assets were revalued as at 31 March 2004 to Depreciated Replacement Cost (DRC) as assessed by independent valuers PricewaterhouseCoopers. Previously these assets were recorded at cost less accumulated depreciation

Network assets are revalued on a cyclical basis with no asset being recognised at a valuation undertaken more than five years previously.

Revaluation increments are transferred to the Asset Revaluation Reserve.

g) Depreciation

Property, plant and equipment is depreciated on the basis of valuation cost price less estimated residual value over the period of their estimated useful life.

The depreciation rates that reflect the economic life of the various classes of assets are:

| | | |
|------------------------------------|-------------|---------------------------------|
| Buildings | 1.0%-10.0% | Straight line/diminishing value |
| Plant and Equipment | 5.0%-48% | Straight line/diminishing value |
| Motor Vehicles | 18.0%-31.2% | Diminishing value |
| Office Furniture and EDP Equipment | 5.0%-60.0% | Straight line/diminishing value |
| Network Assets | 1.4%-15.0% | Straight line |

h) Impairment

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Financial Performance.

i) Income Tax

The income tax expense charged against the profit for the year is the estimated liability calculated at 33 cents in the dollar in respect of that profit.

j) Goods and Services Tax

All amounts in the financial statements have been shown exclusive of goods and services tax, with the exception of accounts receivable and accounts payable, which are shown inclusive of goods and services tax.

(Notes to the Consolidated Financial Statements Continued)

k) Work in Progress

The cost of work in progress includes the cost of direct material and direct labour used in putting replacement and new systems in their present location and condition.

l) Financial Instruments

The Line Business is party to financial instrument arrangements as part of its everyday operations. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance on an accrual basis.

The Line Business has no off-balance sheet exposures. The Line Business values all financial instruments at fair value in the Statement of Financial Position.

m) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses in the periods in which they are incurred.

n) Employee Entitlements

Provision is made in respect of the Company's liability for annual and long service leave. Leave has been calculated on an actual entitlement basis at current rates of pay.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year ended 31 March 2006.

(Notes to the Consolidated Financial Statements Continued)

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| ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006 |
|--|

| | Group | | Parent | |
|---|---------------|---------------|---------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 |
| 2. Operating Revenue | | | | |
| <i>Operating Revenue Comprises:</i> | | | | |
| Network Charges | 12,980 | 12,779 | 7,740 | 7,775 |
| AC Loss-Rental Rebates | 556 | 258 | - | - |
| Interest on Investments | 262 | 140 | 227 | 145 |
| Other Revenue | 59 | 121 | 30 | 80 |
| Total Operating Revenue | 13,857 | 13,298 | 7,997 | 8,000 |
| 3. Operating Expenses | | | | |
| <i>Operating Expenses Include:</i> | | | | |
| Auditors Remuneration: | | | | |
| - Statutory Audit | 41 | 38 | 27 | 30 |
| - Other | 24 | 27 | 25 | 27 |
| Bad Debts Written Off | 3 | 1 | - | - |
| Depreciation: | | | | |
| - Buildings | 3 | 6 | - | - |
| - Office Equipment & EDP Equipment | 49 | 55 | - | - |
| - Plant and Equipment | 20 | 26 | - | - |
| - Network Assets | 1,707 | 1,676 | 1,707 | 1,676 |
| Directors' Fees | 118 | 102 | 68 | 60 |
| Lease Costs | 30 | 33 | - | - |
| Loss on Disposal of Fixed Assets | 22 | 21 | 21 | 20 |
| 4. Equity | | | | |
| Paid in Capital | 13,007 | 13,007 | 13,000 | 13,000 |
| General Reserve | 547 | 547 | 547 | 547 |
| Revaluation Reserve | 20,529 | 20,529 | 20,529 | 20,529 |
| Retained Earnings | 12,771 | 12,230 | 11,987 | 11,590 |
| Total Equity | 46,854 | 46,313 | 46,063 | 45,666 |
| 5. Cash and Short Term Deposits | | | | |
| Current Account | 1,968 | 2,295 | - | 58 |
| Short Term Deposits | 410 | 940 | 410 | 940 |
| Total Cash and Short Term Deposits | 2,378 | 3,235 | 410 | 998 |
| 6. Receivables and Prepayments | | | | |
| Trade Debtors | 1,260 | 1,079 | 758 | 1,168 |
| Prepayments | 61 | 50 | 16 | 1 |
| Total Receivables and Prepayments | 1,321 | 1,129 | 774 | 1,169 |

| | Group | | Parent | |
|--|---------------|---------------|---------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 |
| 7. Property, Plant and Equipment | | | | |
| Land (At Cost) | 23 | 24 | - | - |
| Buildings (At Cost) | 155 | 166 | - | - |
| Accumulated Depreciation | (84) | (86) | - | - |
| | 71 | 80 | - | - |
| Customer Billing & Information System Assets (At Cost) | 766 | 745 | - | - |
| Accumulated Depreciation | (519) | (507) | - | - |
| | 247 | 238 | - | - |
| Plant and Equipment (At Cost) | 530 | 515 | - | - |
| Accumulated Depreciation | (415) | (381) | - | - |
| | 115 | 134 | - | - |
| Office Equipment (At Cost) | 204 | 185 | - | - |
| Accumulated Depreciation | (158) | (142) | - | - |
| | 46 | 43 | - | - |
| Network Assets (At Cost and Valuation) | 49,021 | 46,949 | 49,021 | 46,949 |
| Accumulated Depreciation | (3,389) | (1,675) | (3,389) | (1,675) |
| | 45,632 | 45,274 | 45,632 | 45,274 |
| Total Property, Plant and Equipment | 46,134 | 45,793 | 45,632 | 45,274 |
| 8. Accounts Payable and Provisions | | | | |
| Trade Creditors and Accruals | 1,401 | 1,338 | 377 | 268 |
| GST Payable | 59 | 93 | 12 | 74 |
| Provision for Employee Entitlements | 86 | 93 | - | - |
| Provision for Taxation | 50 | (29) | - | - |
| Total Accounts Payable and Provisions | 1,596 | 1,495 | 389 | 342 |
| 9. Commitments | | | | |
| Operating Lease Commitments | | | | |
| Operating Lease Commitments are payable as follows: | | | | |
| - No later than one year | 20 | 15 | - | - |
| - Later than one year and not later than two years | 10 | 8 | - | - |
| - Later than two years and not later than five years | 8 | 8 | - | - |
| - Later than five years | - | - | - | - |
| Total Operating Lease Commitments | 38 | 31 | - | - |

(Notes to the Consolidated Financial Statements Continued)

| | Group | | Parent | |
|---|--------------|--------------|---------------|--------------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 |
| 10. Reconciliation of Net Surplus After Taxation with Net Operating Cash Flows | | | | |
| Net Surplus After Taxation | 3,841 | 4,050 | 3,697 | 3,969 |
| Plus/(Less) Non Cash Items: | | | | |
| Depreciation | 1,779 | 1,762 | 1,707 | 1,676 |
| | 1,779 | 1,762 | 1,707 | 1,676 |
| Plus/(Less) Items Classified as Investing Activities | | | | |
| Loss on Sale of Property, Plant and Equipment | 22 | 21 | 21 | 20 |
| Gain on Sale of Property, Plant and Equipment | - | - | - | - |
| | 22 | 21 | 21 | 20 |
| Plus/(Less) Movements in Working Capital Items: | | | | |
| (Increase)/Decrease in Receivables | (192) | (25) | 395 | (637) |
| (Increase)/Decrease in Inventories | (2) | 2 | - | - |
| (Decrease)/Increase in Accounts Payable | 101 | 105 | 49 | (171) |
| | (93) | 82 | 444 | (808) |
| Net Cash Flows from Operating Activities | 5,549 | 5,915 | 5,869 | 4,857 |

11. Contingent Liabilities

There are no contingent liabilities as at 31 March 2006 (2005: Nil).

12. Financial Instruments**Off Balance Sheet Financial Instruments -**

The Line Business does not have any off balance sheet financial instruments.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Line Business, causing the Line Business to incur a loss.

Financial instruments which potentially subject the Line Business to credit risk principally consist of cash, short-term deposits and accounts receivable. Bank deposits are placed with high credit quality financial institutions. The Line Business performs credit evaluations on all customers requiring credit and generally does not require collateral.

Maximum exposures to credit risk at balance date are:

| | | | | |
|---------------------|--------------|--------------|--------------|--------------|
| Current Account | 1,968 | 2,295 | - | 58 |
| Short Term Deposits | 410 | 940 | 410 | 940 |
| Receivables | 1,321 | 1,129 | 774 | 1,169 |
| | 3,699 | 4,364 | 1,184 | 2,167 |

The above exposures are net of any recognised provision for losses on these financial instruments.

*(Notes to the Consolidated Financial Statements Continued)***Concentrations of Credit Risk**

The Line Business is exposed to a Concentration of Credit Risk by one significant energy retailer. This entity is considered to be a high quality entity.

Foreign Exchange Risk

The Line Business is not exposed to any foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Line Business is exposed to normal fluctuations in market interest rates.

Fair Values

The estimated fair value of the Line Business' financial instruments are represented by the carrying values.

13. Related Parties

Electricity Invercargill Limited "Line Business" consists of line activities conducted in Electricity Invercargill Limited and its joint venture company PowerNet Limited. Electricity Invercargill Limited "Other Business" consists of other or non-line activities conducted in Electricity Invercargill Limited and its joint venture company PowerNet Limited.

All related party transactions between Electricity Invercargill Limited Line Business and PowerNet Limited Line Business have been eliminated in the preparation of the financial statements.

During the year related party transactions took place between Electricity Invercargill Limited Line Business and Electricity Invercargill Limited Other Business. All related party transactions have been conducted on a commercial and arms length basis.

The Line Business purchased goods and services at cost, including overheads where applicable, from the Other Business. The value of the transactions, parties involved, and description of goods or services purchased were as follows:

Electricity Invercargill Limited Line Business purchased from PowerNet Limited Other Business:

| | 31 March 2006 | 31 March 2005 |
|---------------------------------|---------------|---------------|
| | \$000 | \$000 |
| Construction of: | | |
| ➤ Subtransmission assets | - | - |
| ➤ Zone substations | 133 | 213 |
| ➤ Distribution lines and cables | 954 | 297 |
| ➤ Medium Voltage switchgear | 239 | 143 |
| ➤ Distribution transformers | 322 | 349 |
| ➤ Distribution substations | 33 | 66 |
| ➤ Low voltage reticulation | 551 | 649 |
| ➤ Other system fixed assets | - | - |

These amounts represent the capital works programme undertaken by PowerNet Limited on behalf of Electricity Invercargill Limited.

| | | |
|---|---|---|
| Maintenance of assets | - | - |
| Customer connections and disconnections | - | - |

The value of transactions owing at balance date were as follows:

- ❑ Electricity Invercargill Limited Line Business owes PowerNet Limited Other Business \$594,000 (2005: \$492,000).

No related party debts have been written off or forgiven during 2006 or 2005.

(Notes to the Consolidated Financial Statements Continued)

| 14. Annual Valuation Reconciliation Report | 31 March 2006 \$000 | 31 March 2005 \$000 |
|--|--------------------------------|--------------------------------|
| System fixed assets at ODV – end of previous financial year | 45,316 | 45,708 |
| <i>Add</i> system fixed assets acquired during year at ODV | 967 | 1,323 |
| <i>Less</i> system fixed assets disposed of during year at ODV | (80) | (37) |
| <i>Less</i> depreciation on system fixed assets at ODV | (1,709) | (1,678) |
| <i>Add</i> revaluations of system fixed assets | - | - |
| System fixed assets at ODV – end of the financial year | 44,494 | 45,316 |

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS

DISCLOSURE OF INFORMATION

Pursuant to Requirement 6(2) of the Electricity Information Disclosure Requirements 2004, Schedule 1 Part 2.

| | 31 March 2006 \$000 | 31 March 2005 \$000 |
|---|------------------------|------------------------|
| Current Assets | | |
| (a) Cash and bank balances | 1,968 | 2,295 |
| (b) Short-term investments | 410 | 940 |
| (c) Inventories | 25 | 24 |
| (d) Accounts receivable | 1,321 | 1,129 |
| (e) Other current assets not listed in (a) to (d) | - | - |
| Total Current Assets | 3,724 | 4,388 |
| Fixed Assets | | |
| (a) System fixed assets | 45,632 | 45,274 |
| (b) Consumer billing and information system assets | 247 | 238 |
| (c) Motor vehicles | - | - |
| (d) Office equipment | 46 | 43 |
| (e) Land and buildings | 93 | 194 |
| (f) Capital works under construction | 892 | 727 |
| (g) Other fixed assets not listed in (a) to (f) | 116 | 134 |
| Total Fixed Assets | 47,026 | 46,520 |
| Other tangible assets not listed above | - | - |
| Total Tangible Assets | 50,750 | 50,908 |
| Intangible Assets | | |
| (a) Goodwill | - | - |
| (b) Other intangibles not listed in (a) above | - | - |
| Total Intangible Assets | - | - |
| TOTAL ASSETS | 50,750 | 50,908 |
| Current Liabilities | | |
| (a) Bank overdraft | - | - |
| (b) Short-term borrowings | - | - |
| (c) Payables and accruals | 1,546 | 1,524 |
| (d) Provision for dividends payable | 2,300 | 3,100 |
| (e) Provision for income tax | 50 | (29) |
| (f) Other current liabilities not listed in (a) to (e) above | - | - |
| Total Current Liabilities | 3,896 | 4,595 |
| Non-Current Liabilities | | |
| (a) Payables and accruals | - | - |
| (b) Borrowings | - | - |
| (c) Deferred tax | - | - |
| (d) Other non-current liabilities not listed in (a)-(c) above | - | - |
| Total Non-Current Liabilities | - | - |
| Equity | | |
| (a) Shareholders' equity: | | |
| (i) Share capital | 13,007 | 13,007 |
| (ii) Retained earnings | 12,771 | 12,230 |
| (iii) Reserves | 21,076 | 21,076 |
| Total Shareholders' equity | 46,854 | 46,313 |
| (b) Minority interests in subsidiaries | - | - |
| Total Equity | 46,854 | 46,313 |
| (c) Capital notes | - | - |
| Total Capital Funds | 46,854 | 46,313 |
| TOTAL EQUITY AND LIABILITIES | 50,750 | 50,908 |

| | 31 March 2006 \$000 | 31 March 2005 \$000 |
|--|------------------------|------------------------|
| Operating Revenue | | |
| (a) Revenue from line/access charges. | 12,980 | 12,779 |
| (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 | 262 | 140 |
| (d) AC loss-rental rebates | 556 | 258 |
| (e) Other revenue not listed in (a) to (d) | 59 | 121 |
| Total Operating Revenue | 13,857 | 13,298 |
| Operating Expenditure | | |
| (a) Payment for transmission charges | 3,258 | 3,182 |
| (b) Transfer payments to the "Other" business for: | | |
| (i) Asset maintenance | - | - |
| (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 | - | - |
| Total transfer payment to the "Other" business | - | - |
| (c) Expense to entities that are not related parties for: | | |
| (i) Asset maintenance | 791 | 785 |
| (ii) Consumer disconnection/reconnection services | - | - |
| (iii) Meter data | - | - |
| (iv) Consumer-based load control services | - | - |
| (v) Royalty and patent expenses | - | - |
| Total of specified expenses to non-related parties | 791 | 785 |
| (d) Employee salaries, wages and redundancies | 406 | 420 |
| (e) Consumer billing and information system expense | 53 | 47 |
| (f) Depreciation on: | | |
| (i) System fixed assets: | 1,707 | 1,676 |
| (ii) Other assets not listed in (i) | 72 | 87 |
| Total depreciation | 1,779 | 1,763 |
| (g) Amortisation of: | | |
| (i) Goodwill: | - | - |
| (ii) Other intangibles: | - | - |
| Total Amortisation of Intangibles | - | - |
| (h) Corporate and administration: | 571 | 408 |
| (i) Human resource expenses: | 56 | 36 |
| (j) Marketing/advertising: | 65 | 62 |
| (k) Merger and acquisition expenses: | - | - |
| (l) Takeover defence expenses: | - | - |
| (m) Research and development expenses: | - | - |

| | 31 March 2006 \$000 | 31 March 2005 \$000 |
|--|------------------------|------------------------|
| (n) Consultancy and legal expenses: | 44 | 79 |
| (o) Donations: | - | - |
| (p) Directors' fees: | 118 | 102 |
| (q) Auditors' fees: | | |
| (i) Audit fees paid to principal auditors: | 41 | 38 |
| (ii) Audit fees paid to other auditors: | 24 | 27 |
| (iii) Fees paid for other services provided by principal and other auditors: | - | - |
| Total Auditors' fees: | 65 | 65 |
| (r) Costs of offering credit: | | |
| (i) Bad debts written off: | 3 | 1 |
| (ii) Increase in estimated doubtful debts: | - | - |
| Total cost of offering credit: | 3 | 1 |
| (s) Local authority rates expense: | 57 | 53 |
| (t) AC loss-rentals (distribution to retailers/customers) expense: | 556 | 258 |
| (u) Rebates to consumers due to ownership interest: | - | - |
| (v) Subvention payments: | 167 | 32 |
| (w) Unusual expenses: | - | - |
| (x) Other expenditure not listed in (a) to (w) | 87 | 81 |
| Total operating expenditure | 8,076 | 7,374 |
| Operating surplus before interest and income tax | 5,781 | 5,924 |
| Interest expense | | |
| (a) Interest expense on borrowings | - | - |
| (b) Financing charges related to finance leases | - | - |
| (c) Other interest expense | - | - |
| Total interest expense | - | - |
| Operating surplus before income tax | 5,781 | 5,924 |
| Income tax | 1,940 | 1,874 |
| Net surplus after tax | 3,841 | 4,050 |

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES

PURSUANT TO REQUIREMENT 14 OF THE ELECTRICITY INFORMATION DISCLOSURE
REQUIREMENTS 2004, SCHEDULE 1 PART 3

FINANCIAL PERFORMANCE MEASURES

| | 2006 | 2005 | 2004 | 2003 |
|--|--------|--------|--------|--------|
| Return on Funds | 12.59% | 12.72% | 12.92% | 14.57% |
| Return on Equity | 8.72% | 8.95% | 8.61% | 9.56% |
| Return on Investment | 8.36% | 8.95% | 20.83% | 9.68% |
| Return on Investment (excluding revaluation) | | | 8.50% | |

EFFICIENCY PERFORMANCE MEASURES

| | 2006 | 2005 | 2004 | 2003 |
|--|---------|---------|---------|---------|
| Direct Line Costs per Kilometre | \$2,078 | \$1,482 | \$1,779 | \$1,600 |
| Indirect Line Costs per Electricity Customer | \$56 | \$67 | \$58 | \$50 |

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

| DERIVATION TABLE | INPUT AND CALCULATIONS | SYMBOL IN FORMULA | ROF | ROE | ROI |
|---|---|-------------------|--|---|--|
| Operating surplus before interest and income tax from financial statements | 5,780,810 | | | | |
| Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT) | 5,780,810 | | | | |
| Interest on cash, bank balances, and short-term investments (ISTI) | 262,312 | a | 5,518,498 | | 5,518,498 |
| OSBIT minus ISTI | 5,518,498 | | | | |
| Net surplus after tax from financial statements | 3,840,773 | | | | |
| Net surplus after tax adjusted pursuant to requirement 18 (NSAT) | 3,840,773 | n | | 3,840,773 | |
| Amortisation of goodwill and amortisation of other intangibles | 0 | g | 0 | add | add |
| Subvention payment | 166,708 | s | add | add | add |
| Depreciation of SFA at BV (x) | 1,706,994 | | | | |
| Depreciation of SFA at ODV (y) | 1,709,000 | | | | |
| ODV depreciation adjustment | -2,006 | d | -2,006 | add | add |
| Subvention payment tax adjustment | 55,014 | s*t | | deduct | deduct |
| Interest tax shield | -86,563 | q | | | deduct |
| Revaluations | 0 | r | | | add |
| Income tax | 1,940,037 | p | | | deduct |
| Numerator | | | 5,683,200 $OSBIT^{adj} = a + g + s + d$ | 3,950,461 $NSAT^{adj} = n + g + s - s*t + d$ | 3,774,712 $OSBIT^{adj} = a + g + q + r + s + d - p - s*t$ |
| Fixed assets at end of previous financial year (FA ₀) | 46,520,192 | | | | |
| Fixed assets at end of current financial year (FA ₁) | 47,025,888 | | | | |
| Adjusted net working capital at end of previous financial year (ANWC ₀) | -370,794 | | | | |
| Adjusted net working capital at end of current financial year (ANWC ₁) | -200,152 | | | | |
| Average total funds employed (ATFE) | | c | 46,487,567 | | 46,487,567 |
| | (or requirement 32 time-weighted average) | | | | |
| Total equity at end of previous financial year (TE ₀) | 46,313,876 | | | | |
| Total equity at end of current financial year (TE ₁) | 46,854,127 | | | | |
| Average total equity | 46,584,001 | k | | 46,584,001 | |
| | (or requirement 32 time-weighted average) | | | | |
| WUC at end of previous financial year (WUC ₀) | 727,049 | | | | |
| WUC at end of current financial year (WUC ₁) | 891,824 | | | | |
| Average total works under construction | 809,437 | e | deduct | 809,437 | deduct |
| | (or requirement 32 time-weighted average) | | | | |
| Revaluations | 0 | r | | | |
| Half of revaluations | 0 | r/2 | | | deduct |
| 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 | m | | add | 0 |
| | (or requirement 32 time-weighted average) | | | | |
| Subvention payment at end of previous financial year (S ₀) | 32,249 | | | | |

| DERIVATION TABLE | INPUT AND CALCULATIONS | SYMBOL IN FORMULA | ROF | ROE | ROI |
|---|---|-------------------|---|---|--|
| Subvention payment at end of current financial year (S_t) | 166,708 | | | | |
| Subvention payment tax adjustment at end of previous financial year | 10,642 | | | | |
| Subvention payment tax adjustment at end of current financial year | 55,014 | | | | |
| Average subvention payment & related tax adjustment | 66,651 | v | | add | |
| System fixed assets at end of previous financial year at book value ($SFA_{b,0}$) | 45,273,551 | | | | |
| System fixed assets at end of current financial year at book value ($SFA_{b,t}$) | 45,632,093 | | | | |
| Average value of system fixed assets at book value | 45,452,822 (or requirement 32 time-weighted average) | f | deduct 45,452,822 | deduct 45,452,822 | deduct 45,452,822 |
| System Fixed assets at year beginning at ODV value ($SFA_{od,0}$) | 45,316,000 | | | | |
| System Fixed assets at end of current financial year at ODV value ($SFA_{od,t}$) | 44,494,000 | | | | |
| Average value of system fixed assets at ODV value | 44,905,000 (or requirement 32 time-weighted average) | h | add 44,905,000 | add 44,905,000 | add 44,905,000 |
| Denominator | | | | | |
| Financial Performance Measure: | | | | | |
| | | | $ATFE^{ADJ} = c - e - f + h$ ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100 | $Ave\ TE^{ADJ} = k - e - m + v - f + h$ ROE = NSAIT ^{ADJ} /ATE ^{ADJ} x 100 | $ATFE^{ADJ} = c - e - \frac{1}{2}f - f + h$ ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100 |

t = maximum statutory income tax rate applying to corporate entities

BV = book value

ave = average

odv = optimised deprival valuation

subscript '0' = end of the previous financial year

subscript 't' = end of the current financial year

ROF = return on funds

ROE = return on equity

ROI = return on investment

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS ENERGY EFFICIENCY PERFORMANCE MEASURES

PURSUANT TO REQUIREMENT 20 OF THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004, SCHEDULE 1 PART 4

Energy Delivery Efficiency Performance Measures Years Ending 31 March 2003, 2004, 2005 and 2006

| | 2006 | 2005 | 2004 | 2003 |
|--|-------|-------|-------|-------|
| Load Factor (Percentage of electrical energy entering the transmission system over maximum demand times hours per year.) | 54.7% | 53.4% | 52.6% | 54.4% |
| Loss Ratio (Transmission losses over energy entering the system) | 6.3% | 7.4% | 8.3% | 9.7% |
| Capacity Utilisation (Maximum demand over total transformer capacity) | 40.2% | 42.0% | 42.3% | 42.1% |

The loss ratio is derived from electricity supplied information provided by other parties. Electricity Invercargill Limited is unable to audit this information and is not confident with its accuracy and estimates the losses at 4.0%.

Statistics

| | | 66kV | 33kV | 22kV | 11kV | 6.6kV | 400V | Total |
|---------------------------|---------|------|------|------|------|-------|------|-------|
| System Length (km's) | 2002/03 | - | 23 | - | 181 | - | 489 | 694 |
| | 2003/04 | - | 25 | - | 199 | - | 452 | 676 |
| | 2004/05 | - | 26 | - | 199 | - | 454 | 679 |
| | 2005/06 | - | 26 | - | 197 | - | 458 | 681 |
| Overhead Lines (km's) | 2002/03 | - | 1.0 | - | 39 | - | 67 | 107 |
| | 2003/04 | - | 1.0 | - | 36 | - | 55 | 92 |
| | 2004/05 | - | 1.4 | - | 35 | - | 52 | 88 |
| | 2005/06 | - | 1.5 | - | 35 | - | 52 | 89 |
| Underground Cables (km's) | 2002/03 | - | 22 | - | 143 | - | 422 | 587 |
| | 2003/04 | - | 24 | - | 163 | - | 397 | 584 |
| | 2004/05 | - | 25 | - | 164 | - | 402 | 591 |
| | 2005/06 | - | 25 | - | 162 | - | 406 | 593 |

| | TX Capacity | Maximum Demand | Electricity Supplied | Electricity Conveyed | Total Customers |
|---------|--------------------|-----------------------|-----------------------------|-----------------------------|------------------------|
| 2002/03 | 141,915 | 59,686 | 284,541,935 | 257,047,355 | 16,961 |
| 2003/04 | 142,125 | 60,070 | 276,531,554 | 253,538,024 | 16,922 |
| 2004/05 | 144,415 | 60,611 | 283,589,781 | 262,530,504 | 16,842 |
| 2005/06 | 143,965 | 57,859 | 277,102,120 | 259,605,081 | 16,889 |

Electricity Conveyed for Retailers and The Power Company Limited

| | 2006 kWh | 2005 kWh | 2004 kWh | 2003 kWh |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Retailer A | 198,128,442 | 200,772,249 | 191,835,995 | 186,623,868 |
| Retailer B | 3,932,034 | 3,458,864 | 3,744,172 | 7,964,609 |
| Retailer C | 37,574,979 | 38,832,367 | 39,099,074 | 34,605,351 |
| Retailer D | 1,284,272 | 1,031,124 | 1,066,856 | 1,597,380 |
| The Power Company Limited OCB46 | 6,408,904 | 6,559,573 | 6,196,189 | 6,464,423 |
| Retailer E | - | - | - | - |
| Retailer F | 12,276,451 | 11,876,327 | 11,595,738 | 19,791,724 |
| TOTAL | 259,605,081 | 262,530,504 | 253,538,024 | 257,047,355 |

The Electricity Conveyed details are provided by other parties. Electricity Invercargill Limited is unable to audit this information and is not confident with its accuracy.

ELECTRICITY INVERCARGILL LIMITED LINE BUSINESS RELIABILITY PERFORMANCE MEASURES

PURSUANT TO REQUIREMENT 21 OF THE ELECTRICITY INFORMATION DISCLOSURE
REQUIREMENTS 2004, SCHEDULE 1 PART 5

Reliability Statistics For Years Ending 31 March 2003, 2004, 2005 and 2006

| Class | A | B | C | D | E | F | G | H | I | TOTAL |
|-----------------------|---------|-------|-------|------|---|---|---|------|---|-------|
| Interruptions | 2002/03 | - | 6 | 15 | - | - | - | - | - | 21 |
| | 2003/04 | - | 9 | 19 | - | - | - | - | - | 28 |
| | 2004/05 | - | 5 | 15 | - | - | - | - | - | 20 |
| | 2005/06 | - | 3 | 20 | - | - | - | 1 | - | 24 |
| Predicted 2006/2007 | - | 8 | 20 | - | - | - | - | - | - | - |
| 5-Year Average Target | - | 8 | 20 | - | - | - | - | - | - | - |
| SAIDI | 2002/03 | - | 2.0 | 19.4 | - | - | - | - | - | 21.4 |
| | 2003/04 | - | 4.5 | 45.1 | - | - | - | - | - | 49.6 |
| | 2004/05 | - | 2.1 | 13.3 | - | - | - | - | - | 15.4 |
| | 2005/06 | - | 0.2 | 18.9 | - | - | - | 0.7 | - | 19.8 |
| Predicted 2006/2007 | - | 4.0 | 31.0 | - | - | - | - | - | - | - |
| 5-Year Average Target | - | 4.0 | 31.0 | - | - | - | - | - | - | - |
| SAIFI | 2002/03 | - | 0.01 | 0.69 | - | - | - | - | - | 0.70 |
| | 2003/04 | - | 0.03 | 1.25 | - | - | - | - | - | 1.28 |
| | 2004/05 | - | 0.03 | 0.25 | - | - | - | - | - | 0.28 |
| | 2005/06 | - | 0.00 | 0.54 | - | - | - | 0.01 | - | 0.55 |
| Predicted 2006/2007 | - | 0.04 | 0.96 | - | - | - | - | - | - | - |
| 5-Year Average Target | - | 0.03 | 0.92 | - | - | - | - | - | - | - |
| CAIDI | 2002/03 | - | 180.9 | 28.2 | - | - | - | - | - | 30.6 |
| | 2003/04 | - | 161.1 | 36.1 | - | - | - | - | - | 38.9 |
| | 2004/05 | - | 81.4 | 53.8 | - | - | - | - | - | 56.4 |
| | 2005/06 | - | 106.5 | 35.1 | - | - | - | 65.5 | - | 35.9 |
| Predicted 2006/2007 | - | 106.7 | 32.3 | - | - | - | - | - | - | - |
| 5-Year Average Target | - | 140.4 | 33.6 | - | - | - | - | - | - | - |

| Faults by Voltage | | 66kV | 33kV | 11kV | Total |
|-----------------------|---------|------|------|-------|-------|
| OH per 100km | 2002/03 | - | - | 33.40 | 32.29 |
| | 2003/04 | - | - | 42.40 | 41.51 |
| | 2004/05 | - | - | 22.90 | 22.02 |
| | 2005/06 | - | - | 34.33 | 33.02 |
| UG per 100km | 2002/03 | - | - | 0.70 | 0.61 |
| | 2003/04 | - | - | 0.70 | 0.60 |
| | 2004/05 | - | - | 4.27 | 3.71 |
| | 2005/06 | - | - | 3.70 | 3.21 |
| Total per 100km | 2002/03 | - | - | 7.73 | 6.84 |
| | 2003/04 | - | - | 9.37 | 8.78 |
| | 2004/05 | - | - | 7.55 | 6.67 |
| | 2005/06 | - | - | 9.14 | 8.07 |
| Predicted 2006/2007 | | - | - | 8.63 | 7.62 |
| 5-Year Average Target | | - | - | 8.63 | 7.62 |

| | | |
|---------------------------------------|----------|-----|
| Class C Interruptions Not Restored in | 3 hours | 10% |
| Class C Interruptions Not Restored in | 24 hours | Nil |

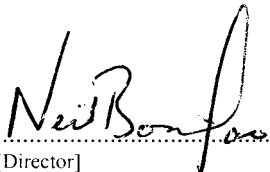
ELECTRICITY INVERCARGILL LIMITED
CERTIFICATION OF FINANCIAL STATEMENTS
PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY
DISCLOSING ENTITIES
(OTHER THAN TRANSPower)

We, Neil Douglas Boniface and Philip James Mulvey, Directors of Electricity Invercargill Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- a) The attached audited financial statements of Electricity Invercargill 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 Electricity Invercargill 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 2004.

Signed:


[Director]


[Director]

Dated:

20 November 2006

AUDIT NEW ZEALAND**REPORT OF THE AUDITOR-GENERAL****TO THE READERS OF THE FINANCIAL STATEMENTS OF ELECTRICITY INVERCARGILL LIMITED FOR THE YEAR ENDED 31 MARCH 2006**

We have audited the financial statements of Electricity Invercargill Limited on pages 2 to 13. The financial statements provide information about the past financial performance of Electricity Invercargill Limited and its financial position as at 31 March 2006. This information is stated in accordance with the accounting policies set out on pages 6 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 Electricity Invercargill Limited as at 31 March 2006, 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 Tony Uttley 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 Electricity Invercargill Limited circumstances, consistently applied and adequately disclosed.

We conducted the audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate 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.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Electricity Invercargill Limited¹.

Unqualified Opinion

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

In our opinion –

- proper accounting records have been maintained by Electricity Invercargill Limited as far as appears from our examination of those records; and
- the financial statements of Electricity Invercargill Limited on pages 2 to 13:
 - (a) comply with generally accepted accounting practice in New Zealand; and
 - (b) give a true and fair view of Electricity Invercargill Limited's financial position as at 31 March 2006 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 November 2006 and our unqualified opinion is expressed as at that date.



Tony Uttley
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

¹

In addition to issuing audit certificates pursuant to the Electricity Information Disclosure Requirements 2004 we have carried out other audit assignments for Electricity Invercargill Limited. This involved issuing an audit opinion on the annual financial statements for the year ended *31 March 2006*. These assignments are compatible with those independence requirements. Other than this assignment we have no relationship with or interest in Electricity Invercargill Limited.

AUDIT NEW ZEALAND

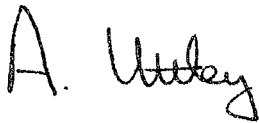
**AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF ELECTRICITY
INVERCARGILL LIMITED**

We have examined the information on pages 14 to 19, 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 Electricity Invercargill Limited and dated 20 November 2006 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.



Tony Uttley
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand
20 November 2006