SUPPLEMENT TO

New Zealand Gazette

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WELLINGTON: FRIDAY, 30 SEPTEMBER 2005 — ISSUE NO. 166

POWERCO LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

POWERCO LIMITED

ELECTRICITY INFORMATION DISCLOSURE REGULATONS 2004

STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION SUPPLIED TO COMMERCE COMMISSION

I, Jeffrey Wayne Kendrew, of New Plymouth, being a director of Powerco Limited, solemnly and sincerely declare that having made all reasonably enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by Powerco Limited under the Commerce Commission's Electricity Information Disclosure Requirements 2004.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at New Plymouth this 21st day of September 2005

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

Nigel Barbour
Solicitor
New Plymouth

POWERCO LIMITED

ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004

CERTIFICATION OF VALUATION REPORT OF DISCLOSING ENTITIES

We, Jeffrey Wayne Kendrew, director and Nigel Dickson Barbour, director of Powerco Limited certify that, having made all reasonable enquiry, to the best of our knowledge –

(a) the attached valuation report of Powerco Limited, prepared for the purposes of requirement 19 of the Commerce Commission's Electricity Information Disclosure Requirements 2004 complies with those Requirements; and

(b) the replacement cost of the line business system fixed assets of Powerco Limited is 1,716,561,413; and

(c) the depreciated replacement cost of the line business system fixed assets of Powerco Limited is $903,355,918; and

(d) the optimised depreciated replacement cost of the line business system fixed assets of Powerco Limited is $903,355,918; and

(e) the optimised deprival valuation of the line business system fixed assets of Powerco Limited is $903,355,918; and

(f) The values in (b) through (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information Disclosure Requirements 2004). These valuations are as at 30 June 2005.

Date: 21 September 2005

POWERCO LIMITED

ELECTRICITY INFORMATION DISCLOSURE REGULATIONS 2004

CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY DISCLOSING ENTITIES OTHER THAN TRANSPOWER

We, Jeffrey Wayne Kendrew, director, and Nigel Dickson Barbour, director of Powerco Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

(a) The attached audited financial statements of Powerco Limited, prepared for the purposes of regulation 6 of the Commerce Commission's Electricity Information Disclosure Requirements 2004 comply with those Requirements; and

(b) The attached information, being the derivation table, financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Powerco Limited, and having been prepared for the purposes of requirements 14, 15, 20 and 21 of the Electricity Information Disclosure Regulations 2004, comply with those Requirements.

The valuations on which those financial performance measures are based are as at 30 June 2005.

21 September 2005

Deloitte

AUDIT REPORT
TO THE READERS OF THE FINANCIAL STATEMENTS OF POWERCO LIMITED

We have audited the financial statements of Powerco Limited. The financial statements provide information about the past financial performance of Powerco Limited and its financial position as at 30 June 2005. This information is stated in accordance with the accounting policies.

Directors' Responsibilities

The Commerce Commission's Electricity Information Disclosure Requirements 2004 made under section 57T of the Commerce Act 1986 require the Directors to prepare financial statements which give a true and fair view of the financial position of Powerco Limited as at 30 June 2005, and the results of its operations and cash flows for the year ended on that date.

Auditor's Responsibilities

It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Powerco Limited's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the New Zealand Auditing Standards. 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 and the provision of taxation, accounting and consulting advice, we have no relationship with or interests in Powerco Limited.

Unqualified Opinion

We have obtained all the information and explanations we have required.
In our opinion –

- proper accounting records have been maintained by Powerco Limited as far as appears from our examination of those records;
- the financial statements referred to above:

  (a) comply with generally accepted accounting practice in New Zealand; and

  (b) give a true and fair view of Powerco Limited's financial position as at 30 June 2005 and the results of its operations and cash flows for the year ended on that date; and

- comply with the Electricity (Information Disclosure) Requirements 2004.

Deloitte

Our audit was completed on 21 September 2005 and our unqualified opinion is expressed as at that date.

Deloitte

Deloitte
Hamilton

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Powerco Limited for the year ended 30 June 2005 included on Powerco Limited's web-site. Powerco Limited's Board of Directors is responsible for the maintenance and integrity of Powerco Limited's web site. We have not been engaged to report on the integrity of Powerco Limited's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 21 September 2005 to confirm the information included in the audited financial statements presented on this web site.

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

Deloitte

AUDITOR'S OPINION ON THE PERFORMANCE MEASURES OF POWERCO LIMITED

We have examined the following information, 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 Powerco Limited and dated 21 September 2005 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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

Deloitte

Deloitte
Hamilton
21 September 2005

POWERCO

ELECTRICITY DIVISION

Statement of Financial Position
As at 30 June 2005

	Notes	30 June 2005 12 mths $000	31 March 2004 12 mths $000
Equity			
Share capital		431,359	431,359
Retained earnings		4,629	12,916
		435,987	444,275
Non Current Liabilities			
Redeemable bonds	2	-	83,693
Capital bonds	3	-	47,551
Subordinated bonds	4	47,265	-
Guaranteed bonds	5	118,158	118,879
US dollar private placement notes	6	139,079	139,928
Commercial paper facility	7	69,803	56,240
Commercial bank debt	8	160,695	76,082
Funding facility	9	4,891	-
		539,890	522,373
Current Liabilities			
Accounts payable & accruals		32,948	25,249
Tax payable		16,380	21,527
		49,328	46,776
Total Equity and Liabilities		1,025,205	1,013,424
Non Current Assets			
Property, plant and equipment	10	942,684	925,046
Deferred funding costs		6,356	7,362
Current account		53,344	58,892
		1,002,384	991,300
Current Assets			
Funding Facility	9	-	3,947
Receivables		22,821	18,177
		22,821	22,124
Total Assets		1,025,205	1,013,424

The accompanying notes form part of these financial statements.

POWERCO

ELECTRICITY DIVISION

Statement of Financial Performance
For the year ended 30 June 2005

	Notes	30 June 2005 12 mths $000	31 March 2004 12 mths $000
Operating Revenue	17	244,136	231,489
Operating Surplus before taxation	18	49,636	65,231
Taxation expense	11	16,380	21,526
Operating Surplus Attributable to the Shareholders		$33,256	$43,705

The accompanying notes form part of these financial statements.

POWERCO

ELECTRICITY DIVISION

Statement of Movements in Equity
For the year ended 30 June 2005

	30 June 2005 12 mths $000	31 March 2004 12 mths $000
Opening Balance	**444,275**	**442,865**
Operating surplus attributable to the shareholders	**33,256**	**43,705**
Total recognised revenue and expenses for the year.	**33,256**	**43,705**
Distributions to shareholders:		
Dividends - paid	**(41,543)**	**(42,295)**
Ordinary Share issue	-	
Equity adjustment	-	
Closing Balance	**$435,987**	**$444,275**

The accompanying notes form part of these financial statements.

POWERCO

ELECTRICITY DIVISION

Statement of Cash Flows
For the year ended 30 June 2005

	Note	30 June 2005 12 mths $000	31 March 2004 12 mths $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		238,089	223,271
Interest received		126	608
Net movement in GST		421	-
Dividends received		-	-
		238,635	223,879
Cash was applied to:			
Payments to suppliers and employees		132,721	111,628
Interest paid		8,030	18,219
Net movement in GST		-	2,200
Payments of income tax		28,113	27,138
		168,864	159,185
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	69,771	64,694
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of property, plant and equipment		55,869	34,313
		55,869	34,313
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(55,869)	(34,313)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Movement in current account		15,265	
Issue of commercial paper		12,770	-
Issue of subordinated bonds		47,263	-
Issue of bank debt		79,188	
Issue of Credit Wrap bonds		2,385	72,815
Issue of US dollar private placement		2,807	85,853
		159,679	158,668
Cash was applied to:			
USD private placement		-	301,887
Redeemable bonds		74,095	34,967
Capital Bonds		46,309	17,682
Credit Wrap		-	26,397
Movement in current account		-	18,662
Dividends paid		41,543	42,294
		161,946	441,889
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(2,267)	(283,221)
NET INCREASE (DECREASE) IN CASH HELD		11,635	(252,840)
Opening cash brought forward		(16,526)	256,787
ENDING CASH CARRIED FORWARD		(4,891)	3,947

The accompanying notes form part of these financial statements.

POWERCO LIMITED
Notes to the Financial Statements
For the year ended 30 June 2005

1. Statement of Accounting Policies

Reporting Entity

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

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

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

These financial statements have been prepared to comply with the provisions of Section 44 of the Energy Companies Act 1992, the Companies Act 1993, and the Financial Reporting Act 1993.

Special purpose financial statements

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

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

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

Measurement Basis

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

Specific Accounting Policies

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

a) Basis of Consolidation

The consolidated financial statements include those of Powerco Limited and its subsidiaries. The group financial statements incorporate the financial statements of the company and its subsidiaries, which have been consolidated using the purchase method. All significant inter-company transactions and balances are eliminated on consolidation. In the parent company financial statements investments in subsidiaries are stated at cost.

b) Contributions for Subdivisions/Uneconomic Lines

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

c) Property, Plant and Equipment

All items of property, plant and equipment are initially recognised at cost in the statement of financial position. Cost includes the value of consideration exchanged, or fair value in the case of donated or subsidised assets, and those costs directly attributable to bringing the item to working condition for its intended use.
Land and buildings are revalued from time to time for insurance purposes only. Optimised Deprival Value (ODV) is obtained from an independent registered valuer. Any impairment is recognised for accounting purposes and recognised in the Statement of Financial Performance.

d) Depreciation of Property, Plant and Equipment

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

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

e) Properties Intended for Resale

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

f) Comparative Figures

Comparative information has been reclassified, where necessary, to achieve consistency in disclosure with the current year.

g) Employee Entitlements

Liabilities for amounts expected to be paid to employees for their entitlement to annual leave and other current employee entitlements are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.
A liability for long service leave is accrued for the value of expected future payments to be made in respect of services already provided by employees up to the balance

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

h) Income Tax

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

The taxation charge against the surplus of the period is the estimated liability in respect of that surplus after allowance for all permanent differences and timing differences not expected to crystallise in the foreseeable future. This is the partial basis for the calculation of deferred taxation.

Future taxation benefits attributable to timing differences or losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the timing differences will be realised or any losses utilised.

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

i) Inventory

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

j) Investments

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

k) Impairment

Assets are assessed for impairment at each reporting date. 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.

l) Leases

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

m) Finance Leases

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

n) Financial Instruments

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

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

o) Foreign currency transactions

Transactions denominated in foreign currencies are translated at the New Zealand rate of exchange, using the average rate for the month in which the transactions occurred. At balance date foreign monetary assets and liabilities are translated at the closing rate and exchange variations arising from these transactions are included in the Statement of Financial Performance.

p) Translation of Financial Statements of Foreign Operations

Assets and liabilities of foreign operations are translated at the closing rate. Revenue and expense items are translated at a weighted average of exchange rates over the period, as a surrogate for the spot rates at transaction dates. Exchange differences arising from translation are taken to the foreign currency translation reserve and recognised in the Statement of Movements in Equity. The foreign operations are independent trading operations by wholly owned subsidiaries.

q) Goodwill

Goodwill arising on the acquisition of subsidiaries is recognised as an asset and separately disclosed. Goodwill is amortised in the statement of financial performance on a straight line basis over the period of expected benefits. To the extent that the unamortised balance of goodwill is no longer probable of being recovered from the expected future economic benefits, it is recognised immediately as an expense.

r) Goods and Services Tax (GST)

All items in the statement of financial position are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the statement of financial performance and statement of cash flows are stated exclusive of GST.

s) Receivables

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

t) Revenue Recognition

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

u) Statement of Cash Flows

The statement of cash flows is prepared exclusive of GST, which is consistent with the method used in the statement of financial performance. For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand in banks and investments in money market instruments, net of outstanding bank overdrafts. For the purposes of the Parent company, intercompany loans between subsidiaries are deemed to be a cash equivalent.

v) Changes in Accounting Policies

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

Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2005

POWERCO

ELECTRICITY DIVISION

2 Redeemable Fixed Coupon Bonds

	2005 12 mths $000	2004 12 mths $000
As Powerco Limited is an integrated business, this disclosure relates to the business as a whole. On 30 June 2005, Redeemable Fixed Coupon Bonds on issue were:		
5 Year Fixed Coupon Bonds	-	98,001
7 Year Fixed Coupon Bonds	-	78,004
	-	176,005

The redeemable bonds issued on 1 September 2000 were due to expire on 1 September 2005 (5 year bonds) and 1 September 2007 (7 year bonds). The Redeemable Bonds were redeemed by Powerco in February 2005. $180 million of commercial bank debt was used to refinance the redemption, and will continue to do so until September 2005, when it is intended that an issue of $180 million in Credit Wrapped bonds will replace it.

The refinancing interest rate is based on the New Zealand 90 day BKBM plus a .20% margin. As at 30 June 2005 the applicable rates were:
September 2005 tranche ($100m) 7.2425%
September 2007 tranche ($80m) 7.2425%

The fair value of the bonds as at 31 March 2004 were:
5 year fixed coupon bonds $100,864,378 (7.97%)
7 year fixed coupon bonds $82,399,937 (8.15%)

3 Capital Bonds

	2005 12 mths $000	2004 12 mths $000
As Powerco Limited is an integrated business, this disclosure relates to the business as a whole. On 30 June 2005, no capital bonds were on issue:	-	100,000

The Capital Bonds, issued on 22 May 2002, were unsecured, subordinated debt obligations of Powerco Limited with an interest rate of 8.4% p.a. fixed until 22 May 2007. The Capital Bonds have now been replaced with an issue of Subordinated Bonds, which occurred on 15 April 2005. The Subordinated Bonds, as detailed in note 4 below, have an interest rate of 7.64% p.a. and expire on 15 April 2010.

4 Subordinated Bonds

	2005 12 mths $000	2004 12 mths $000
As Powerco Limited is an integrated business, this disclosure relates to the business as a whole. On 30 June 2005, subordinated bonds on issue were:	100,000	-

The Subordinated Bonds were issued on 15 April 2005 and are unsecured, subordinated debt obligations of Powerco Limited. They were issued in order to replace the $100m Capital Bonds, and have a tenure of 5 years. They have an interest rate of 7.64% p.a. fixed until expiry on 15 April 2010.
The fair value of the subordinated bonds as at 30 June 2005 is $102,755,042 (Capital Bonds Value, 31 March 2004: $104,685,000).

Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2005

POWERCO

ELECTRICITY DIVISION

5 Guaranteed Bonds

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.
On 30 June 2005, guaranteed bonds on issue were:

	2005 12 mths $000	2004 12 mths $000
7 year guaranteed bonds	100,000	100,000
9 year guaranteed bonds	100,000	100,000
11 1/4 year guaranteed bonds	50,000	50,000
	250,000	250,000

The Guaranteed Bonds were issued on 29 March 2004 and are unsecured debt obligations of Powerco Limited. The scheduled payments by the Company of interest and principal are guaranteed on an unsecured basis by US-based XL Capital Assurance Inc, a specialist financial guaranty organisation. The bonds expire on 29 March 2011 (7 year bonds), 29 March 2013 (9 year bonds) and 29 June 2015 (11 year bonds). As at 30 June 2005, the interest rates on the guaranteed bonds are:

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

The Guaranteed Bonds have the benefit of the Security Trust Deed as a Senior Secured Facility.

The fair values of the Guaranteed Bonds as at 30 June 2005 was:

7 year guaranteed bonds	$98,399,704
9 year guaranteed bonds	$98,751,530
11 year guaranteed bonds	$49,393,056

6 US Dollar Private Placement Notes

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

	2005 12 mths $000	2004 12 mths $000
On 30 June 2005, US dollar private placement notes on issue were:	294,266	294,266

The USD Private Placement note issue took place on 25 November 2003 to private US investors. The coupon payments are semi-annual and the note issue expires 25 November 2014 (11 year), 25 November 2015 (12 year), and 25 November 2016 (13 year).
As at 30 June 2005, the interest rates on the notes were:

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

The USD Private Placement notes have the benefit of the Security Trust Deed as a Senior Secured Facility.

Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2005

POWERCO

ELECTRICITY DIVISION

7 Commercial Paper Facility

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.
The Company has established a commercial paper facility to enable the Company to borrow money from the capital market. The programme is supported by a cash advance facility of $200 million with a syndicate of banks made up of the Commonwealth Bank of Australia, Westpac Banking Corporation and ANZ National Bank (New Zealand) Limited, which continues until 3 August 2007. The facility has the benefit of the Security Trust Deed dated 10 March 2005 entered into by the Company, and is a Senior Secured Debt Facility for the purposes of the Security Trust Deed. At year-end a sum of $150,000,000, which includes an interest portion of $2,310,162 of 90 day bills, with varying maturity dates, had been drawn down under the commercial paper programme (2004: $120,000,000 was drawn down under the commercial paper programme which included an interest portion of $1,729,029).

8 Commercial Bank Debt

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.
As at 30 June 2005 the balance of Commercial Bank Debt is $359,687,000. This includes a $160 million Term Loan Facility agreed and drawn in August 2004, expiring August 2009, which was used to refinance the remaining tranche of the Asset Purchase Facility used to fund the acquisition of United Networks Limited (UNL) assets. The Term Loan Facility is jointly provided through Commonwealth Bank of Australia, Westpac Banking Corporation and ANZ National Bank, each with an equal share. The agreement expires in August 2009 and has the benefit of the Security Trust Deed, in which it is designated as a Senior Secured Debt Facility. The $180 million refinance of the redeemable bonds is also included in this amount, as detailed in note 2 above.

Powerco Tasmania, a wholly-owned subsidiary, operates a working capital facility for up to AUD$30 million with Westpac Banking Corporation. The facility expires in August 2007. As at 30 June 2005, Powerco Tasmania had drawn down NZD$19.7 million (AUD$18 million) on this facility.

9 Working Capital Advances Facility

As Powerco Limited is an integrated business, this disclosure relates to the business as a whole.
Powerco Limited operates a wholesale capital advance facility with the Commenwealth Bank of Australia for up to $30 million. The facility, dated 22 March 2005, replaced a similar facility held with Bank of New Zealand for up to $15 million. As at 30 June 2005, funds to the amount of $26.2 million were drawn down on the facility (2004: investment of $9.388 million), offset by unrealised deposits of $410,894. The facility is based on a revolving credit arrangement and as such does not have set repayment dates. The facility expires on 22 March 2008 but is subject to automatic renewal for a further period. The facility has the benefit of the Security Trust Deed, as a Senior Secured Debt Facility.

As at 30 June 2005, Energy Brokers New Zealand Limited had cash and deposits of $115,734 (31 March 2004: $111,115).

As at 30 June 2005, Powerco Tasmania, a wholly-owned subsidiary, had deposits on call of NZD$2.171 million (AUD$1.985 million) with Westpac Banking Corporation (31 March 2004 NZD$2.332 million (AUD $2.033 million)) and cash and deposits of NZD$120,763 (AUD$110,417).

10 Property, Plant and Equipment

Property, Plant and Equipment as at 30 June 2005	2005 12 mths $000	2004 12 mths $000
Information Systems		
Capital value	13,723	7,660
less Accumulated depreciation	1,695	865
	12,028	6,795
Network Systems		
Capital value	998,509	954,823
less Accumulated depreciation	95,153	49,286
	903,356	905,537
Work in Progress	27,300	12,714
Total Property, Plant and Equipment	$942,684	$925,046
Annual Valuation Reconciliation Report		
System fixed assets at ODV (end of previous financial year)	905,537	703,269
Increase of value at end of year	-	196,223
Add system fixed assets acquired	43,686	34,313
Less depreciation	45,867	28,268
Equals system fixed assets at ODV - end of financial year	$903,356	$905,537

Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2005

POWERCO

ELECTRICITY DIVISION

11 Taxation

Taxation for the year ended 30 June 2005	2005 12 mths $000	2004 12 mths $000
Operating surplus before taxation	49,636	65,231
Prima facie taxation @ 33%	16,380	21,526
Plus/(less) tax effect of permanent timing differences:	-	-
Taxation expense	$16,380	$21,526

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

Financial Performance Measures	2005	2004	2003	2002
(i) Return on Funds	10.02%	12.50%	14.42%	14.26%
(ii) Return on Equity	8.51%	10.52%	12.70%	12.22%
(iii) Return on Investment including revaluation	6.71%	37.94%	9.66%	9.55%
(iv) Return on Investment excluding revaluation	6.71%	6.77%	9.66%	9.55%
Efficiency Performance Measures				
(v) Direct Line Cost per Kilometre	$1,080.45	$1,117.21	$986.50	$949.08
(vi) Indirect Line Cost per Electricity Customer (including non-recurring costs)	$95.78	$65.87	$75.43	$77.61
(vii) Indirect Line Cost per Electricity Customer (excluding non-recurring costs)	$87.82	$65.86	$58.09	$77.61

13 Contingent Liabilites and Commitments

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

Commitments	2005 12 mths $000	2004 12 mths $000
Commitments for future capital expenditure resulting from contracts entered into:	4,947	5,248
Tasmanian gas network	60,854	40,548
	65,801	45,796

Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2005

POWERCO

ELECTRICITY DIVISION

14 Financial Instruments

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

(i) Credit Risk
Financial instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable. The five largest accounts receivable balances as at 30 June 2005 comprise 65.9% (2004: 62.2%) of total accounts receivable. These accounts are subject to a Board Prudential Supervision Policy which is used to manage the exposure to credit risk. As part of this policy, limits on exposures have been set and are monitored on a regular basis. Cash deposits are only made with registered banks.

(ii) Interest Rate Risk

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

Powerco has entered into interest rate swap agreements to reduce the impact of the changes in interest rates on its borrowings. As at 30 June 2005 the Company had interest rate swap agreements with registered banks. The maturities of these agreements are shown in Note 14 (iv). The weighted average of the interest rate swap agreements (excluding the reverse swap agreements) produce an interest rate of 6.6% p.a.

(iii) Foreign Exchange Risk

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

(iv) Fair Value

As at 30 June 2005
Financial assets and liabilities (excluding Bonds and Investments referred to in Note 3,4 and 5 above) are considered to be at their fair value with the exception of the following items;

	Maturities	Notional Values Current 30 June 2005 $000	Notional Values Forward rate 30 June 2005 $000	Mark to Market Adjustment 30 June 2005 $000
Interest rate swaps (Powerco pays fixed / receives floating)	2005-2015	870,000	-	(10,822)
Forward rate swaps (Powerco pays fixed / receives floating)	2005-2009	-		(2,472)
Swaps (Fixed to floating for bonds) (Powerco receives fixed/ pays floating plus margin)	2006-2015	822,266	-	(46,520)
				(59,814)

As at 31 March 2004
Financial assets and liabilities (excluding Bonds and Investments referred to in Note 3,4 and 5 above) are considered to be at their fair value with the exception of the following items;

	Maturities	Notional Values Current 31 March 2004 $000	Notional Values Forward start 31 March 2004 $000	Mark to Market Valuation 31 March 2004 $000
Interest rate swaps (Powerco pays fixed / receives floating)	2003-2012	878,000		(25,618)
Forward rate swaps (Powerco pays fixed / receives floating)	2006-2010		340,000	(4,964)
Swaps (Fixed to floating for bonds) (Powerco receives fixed / pays floating plus margin)	2004-2012	822,266		(13,134)
				(43,716)

Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2005

POWERCO

ELECTRICITY DIVISION

15 Related Party Transactions

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

Powerco is also deemed to have a related party relationship with New Plymouth District Council. The New Plymouth District Council held a 38.16% material interest in Powerco Limited until 31 October 2004. Powerco paid $190,294 (2004: $143,122) rent to the New Plymouth District Council at market rates. Rates have been paid to New Plymouth District Council to the value of $12,962 (2004:$29,395). Utility Rates have been paid to the New Plymouth District Council to the value of $44,871 (2004: $21,143). Other arms length transactions with the New Plymouth District Council amounted to $15,682 (2004: $30,837).

In the previous year ended 31 March 2004, Powerco paid consulting fees amounting to $36,992 to Upson Consulting Ltd, a company in which Mr B R Upson, a Director, has an interest. The nature of the work performed was in the area of corporate development, finance and regulatory advice.

Powerco Network Management Limited, Powerco Energy Services Limited and Powerco Energy Services Eastern Limited are wholly owned subsidiaries of Powerco. These companies charge Powerco market rates for services provided, which includes the following areas:
Asset management
Electrical and gas contracting
Information systems
Buildings and insurance
Operational finance
All transactions are completed upon normal commercial terms.

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

	2005 12 mths $000	2004 12 mths $000
Operating surplus after taxation	33,256	43,705
Add (less) non cash items		
Depreciation	37,067	28,478
	37,067	28,478
Movements in working capital		
Accounts receivable	(2,522)	(8,091)
Change in Prepayments	(488)	(246)
Tax refund due	(11,733)	(5,611)
Accounts payable	14,191	6,459
	(552)	(7,489)
Net cashflow from operating activities	$69,771	$64,694

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

para		2005 12 mths $'000
11	**Operating revenue**	
	(a) Revenue from line/access charges:	238,922
	(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:	126
	(d) AC loss-rental rebates:	5,089
	(e) Other operating revenue not listed in (a) to (d):	
	Total operating revenue	**244,136**

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

para			2005 12 mths $'000
12 **Operating expenditure**			
(a)		Payment for transmission charges	56,851
(b)		Transfer payments to the "Other" business for:	
	(i)	Asset maintenance:	28,969
	(ii)	Consumer disconnection/reconnection services:	-
	(iii)	Meter data:	-
	(iv)	Consumer-based load control services:	-
	(v)	Royalty and patent expenses:	-
	(vi)	Avoided transmission charges on account of own generation	-
	(vii)	Other goods and services not listed in (i) to (vi) above	-
	(viii)	**Total transfer payment to the "Other" business**	28,969
(c)		Expense to entities that are not related parties for:	
	(i)	Asset maintenance:	-
	(ii)	Consumer disconnection/reconnection services	-
	(iii)	Meter data	-
	(iv)	Consumer-based load control services	-
	(v)	Royalty and patent expenses	-
	(vi)	Total of specified expenses to non-related parties (sum of (i) to (v))	-
(d)		Employee salaries, wages and redundancies (1)	-
(e)		Consumer billing and information system expense	-
(f)		Depreciation on:	
	(i)	System fixed assets:	37,067
	(ii)	Other assets not listed in (i)	-
	(iii)	**Total depreciation**	37,067
(g)		Amortisation of:	
	(i)	Goodwill:	-
	(ii)	Other intangibles:	-
	(iii)	**Total amortisation of intangibles**	
(h)		Corporate and administration:	20,440
(i)		Human resource expenses:	575
(j)		Marketing/advertising:	550
(k)		Merger and acquisition expenses:	945
(l)		Takeover defence expenses:	-
(m)		Research and development expenses:	-

(n)		Consultancy and legal expenses:	4,248
(o)		Donations:	-
(p)		Directors' fees:	1,286
(q)		Auditors' fees:	
	(i)	Audit fees paid to principal auditors:	204
	(ii)	Audit fees paid to other auditors:	-
	(iii)	Fees paid for other services provided by principal and other auditors:	
	(iv)	**Total auditors' fees:**	204
(r)		Costs of offering credit:	
	(i)	Bad debts written off:	109
	(ii)	Increase in estimated doubtful debts:	-
	(iii)	**Total cost of offering credit:**	109
(s)		Local authority rates expense:	67
(t)		AC loss-rentals (distribution to retailers/customers) expense:	4,953
(u)		Rebates to consumers due to ownership interest:	-
(v)		Subvention payments:	-
(w)		Unusual expenses:	-
(x)		Other expenditure not listed in (a) to (w)	-
13		**Total operating expenditure**	**156,263**
14		**Operating surplus before interest and income tax**	**87,874**
15 **Interest expense**			
(a)		Interest expense on borrowings	38,238
(b)		Financing charges related to finance leases	-
(c)		Other interest expense	-
(d)		**Total interest expense**	38,238
16		**Operating surplus before income tax**	**49,636**
17		**Income tax**	16,380
18		**Net surplus after tax**	**33,256**

Note 1	Employee salaries, wages and redundancies This expense is an integral part of the disclosures above.	3,330

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	87,874,307							
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	87,874,307							
Interest on cash, bank balances, and short-term investments (ISTI)	125,668							
OSBIIT minus ISTI	87,748,639	a		87,748,639				87,748,639
Net surplus after tax from financial statements	33,255,950							
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	33,255,950	n				33,255,950		
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add	0	add	0
Subvention payment	0	s	add	0	add	0	add	0
Depreciation of SFA at BV (x)	37,066,633							
Depreciation of SFA at ODV (y)	37,066,633							
ODV depreciation adjustment	0	d	add	0	add	0	add	0
Subvention payment tax adjustment	0	s*t			deduct	0	deduct	0
Interest tax shield	12,577,255	q					deduct	12,577,255
Revaluations		r					add	0
Income tax	16,379,796	p					deduct	16,379,796
Numerator				87,748,639		33,255,950		58,791,588
Fixed assets at end of previous financial year (FA_0)	925,045,535							
Fixed assets at end of current financial year (FA_1)	942,683,759							
Adjusted net working capital at end of previous financial year ($ANWC_0$)	-7,071,745							
Adjusted net working capital at end of current financial year ($ANWC_1$)	-10,126,680							
Average total funds employed (ATFE)	925,265,434 (or regulation 33 time-weighted average)	c		925,265,434				925,265,434
Total equity at end of previous financial year (TE_0)	444,275,659							
Total equity at end of current financial year (TE_1)	435,988,640							
Average total equity	440,132,150 (or regulation 33 time-weighted average)	k				440,132,150		

WUC at end of previous financial year (WUC_0)	12,713,385							
WUC at end of current financial year (WUC_1)	27,300,000							
Average total works under construction	20,006,692 (or regulation 33 time-weighted average)	e	deduct	20,006,692	deduct	20,006,692	deduct	20,006,692
Revaluations	0	r						
Half of revaluations	0	r/2					deduct	0
Intangible assets at end of previous financial year (IA_0)	0							
Intangible assets at end of current financial year (IA_1)	0							
Average total intangible asset	0 (or regulation 33 time-weighted average)	m			add	0		
Subvention payment at end of previous financial year (S_0)	0							
Subvention payment at end of current financial year (S_1)	0							
Subvention payment tax adjustment at end of previous financial year	0							
Subvention payment tax adjustment at end of current financial year	0							
Average subvention payment & related tax adjustment	0	v			add	0		
System fixed assets at end of previous financial year at book value (SFA_{bv0})	925,045,535							
System fixed assets at end of current financial year at book value (SFA_{bv1})	942,683,759							
Average value of system fixed assets at book value	933,864,647 (or regulation 33 time-weighted average)	f	deduct	933,864,647	deduct	933,864,647	deduct	933,864,647
System Fixed assets at year beginning at ODV value (SFA_{odv0})	905,784,562							
System Fixed assets at end of current financial year at ODV value (SFA_{odv1})	903,356,529							
Average value of system fixed assets at ODV value	904,570,545 (or regulation 33 time-weighted average)	h	add	904,570,545	add	904,570,545	add	904,570,545
Denominator				875,964,640		390,831,356		875,964,640
Financial Performance Measure:				10.02		8.51		6.71

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

	2005	2004	2003	2002
ODV as per latest valuation	$903,101,585	$905,537,611	$703,268,496	$377,155,871

20 **Disclosure of Energy Delivery Efficiency Performance Measures and Statistics Pursuant to Electricity Information Disclosure Amendment Requirements 2004, Schedule 1, Part 4, Requirement 20.**

20.1

ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES	2005 Powerco	2004 Powerco	2003 Powerco	2002 Powerco
(a) Load Factor	67.4%	67.2%	71.7%	63.5%
(b) Loss Ratio	5.58%	6.82%	6.57%	5.88%
(c) Capacity Utilisation	27.5%	26.8%	25.7%	28.44%

Notes:
20.1 (a): 2003 load factor is calculated using the time weighted average method. The load factor calculated using full-year actual data is 66.8%.
20.1 (b): 2003 loss ratio is calculated using full year kWh data for Western area, and 5 month (1 Nov 2002 to 31 Mar 03) kWh data for Eastern area. It is a time weighted calculation based on actual data.
20.1 (b): Loss ratios depend on information gathered from retailers.
20.1 (c): 2003 capacity utilisation is calculated using the time weighted average method. The capacity utilisation calculated using full-year actual data is 28%.

20.2 STATISTICS

(a) System Length

Nominal Voltage	2005 Powerco Total System Length (km)	2004 Powerco Total System Length (km)	2003 Powerco Total System Length (km)	2002 Powerco Total System Length (km)
110kV	-	-	-	-
66kV	151.36	150.31	62.64	
33kV	1,427.15	1,444.60	1,193.80	1,030.26
22kV	120.83	107.08	107.06	107.70
11kV	15,251.43	15,240.88	11,869.06	9,896.20
6.6kV	440.12	442.02	442.69	444.73
230/400V	9,420.80	7,554.75	5,883.85	4,481.57
Total *	26,811.69	24,939.64	19,559.11	15,960.46

(b) Overhead Line Length

Nominal Voltage	2005 Powerco O/H Line Length (km)	2004 Powerco O/H Line Length (km)	2003 Powerco O/H Line Length (km)	2002 Powerco O/H Line Length (km)
110kV	-	-	-	-
66kV	150.35	150.23	62.61	
33kV	1,334.25	1,343.01	1,122.13	984.31
22kV	120.50	106.71	106.71	107.37
11kV	13,751.22	13,763.39	10,959.88	9,378.37
6.6kV	431.62	432.40	432.40	434.95
230/400V	5,775.95	4,979.16	4,043.87	3,252.62
Total *	21,563.89	20,774.90	16,727.59	14,157.62

(c) Underground Line Length

Nominal Voltage	2005 Powerco U/G Line Length (km)	2004 Powerco U/G Line Length (km)	2003 Powerco U/G Line Length (km)	2002 Powerco U/G Line Length (km)
110 kV	-	-	-	-
66kV	1.00	0.08	0.03	
33kV	92.90	101.59	71.67	45.96
22kV	0.32	0.36	0.35	0.33
11kV	1,500.21	1,477.49	909.18	517.83
6.6kV	8.51	9.62	10.29	9.78
230/400V	3,644.85	2,575.60	1,839.98	1,228.95
Total *	5,247.79	4,164.74	2,831.52	1,802.85

*Note:
20.2 (a) - (c): 2003 system lengths are calculated using the weighted average method. The system length (HV and LV) using actual data at the financial year-end is 24,978 km.
20.2 (a) - (c): The increase in 230/400V System Lengths (both overhead and underground) in 2005 is reflective of the system increase in both the Eastern and Western regions and also due to a backlog of as-built information being processed in the 2004 - 2005 period.

	2005 Powerco	2004 Powerco	2003 Powerco	2002 Powerco
(d) Transformer Capacity (kVA)	2,641,773	2,580,877	1,816,103	1,312,237
(e) Maximum Demand (kW)	727,421	692,249	466,001	373,232
(f) Total Electricity Entering the System (before losses of electricity), in kilowatt hours	4,291,991,861	4,073,919,387	2,926,495,360	2,077,336,916

*Note:
20.2 (a) - (c): 2003 system lengths are calculated using the weighted average method. The system length (HV and LV) using actual data at the financial year-end is 24,978 km.
20.2 (a) - (c): The increase in 230/400V System Lengths (both overhead and underground) in 2005 is reflective of the system increase in both the Eastern and Western regions and also due to a backlog of as-built information being processed in the 2004 - 2005 period.

(g) The total amount of electricity (in kilowatt hours) supplied from the system (after losses of electricity) during the financial year on behalf of each person that is an electricity generator or an electricity retailer, or both:	4,052,404,352	3,796,233,588	2,734,368,580	1,955,252,266

	2005 Powerco 000 kWh	2004 Powerco 000 kWh	2003 Powerco 000 kWh	2002 Powerco 000 kWh
Retailer A	1,892,505	1,730,537	1,465,424	1,279,941
Retailer B	989,805	937,591	448,648	103,482
Retailer C	360,548	371,397	344,854	304,821
Retailer D	363,733	297,671	114,646	23,972
Retailer E			-	15,599
Retailer F	39,161	44,169	95,955	127,445
Retailer G			-	1,049
Retailer H			-	-
Retailer I	406,634	414,868	264,842	98,261
Retailer J			-	-
Retailer K			-	682
Retailer L			-	-
Retailer M	18			
Total	4,052,404	3,796,233	2,734,369	1,955,252

Note: 20.2 (g): The data provided to Powerco by Retailers for electricity delivered to their customers is subject to errors of completeness and timing. This can lead errors in the calculation of loss percentage.

(h) Total Customers

2005 Powerco	2004 Powerco	2003 Powerco	2002 Powerco
298,665	296,165	216,660	157,451

Note: 20.2 (h): 2003 number of consumers is given for the time weighted average method. The actual sum for the combined network after acquistion was 293,479 consumer connections.

21 Disclosure of Reliability Performance Measures Pursuent to Electricity Information Disclosure Amendment Requirements 2004, Schedule 1, Part 5, Requirement 21.

21.1 Total Number Of Interruptions

Interruption Class	2005 Powerco Number of Interruptions	2004 Powerco Number of Interruptions	2003 Powerco Number of Interruptions	2002 Powerco Number of Interruptions
Class A - Transpower Planned	10	10	8	13
Class B - Distributor Planned	648	799	864	673
Class C - Distributor Unplanned	1,888	2,344	1,504	973
Class D - Transpower Unplanned	16	25	31	10
Class E - ECNZ Unplanned	0	0	0	0
Class F - Other Generator Unplanned	0	0	0	0
Class G - Other Line Owner Unplanned	0	0	2	1
Class H - Other Line Owner Planned	0	0		0
Class I - Other Owner (Not in A - H)	120	20		0
Total	2,682	3,198	2,409	1,670

21.2 Interruption Targets for the Following Financial Year

	2006 Powerco
Class B - Principal Line Owner Planned	831
Class C - Principal Line Owner Unplanned	1830

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

	2006 Powerco	2007-2010 Powerco
Class B - Principal Line Owner Planned	831	831
Class C - Principal Line Owner Unplanned	1830	1830

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

	Period	2005 Powerco	2004 Powerco	2003 Powerco	2002 Powerco
Class C - Principal Line Owner Unplanned	3 hours	24.2%	25.6%	21.3%	8.22%
Class C - Principal Line Owner Unplanned	24 hours	1.8%	2.5%	0.7%	0.82%

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

Nominal Voltage	2005 Powerco Number of Faults/100km	2004 Powerco Number of Faults/100km	2003 Powerco Number of Faults/100km	2002 Powerco Number of Faults/100km
110kV	-	-	-	-
66kV	3.96	3.33	9.31	
33kV	9.46	10.18	6.42	3.98
22kV	18.21	19.61	12.14	13.00
11kV	11.40	14.34	11.69	8.91
6.6kV	5.00	6.33	4.74	6.07
3.3kV	-	-		-
Total	11.06	13.72	11.00	8.40

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

Nominal Voltage	2006 Powerco Number of Faults/100km	2005 Powerco Number of Faults/100km	2004 Powerco Number of Faults/100km	2003 Powerco Number of Faults/100km
110kV	N/A	-	-	-
66kV	5.50	5.50	4.95	
33kV	6.90	6.93	6.49	5.90
22kV	11.00	10.98	9.39	9.50
11kV	11.30	11.28	9.21	9.40
6.6kV	10.63	10.86	9.60	9.70
3.3kV	N/A	-	-	-
Total (Weighted Average)	10.62	10.85	8.96	9.20

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

Nominal Voltage		2006 Powerco Number of Faults/100km	2007-2010 Powerco Number of Faults/100km
110kV		N/A	N/A
66kV		5.50	5.50
33kV		6.90	6.90
22kV		11.00	11.00
11kV		11.30	11.30
6.6kV		10.63	10.63
3.3kV		N/A	N/A
Total (Weighted Average)		10.62	10.62

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

Nominal Voltage	2005 Powerco Number of Faults/100km	2004 Powerco Number of Faults/100km	2003 Powerco Number of Faults/100km	2002 Powerco Number of Faults/100km
110kV	-	-	-	-
66kV	-	-	-	
33kV	-	2.95	0.58	-
22kV	-	-	-	-
11kV	5.66	6.84	4.08	4.25
6.6kV	-	-	-	-
3.3kV	-	-		-
Total (weighted average)	5.30	6.54	3.78	3.83

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

Nominal Voltage	2005 Powerco Number of Faults/100km	2004 Powerco Number of Faults/100km	2003 Powerco Number of Faults/100km	2002 Powerco Number of Faults/100km
110kV	-	-	-	-
66kV	3.99	3.33	9.32	
33kV	10.12	10.72	6.80	4.17
22kV	18.28	19.68	12.18	13.04
11kV	12.02	15.14	12.32	9.17
6.6kV	5.10	6.48	4.86	6.21
3.3kV	-	-	-	-
Total (weighted average)	11.64	14.45	11.56	8.64

21.8 SAIDI for total interruptions

Interruption Class	2005 SAIDI	2004 SAIDI	2003 SAIDI	2002 SAIDI
Total	208.32	370.41	295.55	159.57

21.9 SAIDI Targets for the Following Financial Year

Interruption Class	2006 Powerco SAIDI	2005 Powerco SAIDI	2004 Powerco SAIDI	2003 Powerco SAIDI
Class B - Distributor Planned	20	20	29	25
Class C - Distributor Unplanned	130	130	101	73

21.10 SAIDI
Targeted for the Following Financial Year and Subsequent 4 Financial Years

Interruption Class		2006 Powerco SAIDI	2007-2010 Powerco SAIDI
Class B - Distributor Planned		20	20
Class C - Distributor Unplanned		130	130

21.11 SAIDI classified

Interruption Class	2005 Powerco SAIDI	2004 Powerco SAIDI	2003 Powerco SAIDI	2002 Powerco SAIDI
Class A - Transpower Planned	3.03	12.86	3.46	8.82
Class B - Distributor Planned	11.12	21.93	46.99	38.02
Class C - Distributor Unplanned	183.43	304.35	234.35	91.92
Class D - Transpower Unplanned	9.21	31.04	10.37	20.59
Class E - ECNZ Unplanned	-	-	-	-
Class F - Other Generator Unplanned	-	-	0.16	-
Class G - Other Line Owner Unplanned	-	-	0.22	0.23
Class H - Other Line Owner Planned	-	-		-
Class I - Other Owner (Not in A - H)	1.53	0.24		-
Total	208.32	370.41	295.55	159.57

Note: 21.11 (h): 2003 number of consumers is given for the time weighted average method. The actual sum for the combined network after acquistion was 293,479 consumer connections.

21.12 SAIFI for total interruptions

Interruption Class	2005 SAIFI	2004 SAIFI	2003 SAIFI	2002 SAIFI
Total	2.915	3.787	3.473	2.555

21.13 SAIFI
Targeted for the Following Financial Year

Interruption Class	2006 Powerco	2005 Powerco	2004 Powerco	2003 Powerco SAIFI
Class B - Distributor Planned	0.14	0.14	0.19	0.16
Class C - Distributor Unplanned	2.36	2.36	1.98	1.74

21.14 SAIFI
Targeted for the Following Financial Year and Subsequent 4 Financial Years

Interruption Class	2006 Powerco SAIFI	2007-2010 Powerco SAIFI
Class B - Distributor Planned	0.14	0.14
Class C - Distributor Unplanned	2.36	2.36

21.15 SAIFI classified

Interruption Class	2005 Powerco SAIFI	2004 Powerco SAIFI	2003 Powerco SAIFI	2002 Powerco SAIFI
Class A - Transpower Planned	0.010	0.029	0.033	0.038
Class B - Distributor Planned	0.095	0.114	0.249	0.192
Class C - Distributor Unplanned	2.651	3.258	2.930	2.045
Class D - Transpower Unplanned	0.150	0.385	0.257	0.275
Class E - ECNZ Unplanned	-	-	-	-
Class F - Other Generator Unplanned	-	-	0.002	-
Class G - Other Line Owner Unplanned	-	-	0.002	0.005
Class H - Other Line Owner Planned	-	-		-
Class I - Other Owner (Not in A - H)	0.010	0.001		-
Total	2.915	3.787	3.473	2.555

Note: 21.15 (h): 2003 number of consumers is given for the time weighted average method. The actual sum for the combined network after acquistion was 293,479 consumer connections.

21.16 CAIDI for total interruptions

Interruption Class	2005 CAIDI	2004 CAIDI	2003 CAIDI	2002 CAIDI
Total (Average)	71.5	97.8	85.1	62.5

21.17 CAIDI
Targeted for the Following Financial Year

Interruption Class	2006 Powerco CAIDI	2005 Powerco CAIDI	2004 Powerco CAIDI	2003 Powerco CAIDI
Class B - Distributor Planned	142.9	142.9	153.7	153.0
Class C - Distributor Unplanned	55.0	55.0	51.1	42.0

21.18 CAIDI
Targeted for the Following Financial Year and Subsequent 4 Financial Years

Interruption Class	2006 Powerco	2007-2010 Powerco CAIDI
Class B - Distributor Planned	142.9	142.9
Class C - Distributor Unplanned	55.0	55.0

21.19 CAIDI classified

Interruption Class	2005 Powerco CAIDI	2004 Powerco CAIDI	2003 Powerco CAIDI	2002 Powerco CAIDI
Class A - Transpower Planned	302.4	449.0	105.4	233.5
Class B - Distributor Planned	117.4	191.6	188.6	198.3
Class C - Distributor Unplanned	69.2	93.4	80.0	44.9
Class D - Transpower Unplanned	61.3	80.6	40.3	74.9
Class E - ECNZ Unplanned	-	-	-	-
Class F - Other Generator Unplanned	-	-	95.0	-
Class G - Other Line Owner Unplanned	-	-	87.9	46.9
Class H - Other Line Owner Planned	-	-		-
Class I - Other Owner (Not in A - H)	159.1	266.1		-
Total (Average)	71.5	97.8	85.1	62.5

Note: 21.19 (h): 2003 number of consumers is given for the time weighted average method. The actual sum for the combined network after acquistion was 293,479 consumer connections.

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