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ELECTRA LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

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All values in this report are in thousands (000's) of New Zealand dollars (rounded) and are for years ended 31 March unless otherwise stated.

"This year" means the year ended 31 March 2005

"Last year" means the year ended 31 March 2004

"Next year" means the year ending 31 March 2006

Electra Limited

Line Business - Statement of financial performance

for the year ended 31 March 2005

Note		2005 \$000	2004 \$000
Operating revenue	2	22,813	22,143
Discount		(7,000)	(6,921)
Operating expense	2	(14,945)	(13,975)
Earnings Before Interest and Tax		868	1,247
Interest Expense		(878)	(919)
Net profit/(loss) before taxation		(10)	328
Taxation	3	-	-
Net profit/(loss) after taxation		(\$10)	\$328

Electra Limited

Line Business - Statement of movements in equity

for the year ended 31 March 2005

Note		2005 \$000	2004 \$000
Equity at beginning of the year		91,611	66,714
Net profit/(loss) for the year		(10)	328
Revaluation of assets	6	264	25,353
Total recognised revenues and expenses		254	25,681
Other movements			
Dividends	4	(175)	(130)
Funds transferred from non-line business activities		(943)	(654)
Total other movements		(1,118)	(784)
Equity at end of the year		\$90,747	\$91,611

The accompanying notes form part of these financial statements.

Electra Limited

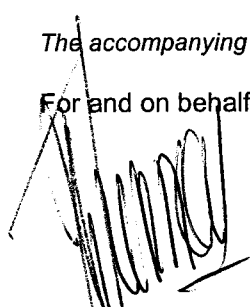
Line Business - Statement of financial position

as at 31 March 2005

	Note	2005 \$000	2004 \$000
Equity			
Share capital	5	18,000	18,000
Reserves	6	64,077	63,813
Retained earnings		8,670	9,798
Total equity		90,747	91,611
Non-current liabilities			
Borrowings	7	12,000	12,000
Current liabilities			
Other provisions		163	181
Accounts payable and accruals	8	4,897	5,538
Total current liabilities		5,060	5,719
Total equity and liabilities		\$107,807	\$109,330
Non-current assets			
Property, plant and equipment	9	105,165	106,202
Current assets			
Cash		1,060	863
Receivables and prepayments	10	1,582	2,265
Total current assets		2,642	3,128
Total assets		\$107,807	\$109,330

The accompanying notes form part of these financial statements.

For and on behalf of the Board



W R Thessman
Director



Piers Hamid
Director

The Board of Electra Limited authorise these financial statements for issue on 29 July 2005

Electra Limited

Line Business - Statement of cash flows

for the year ended 31 March 2005

	Note	2005 \$000	2004 \$000
Cash flows from operating activities			
Cash was received from:			
Receipts from customers		16,043	14,311
Interest received		16	17
		16,059	14,328
Cash was disbursed to:			
Payments to suppliers and employees		(10,874)	(10,186)
Interest paid		(878)	(919)
		(11,752)	(11,105)
Net cash flows from operating activities	12	4,307	3,223
Cash flows to investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment		10	60
		10	60
Cash was applied to:			
Disbursements to non-line business		(935)	(654)
Purchase of property, plant and equipment		(3,010)	(2,865)
		(3,945)	(3,519)
Net cash from investing activities		(3,935)	(3,459)
Cash flows from financing activities			
Cash was provided from:			
Loans raised		-	-
		-	-
Cash was applied to:			
Payment of dividends		(175)	(130)
		(175)	(130)
Net cash flows used in financing activities		(175)	(130)
Net increase in cash held		197	(366)
Add opening cash brought forward		863	1,229
Ending cash carried forward		\$1,060	\$863

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement *of accounting policies*

Reporting entity

Electra Limited is registered under the Companies Act 1993.

The financial statements are those of the Line Business Activities only of Electra Limited and have been prepared in accordance with the Electricity Information Disclosure Handbook issued by the Commerce Commission under Part 4A of the Commerce Act 1986.

Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed, with the exception that certain property, plant and equipment have been revalued.

Specific accounting policies

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

a) Property, plant and equipment

The Company has six classes of property, plant and equipment:

1. Land and buildings
2. Distribution Assets
3. Leasehold Improvements
4. Plant and Equipment
5. Vehicles
6. Work in Progress

All owned items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment comprises its purchase price plus any other costs directly attributable to bringing the item to working condition for its intended use.

The cost of self-constructed property, plant and equipment includes the cost of all materials used in construction, direct labour, costs of obtaining resource management consents, financing costs that are attributable to the project and an appropriate proportion of the variable and fixed overheads. Costs cease to be capitalised as soon as the property, plant and equipment is ready for productive use and do not include any inefficiency costs.

Subsequent expenditure relating to an item of property, plant and equipment is added to its gross carrying amount when such expenditure either increases the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained, and that expenditure would have been included in the initial cost of the item had the expenditure been incurred at that time.

Distribution system assets are revalued every three years to fair value, or more regularly if necessary to ensure that no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value. Fair value is determined using optimised depreciation replacement cost.

Any revaluation increment or decrement is recognised in the statement of movements in equity. If the revaluation results in a revaluation deficit, the revaluation deficit is recognised in the statement of financial performance. To the extent that a revaluation reverses a previous revaluation deficit that was recognised in the statement of financial performance, such revaluation increment is recognised in the statement of financial performance.

Land and buildings other than those included in distribution assets, are stated at market valuation. (refer note 9).

All other property, plant and equipment is recorded at cost less accumulated depreciation.

Where the estimated recoverable amount of an asset is less than the carrying amount, the asset is written down. The impairment loss is recognised in the statement of financial performance.

b) Depreciation

Depreciation is provided on either a diminishing value (DV), or straight line (SL) basis on all property, plant and equipment, at rates calculated to allocate the assets' cost or valuation less estimated residual value, over their estimated useful lives.

Main depreciation rates are:

Substation assets	2.2 – 2.5% straight line
Other Distribution assets	1.4 – 6.7% straight line
Buildings	1% - 2.5% straight line and 4% diminishing value
Leasehold Improvements	11%-31% diminishing value
Plant and equipment	10% - 50% diminishing value
Computer equipment	20% - 50% straight line
Motor vehicles	20% - 25% diminishing value and 20% straight line

c) Receivables

Receivables are stated at their estimated realisable value.

d) Income tax

The tax expense against the surplus for the year is the estimated liability in respect of that surplus after allowance for permanent differences plus any adjustments arising from prior years.

Electra Limited follows the liability method of accounting for deferred tax, applied on a partial basis.

The partial basis considers the cumulative income tax effect of all timing differences. The income tax effect of timing differences is only recognised as deferred tax for those timing differences that can be expected to reverse in the foreseeable future.

Future tax benefits attributable to losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the losses will be utilised.

e) Leases

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

f) Statement of cash flows

The following are the definitions of the terms used in the Statement of Cash Flows:

- 1) Cash is considered to be cash on hand, short term deposits and current accounts at the banks, net of bank overdrafts.
- 2) Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments can include securities not falling within the definition of cash.
- 3) Financing activities are those activities, which result in changes in the size and composition of the capital structure of the Company. This includes both equity and debt not falling within the definition of cash. Dividends paid are included in financing activities.
- 4) Operating activities include all transactions and other events that are not investing or financing activities.

g) Changes in accounting policies

There were no changes in accounting policies during the year.

2. Earnings *before interest and taxation*

Revenue

	2005 \$000	2004 \$000
Invoiced to consumers by electricity retailers	21,889	20,878
Line/access charges	21,889	20,878
AC loss-rental	437	842
Interest	16	17
Other	471	406
Total Revenue	\$22,813	\$22,143

After Charging

	2005 \$000	2004 \$000
Audit fees	27	66
Other accountancy services	120	77
Bad Debts	37	26
Change in provision for doubtful debts	-	-
Depreciation*	3,906	3,081
Directors fees	146	146
Interest fixed and other	878	919
Loss on sale of property, plant & equipment	387	24
Rental and lease costs	48	31
 *Depreciation by Category		
Land and Buildings	144	56
Distribution Assets	3,298	2,521
Leasehold Improvements	10	13
Plant and equipment	427	459
Vehicles	27	32

Customer sales discount

A total of \$7.0 million plus GST was credited to customers during the year to 31 March 2005 (\$6.92 million plus GST during the year ended 31 March 2004).

3. Taxation

	2005 \$000	2004 \$000
Profit/(loss) before taxation	(10)	328
Prime facie taxation at 33%	(3)	108
Plus/(less)		
Taxation effect of permanent differences	(255)	(229)
Timing differences not recognised	94	(49)
Benefit of tax losses	164	170
Taxation expense (benefit)	\$-	\$-

The company has a potential deferred tax liability net of future tax benefits of \$11,502,200 (2004 - \$9,911,628), which is not recognised in the financial statements. This balance is made up of a deferred tax liability of \$12,720,229 (2004 - \$12,020,253) which arises mainly from the revaluation of assets for accounting purposes, and a future tax benefit of \$1,218,029 (2004 - \$2,108,625). These balances are not expected to crystallise and therefore have not been recorded in the financial statements.

The future tax benefit above comprises the benefit of tax losses available to carry forward of \$1,148,269 (2004 - \$2,051,964) and the benefit of other timing differences of \$69,760 (2004 - \$56,661).

The carrying forward of tax losses is subject to continuing to meet shareholder continuity requirements under the Income Tax Act 1994.

The company has imputation credits to carry forward as at 31 March 2005 of \$394,029 (2004 - \$394,029)

4. Dividend

	2005 \$000	2004 \$000
Dividend Paid	\$175	\$130

Dividends were paid, during the year to the Electra Trust. There is no proposed final dividend (2004 - \$Nil).

5. Share capital

	2005 \$000	2004 \$000
24,464,922 ordinary shares issued and fully paid	\$18,000	\$18,000

All ordinary shares rank equally with one vote attached to each fully paid share.

6. Reserves

	2005 \$000	2004 \$000
Asset revaluation reserve	64,077	63,813
	\$64,077	\$63,813

Reconciliation of reserve movements

	2005 \$000	2004 \$000
Asset Revaluation Reserve		
Opening balance	63,813	38,460
Revaluation of assets	264	25,353
Closing balance	\$64,077	\$63,813

7. Non-current liabilities

	2005 \$000	2004 \$000
Borrowings		
Bank borrowings	12,000	12,000
Non current liabilities	\$12,000	\$12,000
Repayable as follows:		
Within one year	1,500	-
Within two years	6,000	1,500
Beyond two years	4,500	10,500
	\$12,000	\$12,000

All bank borrowings are secured by a General Securities Agreement over Electra's assets.

Interest rates payable on bank facilities range from 6.75-7.86%.

8. Accounts payable and accruals

	2005 \$000	2004 \$000
Creditors		
Trade	801	1,166
Other	3,834	3,819
Accruals	66	366
Accrued employee entitlements	196	187
	\$4,897	\$5,538

9. Property, Plant and Equipment

	2005 \$000	2004 \$000
<i>Distribution assets</i>		
Land	544	544
Buildings	6,839	6,730
Substation equipment	10,736	8,921
Lines	59,432	64,314
Switchgear	4,537	4,417
Transformers	13,460	12,010
Other ODV Assets	8,841	3,862
Depreciation on ODV Assets	(3,339)	-
<i>Total ODV assets</i>	101,050	100,798
Other Non ODV Assets	6,628	6,590
Depreciation on Non ODV Assets	(3,347)	(2,988)
<i>Total distribution assets</i>	104,331	104,400
<i>Non-distribution assets</i>		
Leasehold improvements	142	141
Accumulated depreciation	(105)	(95)
	37	46
Plant and equipment	1,034	1,017
Accumulated depreciation	(736)	(764)
	298	253
Vehicles	118	182
Accumulated Depreciation	(53)	(56)
	65	126
Capital Work in Progress	434	1,377
Total property plant and Equipment	\$105,165	\$106,202

Valuation

Land and buildings owned by the Company, other than those referred to above as being part of distribution assets, are stated at market valuation, which was assessed as at 31 March 2004 by DTZ NZ Limited (Registered Valuers). The valuations are carried out on a 3 yearly basis.

The Optimised Deprival Value (ODV) at which distribution assets are stated, was assessed by Electra and independently reviewed by PricewaterhouseCoopers as at 31 March 2004. The report placed an ODV on Distribution assets of \$101,173,265.

The ODV valuations are undertaken on a three yearly basis. The next assessment will be as at 31 March 2007. For the intervening years the distribution assets are updated for additions during the year at cost.

10. Receivables and prepayments

	2005 \$000	2004 \$000
Trade debtors	1,168	1,815
GST refund due	398	448
Prepayments	26	12
	1,592	2,275
Less provision for doubtful debts	(10)	(10)
	\$1,582	\$2,265

11. Financial instruments

Credit risk

Financial assets which potentially subject the company to credit risk principally consist of bank balances and accounts receivable.

The company manages its principle credit risk by having Use of System Agreements with its major customers to maintain a minimum credit rating of BBB or better.

Maximum exposures to credit risk as at balance date are:

	2005 \$000	2004 \$000
Bank balances	1,060	863
Receivables	1,582	2,265

The above maximum exposures are net of any recognised provision for losses on these financial assets. Bank balances and investments in short term deposits are made with registered banks with satisfactory credit ratings.

Concentrations of credit risk

The company has exposures to concentrations of credit risk by having six line customers. This is managed as mentioned above through the Use of System Agreements.

Currency risk

The company has no material exposure to foreign exchange risk.

Interest rate risk

Interest rate risk exposure is limited to bank borrowings. The company has no interest risk hedge contracts.

Fair values

There were no differences between the fair value and carrying amounts of financial instruments as at 31 March 2005.

12. Reconciliation

of net profit after tax with cash inflow from operating activities

	2005 \$000	2004 \$000
Profit/(loss) after taxation	(10)	328
Add / (less) non-cash items		
Depreciation	3,906	3,088
Add item classified as investing activity		
Capital Loss (gain) on sale of fixed assets	387	24
Movements in working capital		
Increase / (decrease) in accounts payable	(659)	(165)
(Increase) / decrease in receivables	683	(52)
Net cash inflow from operating activities	\$4,307	\$3,223

13. Contingent liabilities

	2005 \$000	2004 \$000
a) Guarantee of bank facilities for a subsidiary to a limit of	950	950
At balance date the amount of the bank facilities so guaranteed was	-	-

14. Commitments

Capital commitments

At balance date, there was \$4,500 expenditure contracted for and approved by the company (2004 - \$334,086).

Operating lease commitments

Lease commitment under non-cancellable operating leases

	2005 \$000	2004 \$000
Not later than one year	37	24
Within one to two years	12	24
Within two to five years	-	14
	\$49	\$62

15. Transactions with related parties

During the year the Company purchased construction and maintenance services from its wholly owned subsidiary, Electra Contracting Limited, to an amount of \$3,348,000 (2004 - \$2,912,000). The amount owed to Electra Contracting at year end is \$430,000 (2004 - \$339,000).

	2005 \$000	2004 \$000
(a.) Construction of subtransmission assets	194	37
(b.) Construction of zone substations	61	314
(c.) Construction of distribution lines and cables	360	119
(d.) Construction of medium voltage switchgear	254	173
(e.) Construction of distribution transformers	771	347
(f.) Construction of distribution substations	-	-
(g.) Construction of low voltage reticulation	144	52
(h.) Construction of other system fixed assets	1	-
(i.) Maintenance of assets	1,563	1,871
(j.) Consumer connections and disconnections	-	-

No related party debts have been written off or forgiven during this, or last year.

16. Further Information

The following information is required to be disclosed in the financial statements under Part 2 of the Electricity Information Disclosure Requirements 2004

	2005 \$000	2004 \$000
1 Current assets		
(a.) Cash and bank balances	1,060	863
(b.) Short-term investments	-	-
(c.) Inventories	-	-
(d.) Accounts Receivable	1,582	2,265
(e.) Other current assets not listed in (a) to (d)	-	-
(f.) Total current assets	2,642	3,128
2 Fixed Assets		
(a.) System fixed assets	104,331	100,798
(b.) Consumer billing and information system assets	-	-
(c.) Motor Vehicles	65	126
(d.) Office equipment	298	3,855
(e.) Land and buildings	37	46
(f.) Capital works under construction	434	1,377
(g.) Other fixed assets not listed in (a) to (f)	-	-
(h.) Total fixed assets	105,165	106,202
3 Other tangible assets not listed above	-	-
4 Total tangible assets	107,807	109,330
5 Intangible assets		
(a.) Goodwill	-	-
(b.) Other intangibles not listed in (a)	-	-
(c.) Total intangible assets (sum of (a) and (b))	-	-
6 Total Assets	107,807	109,330
7 Current liabilities		
(a.) Bank overdraft	-	-
(b.) Short-term borrowings	-	-
(c.) Payables and accruals	4,897	5,538
(d.) Provision for dividends payable	-	-
(e.) Provision for income tax	-	-
(f.) Other current liabilities not listed in (a) to (e)	163	181
(g.) Total current liabilities	5,060	5,719
8 Non-current liabilities		
(a.) Payables and accruals	-	-
(b.) Borrowings	12,000	12,000
(c.) Deferred tax	-	-
(d.) Other non-current liabilities not listed in (a) to (c)	-	-
(e.) Total non-current liabilities	12,000	12,000

	2005 \$000	2004 \$000
9 Equity		
(a.) Shareholders' equity -		
(i) Share capital	18,000	18,000
(ii) Retained earnings	8,670	9,798
(iii) Reserves	64,077	63,813
(iv) Total shareholders' equity	90,747	91,611
(b.) Minority interests in subsidiaries	-	-
(c.) Total equity	90,747	91,611
(d.) Capital notes	-	-
(e.) Total capital funds	90,747	91,611
10 Total Equity and Liabilities	107,807	109,330
11 Operating revenue		
(a.) Revenue from line/access charges	21,889	20,878
(b.) Line charge discount to consumers	(7,000)	(6,921)
(c.) Revenue from "other" business for services carried out by the line business (transfer payment)	-	-
(d.) Interest on cash, bank balances, and short-term investments	16	17
(e.) AC loss-rental rebates	437	842
(f.) Other operating revenue not listed in (a) to (d)	471	406
(g.) Total operating revenue	15,813	15,222
12 Operating expenditure		
(a.) Payment for transmission charges	5,812	5,390
(b.) Transfer payments to the "other" business for:		
(i) Asset maintenance:	1,563	1,871
(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):	-	-
(viii) Total transfer payment to the "other" business	1,563	1,871
(c.) Expense to entities that are not related parties for:		
(i) Asset maintenance:	1,000	1,224
(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	1,000	1,224
(d.) Employee salaries, wages and redundancies	838	856
(e.) Consumer billing and information systems	-	-
(f.) Depreciation on:		
(i) System fixed assets:	3,342	2,519
(ii) Other assets not listed in (i):	564	562
(iii) Total depreciation	3,906	3,081
(g.) Amortisation of:		
(i) Goodwill	-	-
(ii) Other intangibles	-	-
(iii) Total amortisation of intangibles	-	-
(h.) Corporate and administration	579	632
(i.) Human resource expenses	97	87

	2005 \$000	2004 \$000
12 Operating expenditure cont...		
(j.) Marketing/Advertising	294	221
(k.) Merger and acquisition expenses	-	-
(l.) Takeover defence expenses	-	-
(m.) Research and development expenses	-	-
(n.) Consultancy and legal expenses	34	55
(o.) Donations	-	-
(p.) Directors' Fees	146	146
(q.) Auditor' Fees		
(i) Audit fees paid to principal auditors:	27	66
(ii) Audit fees paid to other auditors:	-	-
(iii) Fees paid for other services provided by principal and other auditors	120	77
(iv) Total auditors' fees	147	143
(r.) Cost of offering credit -		
(i) Bad debts written off:	37	26
(ii) Increase in estimated doubtful debts	-	-
(iii) Total cost of offering credit	37	26
(s.) Local authority rates expense	48	54
(t.) AC loss-rental rebates (distribution to retailers/customers) expense	-	-
(u.) Rebates to consumers due to ownership interest	-	-
(v.) Subvention payments	-	-
(w.) Unusual expenses	-	-
(x.) Other expenditure not listed in (a) to (w)	444	189
13. Total operating expenditure	14,945	13,975
14. Operating surplus before interest and income tax	868	1,247
15. Interest expense		
(a.) Interest expense on borrowings	878	919
(b.) Financing charges related to finance leases	-	-
(c.) Other interest expense not listed in (a) or (b)	-	-
(d) Total interest expense	878	919
16. Operating surplus before income tax	(10)	328
17. Income tax	-	-
18. Net surplus after tax	(10)	328

Annual valuation reconciliation report

Year ending 31 March 2005

	2005 \$000
System fixed assets at ODV – end of the previous financial year	101,173
<i>Add</i> system fixed assets acquired during the year at ODV	4,824
<i>Less</i> system fixed assets disposed of during the year at ODV	432
<i>Less</i> depreciation on system fixed assts at ODV	3,343
<i>Add</i> revaluations of system fixed assets	-
System fixed assets at ODV – end of the financial year	\$102,222

Financial and efficiency performance measures for the Line Business

Introduction

The Electricity Information Disclosure Requirements 2004 forms part of the regulatory regime introduced following deregulation of the Electricity Industry.

The Regulations require Electricity Companies that operate a Line Business to publicly disclose in the Gazette and have available on request a variety of information. Included in this disclosure are Financial, Reliability and Efficiency Performance Measures and Statistics.

In order to consistently define these measures to allow comparison between Electricity Companies, the Regulations require a number of adjustments to be made to the Financial Statements. For this reason, the Financial Statements disclosed are not necessarily the basis of information used for calculations in Performance Measures and Statistics.

This information has been prepared solely for the purpose of complying with Parts 3-7 of the Electricity Information Disclosure Requirements 2004 required by the Commerce Act 1986 and is not intended for any other purpose.

Financial performance measures

Rates of return for the Line Business are as follows:

	2005	2004	2003	2002
Return on funds	0.86%	1.30%	3.29%	3.87%
Return on equity	-0.01%	0.33%	2.35%	3.40%
Return on investment	0.57%	32.10%	3.88%	2.96%

Efficiency performance measures

	2005	2004	2003	2002
Direct line costs per kilometre	\$1,534	\$1,746	\$1,798	\$1,729
In-direct line costs per electricity consumer	\$39	\$44	\$48	\$49

Energy delivery Performance measures

	2005	2004	2003	2002
Load factor	48.51%	51.46%	56.01%	52.24%
Loss ratio	6.58%	6.59%	6.69%	6.65%
Capacity utilisation	31.95%	28.95%	28.85%	30.66%

Statistics

	2005	2004	2003	2002
System Lengths (km's) (overhead)				
33kV	153	153	153	153
11kV	854	853	853	848
400v	544	553	549	551
Total	1,551	1,559	1,555	1,552

	2005	2004	2003	2002
System Lengths (km's) (underground)				
33kV	21	24	21	15
11kV	189	180	176	171
400v	404	385	380	372
Total	614	589	577	558

Total Overhead and Underground	2,165	2,148	2,132	2,110
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		2005	2004	2003	2002
Transformer capacity kVA		284,881	283,323	279,483	273,575
Maximum demand kW		91,406	82,016	80,640	83,886
Total electricity entering the system (before losses) kWh		415,694,712	394,872,118	395,686,769	383,911,145
Electricity on behalf of other entities	A	202,468,965	262,787,752	305,163,598	296,522,578
(after losses of electricity)	B	-	-	-	7,529,578
	C	9,595,365	9,918,360	9,841,437	8,056,416
	D	-	-	-	19,683
	E	30,446,069	37,730,811	40,054,797	38,701,722
	F	5,964,263	1,776,596	823,345	3,609,004
	G	27,083,133	20,139,519	13,330,046	3,819,588
	H	-	-	-	118,480
	I	112,784,393	36,558,506	-	-
Total Consumers		39,906	39,541	39,015	38,292

Reliability Performance Measure Targets

Total interruptions

	2005	2004	2003	2002
Class A – Planned by Transpower	-	-	-	-
Class B – Planned by Electra	84	80	78	87
Class C – Unplanned by Electra	106	118	88	66
Class D – Unplanned by Transpower	1	2	1	1
Class E – Unplanned by embedded generation	-	-	-	-
Class F – Unplanned by generation on other network	-	-	-	-
Class G – Unplanned by other line owner	-	-	-	-
Class H – Planned by other line owner	-	-	-	-
Class I – Any other loss of supply	-	-	-	-
Total	191	200	167	154

Interruptions Target for Following Financial Year

	2006	2005	2004	2003
Class B – Planned	75	75	75	75
Class C – Unplanned	95	95	95	95
Total	170	170	170	170

Average Interruptions Targets (next and subsequent 4 years)

	2006/10	2005/09	2004/08	2003/07
Class B – Planned	75	75	75	70
Class C – Unplanned	95	95	95	86
Total	170	170	170	164

Proportion of the total Class C interruptions not restored within:

	2005	2004	2003
a) 3 hours -	2.8%	2.55%	0%
b) 24 hours -	0%	0.04%	0%

Number of Faults per 100 Circuit Kilometre

	2005	2004	2003	2002
33kV	0.57	6.32	1.73	2.21
11kV	8.34	10.28	8.27	6.01
Total number of faults	7.87	9.72	7.32	5.45

Fault Targets per 100 Circuit Kilometre

Number of faults targeted (next year)	2006	2005	2004	2003
33kV	2.6	2.6	2.6	2.4
11kV	9.5	9.5	9.5	9.1
Total	8.5	8.5	8.5	8.1

Average Faults Targets (next and subsequent 4 years)	2006/10	2005/09	2004/08	2003/07
33kV	2.6	2.6	2.6	1.9
11kV	9.5	9.5	9.5	8.4
Total	8.5	8.5	8.5	7.4

Number of Faults per 100 Circuit Kilometre

	2005	2004	2003	2002
Overhead				
33kV	0.66	7.19	1.96	2.4
11kV	9.60	11.70	7.97	6.2
<i>Total Overhead</i>	8.24	11.01	7.05	5.6
Underground				
33kV	-	-	-	-
11kV	2.65	3.78	11.40	4.8
<i>Total Underground</i>	2.38	3.40	10.18	4.4
Total	7.23	9.7	7.3	5.4

SAIDI

	2005	2004	2003	2002
Class A – Planned by Transpower	-	-	-	-
Class B – Planned by Electra	15.23	9.98	5.86	17.6
Class C – Unplanned by Electra	62.97	107.86	49.73	48.2
Class D – Unplanned by Transpower	5.66	15.63	5.71	0.5
Class E – Unplanned by embedded generation	-	-	-	-
Class F – Unplanned by generation on other network	-	-	-	-
Class G – Unplanned by other line owner	-	-	-	-
Class H – Planned by other line owner	-	-	-	-
Class I – Any other loss of supply	-	-	-	-
Total	83.86	133.47	61.30	66.3

SAIDI targets (next year)

	2006	2005	2004	2003
Class B – Planned	16	20	20	20
Class C – Unplanned	62	80	80	75
Total	78	100	100	95

Average SAIDI targets (next 5 years)

	2006/10	2005/09	2004/08	2003/07
Class B – Planned	16	20	20	17
Class C – Unplanned	62	80	80	73
Total	78	100	100	90

SAIFI

	2005	2004	2003	2002
Class A – Planned by Transpower	-	-	-	-
Class B – Planned by Electra	0.09	0.07	0.04	0.13
Class C – Unplanned by Electra	1.47	2.65	0.86	1.18
Class D – Unplanned by Transpower	0.39	0.78	0.34	0.08
Class E – Unplanned by embedded generation	-	-	-	-
Class F – Unplanned by generation on other network	-	-	-	-
Class G – Unplanned by other line owner	-	-	-	-
Class H – Planned by other line owner	-	-	-	-
Class I – Any other loss of supply	-	-	-	-
Total	1.95	3.50	1.24	1.39

SAIFI targets (next year)

	2006	2005	2004	2003
Class B – Planned	0.16	0.2	0.2	0.13
Class C – Unplanned	1.42	1.8	1.8	1.47
Total	1.58	2.0	2.0	1.60

Average SAIFI targets (next 5 years)

	2006/10	2005/09	2004/08	2003/07
Class B – Planned	0.16	0.18	0.18	0.10
Class C – Unplanned	1.42	1.80	1.80	1.20
Total	1.58	1.98	1.98	1.30

CAIDI

	2005	2004	2003	2002
Class A – Planned by Transpower	-	-	-	-
Class B – Planned by Electra	169.22	143.17	139.52	133.3
Class C – Unplanned by Electra	42.84	40.75	58.03	40.9
Class D – Unplanned by Transpower	14.51	20.0	17.0	6.0
Class E – Unplanned by embedded generation	-	-	-	-
Class F – Unplanned by generation on other network	-	-	-	-
Class G – Unplanned by other line owner	-	-	-	-
Class H – Planned by other line owner	-	-	-	-
Class I – Any other loss of supply	-	-	-	-
Total	43.01	38.13	49.64	47.7

CAIDI targets (next year)

	2006	2005	2004	2003
Class B – Planned	98.00	100.00	100.00	153.8
Class C – Unplanned	44.00	44.45	44.45	51.0
Total	50.00	50.00	50.00	59.4

Average CAIDI targets (next 5 years)

	2006/10	2005/09	2004/08	2003/07
Class B – Planned	98.00	111.11	111.11	184.5
Class C – Unplanned	44.00	44.45	44.45	61.9
Total	50.00	50.51	50.51	69.2

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	868,418				
Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIT)	868,418				
Interest on cash, bank balances, and short-term investments (ISTI)	16,000	a	852,418		852,418
OSBIT minus ISTI	852,418				
Net surplus after tax from financial statements	-9,582	n		-9,582	
Net surplus after tax adjusted pursuant to requirement 18 (NSAT)	-9,582	g			
Amortisation of goodwill and amortisation of other intangibles	0	s		add	add
Subvention payment	0			add	add
Depreciation of SFA at BV (x)	3,342,198	d	-849	-849	-849
Depreciation of SFA at ODV (y)	3,343,047	s ¹		0	0
ODV depreciation adjustment	-849	q		deduct	deduct
Subvention payment tax adjustment	0	r		deduct	deduct
Interest tax shield	284,460	p			284,460
Revaluations	0				0
Income tax	0				0
Numerator	0		851,568	-10,432	567,108
			OSBITADJ = a + g + s + d	NSATADJ = n + g + s - s ¹ + d	OSBITADJ = a + g + q + r + s + d - p - s ¹
Fixed assets at end of previous financial year (FA0)	106,202,000				
Fixed assets at end of current financial year (FA1)	105,165,000				
Adjusted net working capital at end of previous financial year (ANWC0)	-3,453,971				
Adjusted net working capital at end of current financial year (ANWC1)	-3,478,270				
Average total funds employed (ATFE)	102,217,360	c	102,217,360		102,217,360
Total equity at end of previous financial year (TE0)	91,610,558				
Total equity at end of current financial year (TE1)	90,746,802	k		91,178,700	
Average total equity	91,178,700				
WUC at end of previous financial year (WUC0)	1,377,000				
WUC at end of current financial year (WUC1)	434,000				
Average total works under construction	905,500	e	905,500	deduct	905,500
	(or requirement 33 time-weighted average)				
Revaluations	0	r			
Half of revaluations	0	r/2			0
Intangible assets at end of previous financial year (IA0)	0				
Intangible assets at end of current financial year (IA1)	0				
Average total intangible asset	0	m		add	
	(or requirement 33 time-weighted average)				
Subvention payment at end of previous financial year (S0)	0				
Subvention payment at end of current financial year (S1)	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	
System fixed assets at end of previous financial year at book value (SFAbv0)	104,400,000				
System fixed assets at end of current financial year at book value (SFAbv1)	104,331,000				
Average value of system fixed assets at book value	104,365,500	f	104,365,500	deduct	104,365,500
	(or requirement 33 time-weighted average)				
System Fixed assets at year beginning at ODV value (SFAodv0)	101,173,264				
System Fixed assets at end of current financial year at ODV value (SFAodv1)	102,222,217				
Average value of system fixed assets at ODV value	101,697,741	h	101,697,741	add	101,697,741
	(or requirement 33 time-weighted average)				
Denominator			98,644,121	87,605,441	98,644,120
			ATFEADJ = c - e - f + h	Ave TEADJ = k - e - m + v - f + h	ATFEADJ = c - e - 1/2r - f + h
Financial Performance Measure:			0.96	-0.01	0.57
			ROF = OSBITADJ/ATFEADJ x 100	ROE = NSATADJ/ATEADJ x 100	ROI = OSBITADJ/ATFEADJ 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 '1' = end of the current financial year, ROF = return on equity, ROI = return on investment



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REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF ELECTRA LIMITED (LINES BUSINESS) FOR THE YEAR ENDED 31 MARCH 2005

We have audited the financial statements of Electra Limited (Lines Business) on pages 2 to 18. The financial statements provide information about the past financial performance of Electra Limited (Lines Business) and its financial position as at 31 March 2005. This information is stated in accordance with the accounting policies set out on pages 5 to 7.

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 Electra Limited (Lines Business) as at 31 March 2005, 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 Regulation 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 Fred Hutchings of PricewaterhouseCoopers 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 Electra Limited's (Lines Business) circumstances, consistently applied and adequately disclosed.

We conducted our 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.

We have carried out other assignments for Electra Limited in the areas of taxation compliance and other assurance services. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Electra Limited.

Unqualified Opinion

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

In our opinion -

- proper accounting records have been maintained by Electra Limited (Lines Business) as far as appears from our examination of those records; and
- the financial statements of Electra Limited (Lines Business) on pages 2 to 18:
 - (a) comply with generally accepted accounting practice in New Zealand; and
 - (b) give a true and fair view of Electra Limited (Lines Business)'s financial position as at 31 March 2005 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 29 July 2005 and our unqualified opinion is expressed as at that date.

Fred Hutchings
On behalf of the Auditor-General
Wellington, New Zealand

PricewaterhouseCoopers



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**AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF
ELECTRA LIMITED (LINES BUSINESS)**

We have examined the information on pages 19, 20 and 26 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 Electra Limited (Lines Business) and dated 29 July 2005 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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

A handwritten signature in black ink, appearing to read 'Fred Hutchings'.

Fred Hutchings
On behalf of the Auditor-General
29 July 2005

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers
Wellington, New Zealand

ODV valuation

The Optimised Deprival Value (ODV) of the network was assessed by Electra and audited by PricewaterhouseCoopers as at 31 March 2004.

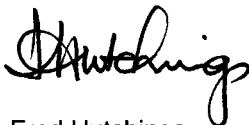
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AUDITOR-GENERAL'S OPINION ON THE VALUATION REPORT OF ELECTRA LIMITED (LINES BUSINESS)

We have examined the valuation report of Electra Limited (Lines Business) and dated 6 December 2004 which report contains valuations of system fixed assets as at 31 March 2004.

In our opinion, having made all reasonable enquiry, and to the best of our knowledge, the valuations contained in the report, including the total valuation of system fixed assets of \$101,173,264, have been made in accordance with the ODV Handbook (as defined in the Commerce Commission's Electricity Information Disclosure Requirements 2004).



Fred Hutchings
On behalf of the Auditor-General
Wellington, New Zealand
8 December 2004



PricewaterhouseCoopers

CERTIFICATION OF VALUATION REPORT OF LINE OWNERS

We, Warren Thessman, Chairman and Piers Hamid, Director of Electra Limited certify that, having made all reasonable enquiry, to the best of our knowledge, –

- (a) The attached valuation report of Electra 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 Electra Limited is \$177,475,288; and
- (c) The depreciated replacement cost of the line business system fixed assets of Electra Limited is \$101,266,158; and
- (d) The optimised depreciated replacement cost of the line business system fixed assets of Electra Limited is \$101,173,264; and
- (e) The optimised deprival valuation of the line business system fixed assets of Electra Limited is \$101,173,264; and
- (f) The values in paragraphs (b) through to (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information disclosure Requirements 2004). These valuations are as at 31 March 2004.



Warren Thessman
Chairman



Piers Hamid
Director

Dated this 29th day of July 2005

DIRECTOR'S CERTIFICATES

CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower

We, Warren Thessman, Chairman and Piers Hamid, Director of Electra Limited certify that, having made all reasonable enquiry, to the best of our knowledge, -

- (a) The attached audited financial statements of Electra 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 Electra 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.



Warren Thessman
Chairman



Piers Hamid
Director

Dated this 29th day of July 2005

Directory

Directors

W R Thessman (Chairperson)
P A T Hamid
P F McKelvey
M H Devlin

Executive

J L Yeoman (Chief Executive)

Registered office

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Telephone 06 366 0944
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Auditor

PricewaterhouseCoopers
Wellington
On behalf of the Auditor General

Bankers

Bank of New Zealand

Solicitors

Quigg Partners, Wellington
