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MAINPOWER NEW ZEALAND LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

MAINPOWER NEW ZEALAND LTD**Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2005****Statement of Accounting Policies Specific to MainPower's Lines Business Activities**Reporting Entity

MainPower New Zealand Limited is a company registered under the Companies Act 1993.

The financial statements have been prepared in accordance with, and for the purposes of, complying with the requirements of the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

MainPower New Zealand Limited is a reporting entity for the purposes of the Financial Reporting Act 1993.

Special Purpose Financial Statements

These financial statements have been prepared for the specific purpose of complying with the requirements of the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

Allocations of the costs, revenues, assets and liabilities of the Company have been made in accordance with the mandatory methodology as required by the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

This approach defines the line business as the company's core business, and makes an assessment of the costs, revenues, assets and liabilities that would be avoided by the line business if all non-core businesses were to cease operation. The costs, revenues, assets and liabilities that would be avoided are allocated to those non-core businesses. Costs, revenues, assets and liabilities that would not be avoided are allocated to the line business.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis, modified by the revaluation of certain fixed assets, have been followed.

Accounting Policies

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

1.1 Fixed Assets and Depreciation

All fixed assets are initially recorded at cost. Distribution assets are subsequently revalued on an Optimised Deprival Valuation (ODV) basis and are revalued at least once every three years.

Distribution assets were revalued by PricewaterhouseCoopers on an Optimised Deprival Valuation (ODV) basis as at 31 March 2004.

Depreciation is provided on all tangible fixed assets at rates that will allocate the assets' cost or valuation, to their residual values, over their estimated useful lives. All other assets are depreciated on a diminishing value basis.

Depreciation rates for major classes of assets used in the preparation of the financial statements are based on periods not exceeding:

Distribution System	-	70 years
Motor Vehicles	-	5 years
Plant and Equipment	-	14 years
Office Furniture and Equipment	-	10 years

The electricity distribution system economic lives have been set consistent with the Ministry of Economic Development's ODV Handbook. The economic lives range from 15 – 70 years for the different components of the distribution system.

Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

MAINPOWER NEW ZEALAND LTD**Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2005****1.2 Income Tax**

The income tax expense charged to the Statement of Financial Performance includes the current year's provision after allowing for permanent differences. Deferred taxation is determined on a partial basis using the liability method. Deferred tax assets attributable to timing differences or tax losses are only recognised if there is virtual certainty of realisation.

1.3 Goods and Services Tax

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which include GST invoiced.

1.4 Allocation of Costs, Revenues, Assets and Liabilities

The allocation of costs, revenues, assets and liabilities are in accordance with Requirement 6 of the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

1.5 Business Accounting Separation**Lines Business**

The Lines business provides and maintains the electricity distribution network throughout the North Canterbury and Kaikoura regions.

1.6 Rebate Shares**i) Redemption**

Rebate Shares are only held by Qualifying Customers and the Trustees of the MainPower Trust. They are not transferable and are subject to compulsory redemption at a nominal value of ten (10) cents when a person ceases to be a Qualifying Customer of MainPower.

ii) Rebates

The Rebate Share entitles a Qualifying Customer to a rebate of fixed and variable distribution line charges. The accumulated rebate paid to Qualifying Customers is disclosed separately in the Statement of Financial Performance.

1.7 Capital Contributions

Where Distribution System network assets are gifted to MainPower in recognition of MainPower accepting responsibility for the continued maintenance of those assets, MainPower recognises the gift as income and treats the asset as an addition to the company's asset base.

1.8 Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Financial Performance
For The Year Ended 31 March 2005**

	Note	2005 \$000	2004 \$000
Operating Revenue	1a	30,997	28,950
Operating Expenditure	1b	25,927	(22,978)
Operating Surplus Before Interest & Taxation		5,070	5,972
Interest Expense		-	-
Taxation	1c	(989)	(1,181)
Operating Surplus After Taxation		4,081	4,791
Net Surplus After Taxation	4	4,081	4,791

**Lines Business Statement of Movements in Equity
for the Year Ended 31 March 2005**

	Note	2005 \$000	2004 \$000
Equity at Start of the Year		119,496	95,540
Net Surplus	4	4,081	4,791
Increase/(Decrease) in Asset Revaluation Reserve		-	19,165
Total Recognised Revenues and Expenses		4,081	23,956
Equity at the End of the Year		123,577	119,496

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Financial Position
As At 31 March 2005**

	Note	2005 \$000	2004 \$000
Equity			
Share Capital	2	23,411	23,411
Reserves	3	78,975	78,975
Retained Earnings	4	21,191	17,110
Total Shareholders' Equity		123,577	119,496
Minority Interests in Subsidiaries		-	-
Total Equity		123,577	119,496
Capital Notes		-	-
Total Capital Funds		123,577	119,496
Non Current Liabilities	10	161	144
Current Liabilities			
Accounts Payable and Accruals	9	2,695	1,820
Total Equity and Liabilities		126,433	121,460
Non Current Assets			
Fixed Assets	5	121,548	112,844
Total Non Current Assets		121,548	112,844
Current Assets			
Bank and Short term deposits		2,720	7,373
Short Term Investments		-	-
Receivables and Prepayments	6	2,165	1,243
Inventory		-	-
Other Current Assets		-	-
Total Current Assets		4,885	8,616
Other Tangible Assets	7	-	-
Total Tangible Assets		126,433	121,460
Intangible Assets	8	-	-
Total Assets		126,433	121,460

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Cash Flows
For The Year Ended 31 March 2005**

	2005	2004
	\$000	\$000
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from Customers	18,853	19,004
Interest Received	<u>303</u>	<u>379</u>
	<u>19,156</u>	<u>19,383</u>
Cash was disbursed to:		
Payments to Suppliers and Employees	(12,623)	(10,957)
Income Taxes Paid	(915)	(2,055)
Interest Paid	<u>-</u>	<u>-</u>
	<u>(13,538)</u>	<u>(13,012)</u>
Net Cash Inflow from Operating Activities	12	6,371
Cash Flows from Investing Activities		
Cash was provided from:		
Sale of Fixed Assets	-	6
Cash was Applied to:		
Purchase of Fixed Assets	<u>(10,271)</u>	<u>(4,264)</u>
Net Cash Outflow from Investing Activities	(10,271)	(4,258)
Cash Flows from Financing Activities		
Cash was Applied to:		
Dividend Paid to Other Business Activities	-	-
Repayment Loans	<u>-</u>	<u>-</u>
Net Cash Outflow from Financing Activities	-	-
SUMMARY		
Inflow from Operating Activities	5,618	6,371
Outflow from Investing Activities	(10,271)	(4,258)
Outflow from Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease)\Increase in Cash Holdings	(4,653)	2,113
Add Opening Bank and Short Term Deposits	<u>7,373</u>	<u>5,260</u>
Closing Bank and Short Term Deposits	2,720	7,373

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2005**

1a	Operating Revenue	2005 \$000	2004 \$000
	Line Charges	26,461	24,451
	A C Loss Rental Rebates	382	608
	Interest	303	379
	Revenue from "Other" Business	-	-
	Other Operating Revenue	<u>3,851</u>	<u>3,512</u>
	Total Operating Revenue	<u>30,997</u>	<u>28,950</u>
1b	Operating Expenditure		
	Transmission Charges	6,886	6,290
	Transfer Payments		
	Asset Maintenance	3,157	2,358
	Consumer Disconnection	-	-
	Metering	3	1
	Load Control	36	20
	Royalty and Patents	-	-
	Avoid Transmission Charges	-	-
	Other	<u>-</u>	<u>-</u>
	Total Transfer Payments	<u>3,196</u>	<u>2,379</u>
	Non Related Parties		
	Asset Maintenance	91	59
	Consumer Disconnection	-	-
	Metering	-	-
	Load Control	-	-
	Royalty and Patents	<u>-</u>	<u>-</u>
	Total Specified Expenses to Non Related Parties	<u>91</u>	<u>59</u>
	Salaries, Wages and Redundancies	1,386	1,202
	Consumer Billing and Information System	187	147
	Depreciation		
	System Assets	5,170	4,196
	Other	<u>239</u>	<u>231</u>
	Total Depreciation	<u>5,409</u>	<u>4,427</u>
	Amortisation		
	Goodwill	-	-
	Other Intangibles	<u>-</u>	<u>-</u>
	Total Amortisation	<u>-</u>	<u>-</u>
	Corporate and Administration	671	568
	Human Resources Expenses	279	351
	Marketing and Advertising	8	87
	Merger and Acquisition Expenses	-	-
	Takeover Defence Expenses	-	-
	Research and Development Expenses	-	-
	Consultancy and Legal Expenses	123	113
	Donations	-	-
	Directors Fees	142	135

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2005**

1b	Operating Expenditure (continued)	2005 \$000	2004 \$000
	Auditors Fees		
	Principal Auditors	36	27
	Other Auditors	-	-
	Other Audit Services	-	-
	Total Auditors Fees	<u>36</u>	<u>27</u>
	Cost of Credit		
	Bad Debts Written Off	3	15
	Doubtful Debts	-	-
	Total Cost of Offering Credit	<u>3</u>	<u>15</u>
	Local Authority Rates	132	125
	AC Loss – Rental Rebates	-	-
	Rebates to Consumers Due to Ownership Interest	7,171	6,545
	Subvention Payments	-	-
	Unusual Expenses	93	371
	Other Expenditure	114	137
	Total Operating Expenditure	<u>25,927</u>	<u>22,978</u>
	Operating Surplus Before Interest and Income Tax	5,070	5,972
	Interest Expense		
	Interest Expense on Borrowings	-	-
	Finance Leases	-	-
	Other	-	-
	Total Interest Expense	<u>-</u>	<u>-</u>
	Operating Surplus Before Income Tax	5,070	5,972
	Income Tax	<u>989</u>	<u>1,181</u>
	Net Surplus After Taxation	<u>4,081</u>	<u>4,791</u>
1c	Taxation		
	Operating Surplus Before Taxation	<u>5,070</u>	<u>5,972</u>
	Prima Facie Taxation @ 33 cents	1,673	1,971
	Movement in Income Tax Due to		
	Permanent Differences	190	(25)
	Taxation Relating to Previous Periods	-	-
	Timing Differences Not Recognised	(874)	(765)
	Deferred Tax Adjustment	-	-
	Total Taxation Expense per Statement of Financial Performance	<u>989</u>	<u>1,181</u>
	The Taxation Charge is Represented by:		
	Current Taxation	989	1,181
	Deferred Taxation	<u>-</u>	<u>-</u>
	Total Taxation Expense per Statement of Financial Performance	<u>989</u>	<u>1,181</u>

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2005**

	2005	2004
	\$000	\$000
2. Share Capital		
Issued and Fully Paid Capital		
Ordinary Shares	23,406	23,406
Redeemable Preference Shares	<u>5</u>	<u>5</u>
Total Issued Capital	<u>23,411</u>	<u>23,411</u>
Share Capital Movements		
Opening Balance	<u>23,411</u>	<u>23,411</u>
Total Issued Capital	<u>23,411</u>	<u>23,411</u>
3. Reserves		
Company Establishment Reserve		
Balance at 31 March	<u>4,647</u>	<u>4,647</u>
Asset Revaluation Reserve		
Opening Balance	74,328	55,163
Revaluation Distribution System	<u>-</u>	<u>19,165</u>
Closing Balance	<u>74,328</u>	<u>74,328</u>
Total Reserves	<u>78,975</u>	<u>78,975</u>
The Company Establishment Reserve represents the difference between the issued and paid up capital and the net assets vested in the Company from the former North Canterbury Electric Power Board at 1 May 1993.		
4. Retained Earnings		
Opening Balance	17,110	12,319
Net Surplus	<u>4,081</u>	<u>4,791</u>
Total Retained Earnings	<u>21,191</u>	<u>17,110</u>
5. Fixed Assets		
Distribution System	123,901	110,196
Accumulated Depreciation	<u>4,900</u>	<u>-</u>
	119,001	110,196
Load Control Equipment	1,878	1,873
Accumulated Depreciation	<u>270</u>	<u>-</u>
	<u>1,608</u>	<u>1,873</u>
System Fixed Assets	125,779	112,069
Accumulated Depreciation	<u>5,170</u>	<u>-</u>
System Fixed Assets	<u>120,609</u>	<u>112,069</u>
Motor Vehicles	541	344
Accumulated Depreciation	<u>292</u>	<u>259</u>
	<u>249</u>	<u>85</u>
Consumer Billing and Information System Assets	1,790	1,642
Accumulated Depreciation	<u>1,498</u>	<u>1,362</u>
	<u>292</u>	<u>280</u>
Office Equipment	1,017	969
Accumulated Depreciation	<u>720</u>	<u>664</u>
	<u>297</u>	<u>305</u>

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2005**

	2005	2004
	\$000	\$000
5. Fixed Assets (continued)		
Furniture and Fittings	329	319
Accumulated Depreciation	<u>228</u>	<u>214</u>
	<u>101</u>	<u>105</u>
Land and buildings	-	-
Capital works under construction	-	-
Other Fixed Assets	-	-
Accumulated Depreciation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total Fixed Assets	<u>121,548</u>	<u>112,844</u>
6. Accounts Receivable		
Lines Receivables	1,960	1,167
Prepayments	58	-
Taxation	-	-
Other Accounts Receivable	<u>147</u>	<u>76</u>
Total Accounts Receivable	<u>2,165</u>	<u>1,243</u>
7. Other Tangible Assets	<u>-</u>	<u>-</u>
8. Intangible Assets		
Goodwill	-	-
Other Intangibles	<u>-</u>	<u>-</u>
Total Intangible Assets	<u>-</u>	<u>-</u>
9. Current Liabilities		
Bank Overdraft	-	-
Short Term Borrowings	-	-
Payables and Accruals	2,615	1,814
Provision for Dividend	-	-
Provision for Income Tax	80	6
Other Current Liabilities	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>2,695</u>	<u>1,820</u>
10. Non Current Liabilities		
Payables and Accruals	-	-
Borrowings	-	-
Deferred Tax	-	-
Other	<u>161</u>	<u>144</u>
Total Non Current Liabilities	<u>161</u>	<u>144</u>

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2005****11. Transactions with Related Parties****(i) MainPower Trust**

The major related party of MainPower is the MainPower Trust and during the current financial year there were no related party transactions and no related party debts written off or forgiven and no transaction took place at nil or nominal value.

(ii) MainPower Contracting Limited

MainPower Contracting Limited is a wholly owned subsidiary. MainPower Contracting is recognised as a leading power systems contractor, and undertakes a wide range of electricity network construction and maintenance for MainPower and for the contestable power systems contracting market as a whole.

There were no related party debts written off or forgiven and no transaction took place at nil or nominal value.

The amount owing by MainPower New Zealand Limited to MainPower Contracting Limited at balance date was \$796,455 (2004 \$779,411) while the amount owing by MainPower Contracting Limited to MainPower New Zealand Limited at balance date was \$15,703 (2004 \$16,162). Both amounts are payable on normal trading terms.

The following services were supplied by MainPower Contracting Limited to the Lines Business.

	2005	2004
	\$000	\$000
1. Asset Maintenance	3,157	2,358
2. Meter Maintenance	3	1
3. Load Control Maintenance	36	20
4. Construction of Distribution Substations	252	606
5. Construction of Distribution Transformers	1,475	1,046
6. Construction of Low Voltage Reticulation	999	473
7. Construction of Distribution Lines and Cables	927	1,463
8. Construction of Subtransmission Assets	-	-
9. Construction of Other System Assets	48	148
10. Construction of Medium Voltage Switchgear	-	-
11. Construction of Zone Substations	-	-
12. Consumer Connections and Disconnection	-	-

(iii) Vircom Energy Management Services Limited

VirCom Energy Management Services Limited from time to time will provide contracting services to MainPower New Zealand Limited, the value of which amounted to \$105,364 (2004 \$nil).

There were no related party debts written off or forgiven and no transaction took place at nil or nominal value.

The amount owing by MainPower New Zealand Limited to VirCom Energy Management Services Limited at balance date was \$9,139 (2004 \$Nil) while the amount owing by VirCom Energy Management Services Limited to MainPower New Zealand Limited at balance date was \$5,645 (2004 \$10,267). Both amounts are payable on normal trading terms.

11. Transactions with Related Parties (continued)**(vi) Ellsoft Limited / Energy Link Limited**

Both Ellsoft Limited and Energy Link Limited provide advisory services from time to time to MainPower New Zealand Limited, the value of which amounted to \$30,184 (2004 \$8,449).

There were no related party debts written off or forgiven and no transaction took place at nil or nominal value.

The amount owing by MainPower New Zealand Limited to Ellsoft Limited and Energy Link Limited at balance date was Nil (2004 Nil) while the amount owing by Ellsoft Limited and Energy Link Limited to MainPower New Zealand Limited at balance date was Nil (2004 Nil).

12. Reconciliation of Net Surplus to Net Cash Inflow from Operating Activities

	2005	2004
	\$000	\$000
Reported Surplus After Taxation	4,081	4,791
Non Cash Items		
Depreciation	5,409	4,427
Customer Contributions	(3,842)	(3,505)
Movement in Gratuities	17	54
	<u>1,584</u>	<u>976</u>
Movements in Working Capital Items		
(Increase)/Decrease Accounts Receivable	(922)	543
Increase/(Decrease) Accounts Payable	875	61
	<u>(47)</u>	<u>604</u>
Net Cash Inflow from Operations	<u>5,618</u>	<u>6,371</u>

13. Financial Instruments

Credit Risk: Financial instruments which potentially subject the company to concentrations of credit risk principally relate to bank deposits and receivables. Bank deposits are placed with high credit quality financial institutions. Concentrations of credit risk with respect to Receivables are subject to normal terms of trade. Regular monitoring of receivables is undertaken.

Foreign Exchange and Currency Instruments: The Company is not exposed to foreign exchange or currency risk.

Off-Balance Sheet Financial Instruments: The Company does not have any off-balance sheet financial instruments.

Fair Values: The fair value of the on-balance sheet financial instruments is represented by the carrying values.

14. Commitments and Contingent Liabilities

There are no significant capital commitments or contingent liabilities as at 31 March 2005 (2004, \$Nil).

15. Significant Events After Balance Date

There are no events subsequent to the balance date that would have or may have an effect on the operation of MainPower, the results of MainPower's operations or the state of the affairs of MainPower.

16. Segmental Reporting

The predominant activity of MainPower is the distribution of electricity. All operations are conducted within New Zealand.

MAINPOWER NEW ZEALAND LTD

**DISCLOSURE OF FINANCIAL PERFORMANCE MEASURES AND
EFFICIENCY PERFORMANCE MEASURES PURSUANT TO THE COMMERCE ACT
(ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS)
NOTICE 2004, REQUIREMENT 14.**

1.	For The Year Ended 31 March	2005	2004	2003	2002
	Financial Performance Measures				
	As defined in the Electricity (Information Disclosure) Regulations 1999 (as amended):				
a)	Return on Funds	4.09%	5.51%	6.00%	3.96%
b)	Return on Equity	3.36%	4.46%	4.60%	3.12%
c)	Return on Investment	3.32%	25.80%	(0.39)%	3.11%
 2	 Efficiency Performance Measures				
a)	Direct line costs per kilometre:	\$988	\$758	\$748	\$643
b)	Indirect line costs per customer:	\$73	\$74	\$63	\$63

Note: *Disclosure of Financial Performance Measures and Efficiency Performance Measures for the financial years ended 31 March 2003 and 2002 excludes the Financial Performance Measures and Efficiency Performance Measures applicable to the Kaiapoi Electricity Network. Disclosure of Financial Performance Measures and Efficiency Performance Measures for the financial years ended 31 March 2005 and 2004 includes the Financial Performance Measures and Efficiency Performance Measures applicable to the Kaiapoi Electricity Network.*

SCHEDULE 1 - PART 7 2004 EST OF ACTUAL
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table March 2005	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	5,070				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	5,070				
Interest on cash, bank balances, and short-term investments (ISTI)	303				
OSBIT minus ISTI	4,767	a	4,767		4,767
Net surplus after tax from financial statements	4,081				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	4,081	n		4,081	
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)	5,170				
Depreciation of SFA at ODV (y)	5,170				
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	-100	q			deduct -100
Revaluations	0	r			add 0
Income tax	989	p			deduct 989
Numerator			OSBIT ^{ADJ} = a + g + s + d 4,767	NSAT ^{ADJ} = n + g + s - s*t + d 4,081	OSBIT ^{ADJ} = a + g - q + r + s + d - p - s*t 3,878
Fixed assets at end of previous financial year (FA ₀)	112,844				
Fixed assets at end of current financial year (FA ₁)	121,548				
Adjusted net working capital at end of previous financial year (ANWC ₀)	-571				
Adjusted net working capital at end of current financial year (ANWC ₁)	-450				
Average total funds employed (ATFE)	116,686 (or regulation 33 time-weighted average)	c	116,686		116,686
Total equity at end of previous financial year (TE ₀)	119,496				
Total equity at end of current financial year (TE ₁)	123,577				
Average total equity	121,537 (or regulation 33 time-weighted average)	k		121,537	
WUC at end of previous financial year (WUC ₀)	0				
WUC at end of current financial year (WUC ₁)	0				
Average total works under construction	0 (or regulation 33 time-weighted average)	e	deduct 0	deduct 0	deduct 0
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})	112,069				
System fixed assets at end of current financial year at book value (SFA _{bv1})	120,609				
Average value of system fixed assets at book value	116,339 (or regulation 33 time-weighted average)	f	deduct 116,339	deduct 116,339	deduct 116,339
System Fixed assets at year beginning at ODV value (SFA _{odv0})	112,069				
System Fixed assets at end of current financial year at ODV value (SFA _{odv1})	120,609				
Average value of system fixed assets at ODV value	116,339 (or regulation 33 time-weighted average)	h	add 116,339	add 116,339	add 116,339
Denominator			ATFE ^{ADJ} = c - e - f + h 116,686	Ave TE ^{ADJ} = k - e - m + v - f + h 121,537	ATFE ^{ADJ} = c - e - ½r - f + h 116,686
Financial Performance Measure:			ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100 4.09	ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100 3.36	ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100 3.32

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 funds ROE = return on equity ROI = return on investment

MAINPOWER NEW ZEALAND LTD**ANNUAL ODV RECONCILIATION REPORT****PURSUANT TO THE COMMERCE ACT (ELECTRICITY INFORMATION DISCLOSURE
REQUIREMENTS) NOTICE 2004
REQUIREMENT 16, PART 8**

	2005	2004
	\$000	\$000
System Fixed Assets - at 1 April	112,069	89,626
Add System Fixed Assets acquired during the year at cost	13,710	7,474
Less System Fixed Assets disposed of during the year at ODV	-	-
Less Depreciation on System Fixed Assets at ODV	(5,170)	(4,196)
Add Revaluations of System Fixed Assets	-	19,165
Equal System Fixed Assets – at 31 March	<u>\$120,609</u>	<u>\$112,069</u>

**DISCLOSURE OF ENERGY DELIVERED EFFICIENCY PERFORMANCE MEASURES AND STATISTICS
PURSUANT TO THE COMMERCE ACT (ELECTRICITY INFORMATION DISCLOSURE
REQUIREMENTS) NOTICE 2004, REQUIREMENT 20, PART 4**

2002

70.84% 69.69% 62.00% 63.84%

5.45% 4.56% 5.90% 6.02%

22.82% 24.02% 28.25% 26.54%

Circuit Length Kms			
2005	2004	2003	2002
390	365	299	403
147	132	105	95
3	3	2	2
540	500	406	500

For the Year Ended 31 March		2005	2004	2003	2002
(d)	Transformer capacity, (kilovolt amperes):	335,695kVA	309,926kVA	274,560kVA	257,475kVA
(e)	Maximum demand (Kilowatts):	76,620kW	74,430kW	77,576kW	68,342kW
(f)	Total electricity entering into the system, before losses of electricity(Kilowatt hours):	475,505,176	454,357,817	421,312,647	382,191,173
(g)	Total amount of electricity supplied from the system, after losses of electricity on behalf of energy retailers (Kilowatt hours):				
	Retailer A	323,096,589	308,454,012	272,241,665	238,037,318
	Retailer B	10,167,829	9,979,410	11,866,784	26,432,514
	Retailer C	73,637,560	110,696,900	108,195,832	88,200,962
	Retailer D	1,396,115	1,950,240	1,324,564	3,044,717
	Retailer E	-	-	249,519	1,264,321
	Retailer F	41,300,025	2,571,320	2,576,003	2,213,909
	Retailer G	-	-	-	-
	Total	449,598,118	433,651,882	365,454,367	359,193,741
(h)	Total customers	30,283	29,082	25,997	25,047

Note: Disclosure of Energy Delivered Efficiency Performance Measures and Statistics for the financial years ended 31 March 2003 and 2002 excludes the Energy Delivered Efficiency Performance Measures and Statistics applicable to the Kaiapoi Electricity Network. Disclosure of Energy Delivered Efficiency Performance Measures and Statistics for the financial years ended 31 March 2005 and 2004 includes the Energy Delivered Efficiency Performance Measures and Statistics applicable to the Kaiapoi Electricity Network.

MAINPOWER NEW ZEALAND LTD

**DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES
PURSUANT TO THE COMMERCE ACT (ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS) NOTICE
2004, REQUIREMENT 21, PART 4.**

Disclosure for Statistics Year Ending 31/03/2005

Requirement 21(1)

1. Total number of interruptions, together with a breakdown of that total according to interruption class

NETWORK OR GENERATION OWNER	Disc Reg Class	CLASSIFICATION OF INTERRUPTIONS	
MainPower	B C + G	Planned Shut-downs	236
		Unplanned Interruptions	58
		Subtotal	294
Trans Power	A D	Planned Shut-downs	1
		Unplanned Interruptions	2
		Subtotal	3
Other ECNZ	G E	Other Interruptions	
		Unplanned Interruptions	
		Subtotal	
		TOTAL	297

2. Interruption targets for the following financial year for-
- (a) Planned interruptions by the line owner (Class B); and
- (b) Unplanned interruptions originating within the works of the line owner (Class C).
3. Average interruption targets for the following financial year and the subsequent 4 financial years for each of-
- (a) Planned interruptions by the line owner (Class B); and
- (b) Unplanned interruptions originating within the works of the line owner (Class C).

	Class B Interruptions	Class C Interruptions
Target 31/03/06	160	65
31/03/2006 Avg forecast	165	65
31/03/2007 Avg forecast	155	60
31/03/2008 Avg forecast	155	60
31/03/2009 Avg forecast	150	58
31/03/2010 Avg forecast	145	56

4. The proportion {expressed as a percentage} of the total number of Class C interruptions not restored within-
- (a) 3 hours and;
- (b) 24 hours.

Not restored within 3 hours- % of Class C	Not restored within 24 hours- % of Class C
25.8%	0%

5. With respect to faults per 100 circuit kilometres of prescribed voltage electric line, the following information:
- (a) The total number of faults; and
- (b) The total number of faults targeted for the following financial year; and
- (c) The average total number of faults for that financial year and the subsequent 4 financial years; and
- (d) A breakdown of the fault information in accordance with paragraphs (a) to (c) by different nominal line voltages.
6. The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

7. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Lines	Cable	Total
	Faults per 100 km	Faults per 100 km	Faults per 100 km
33 kV	3.27	0.00	3.24
11 kV	1.44	3.09	1.48
TOTALS	1.60	3.03	1.6

	Faults/100km	Faults/100km 33kV	Faults/100km 11kV
Target 31/03/06	1.60	1.6	1.60
31/03/2006 Avg forecast	1.72	1.9	1.70
31/03/2007 Avg forecast	1.52	1.5	1.55
31/03/2008 Avg forecast	1.52	1.3	1.55
31/03/2009 Avg forecast	1.46	1.0	1.53
31/03/2010 Avg forecast	1.44	1.0	1.50

8,12,16 The SAIDI, SAIFI, CAIDI for the total number of interruptions.

9,13,17 SAIDI targets for the following financial year for-

- (a) Planned interruptions by the line owner (Class B); and
- (b) Unplanned interruptions originating within the works of the line owner (Class C).

10,14,18 Average SAIDI targets for the following financial year and the subsequent 4 financial years for each of-

- (a) Planned interruptions by the line owner (Class B); and
- (b) Unplanned interruptions originating within the works of the line owner (Class C).

11,15,19 The SAIDI for the total number of interruptions within each interruption class.

NETWORK OR GENERATION OWNER	Disc Reg Class	CLASSIFICATION OF INTERRUPTIONS	SAIDI		SAIFI		CAIDI
			Numerator (Cust-min)	Result (min/Conn Cust)	Numerator (Cust-int)	Result (Int/Conn Cust)	Result (min/Cust int)
MainPower	B	Planned Shut-downs	1477544	49.7782	6465	0.2178	228.5500
	C + G	Unplanned Interruptions	1471352	49.5696	21323	0.7183	69.0096
		Subtotal	2948896	99.3478	27788	0.9361	106.1295
Trans Power	A	Planned Shut-downs	393881	13.2698	1747	0.0588	225.6768
	D	Unplanned Interruptions	87592	2.9509	5071	0.1708	17.2769
		Subtotal	481473	16.2207	6818	0.2296	70.6476
Other ECNZ	G	Other Interruptions	0	0.00	0	0.00	0.00
	E	Unplanned Interruptions	0	0.00	0	0.00	0.00
		Subtotal	0	0.00	0	0.00	0.00
TOTAL			3430369	115.5685	34606	1.1657	99.1408
Common Denominator = No of Cust.			29682.5				

<u>Class B</u>	SAIDI	SAIFI	CAIDI
Target 31/03/06	45	0.22	204
31/03/2006 Avg forecast	51	0.25	204
31/03/2007 Avg forecast	47	0.22	213
31/03/2008 Avg forecast	47	0.21	223
31/03/2009 Avg forecast	46	0.21	219
31/03/2010 Avg forecast	45	0.20	225

<u>Class C</u>	SAIDI	SAIFI	CAIDI
Target 31/03/06	51	0.83	61.4
31/03/2006 Avg forecast	54	0.87	62.1
31/03/2007 Avg forecast	50	0.80	62.5
31/03/2008 Avg forecast	50	0.78	64.1
31/03/2009 Avg forecast	48	0.75	64.0
31/03/2010 Avg forecast	46	0.73	63.0

Requirement 21 (3)

- 1 Total number of interruptions, together with a breakdown of that total according to interruption class.

Interruption Class		Number of Interruptions			
		2005	2004	2003	2002
MainPower	Planned Shut-Down (Class B)	236	212	167	154
	Unplanned Interruption (Class C)	58	82	102	74
Trans Power	Planned Shut-Down (Class A)	1	-	3	3
	Unplanned Interruption (Class D)	2	1	2	-
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-
Total	Interruptions	297	295	274	231

- 2 The total number of faults per 100 circuit kilometres of prescribed voltage electric line.

Nominal Voltage	Faults per 100 km Total			
	2005	2004	2003	2002
33 kV	3.24	4.00	0.35	1.40
11 kV	1.48	2.01	3.23	2.09
TOTAL	1.66	2.18	2.97	2.03

- 3 The total number of faults per 100 circuit kilometres of Underground prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Faults per 100 km Underground			
	2005	2004	2003	2002
33 kV	-	-	-	-
11 kV	3.09	1.45	-	3.15
TOTAL	3.03	1.42	-	3.08

- 4 The total number of faults per 100 circuit kilometres of Overhead prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Faults per 100 km Overhead			
	2005	2004	2003	2002
33 kV	3.27	4.03	0.35	1.41
11 kV	1.44	2.03	3.34	2.06
TOTAL	1.60	2.19	3.06	2.01

- 5 The SAIDI for the total of interruptions:

115.5685 99.64 284.35 213.73

- 6 The SAIDI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Minutes per Connected Customer			
		2005	2004	2003	2002
MainPower	Planned Shut-Down (Class B)	49.7782	48.59	60.83	108.62
	Unplanned Interruption (Class C)	49.5696	45.44	77.87	52.12
Trans Power	Planned Shut-Down (Class A)	13.2698	-	74.38	52.98
	Unplanned Interruption (Class D)	2.9509	6.12	71.27	-
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-

- 7 The SAIFI for the total number of interruptions:

1.1657 1.21 2.70 1.45

8 The SAIFI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Interruption per Connected Customer (%)			
		2005	2004	2003	2002
MainPower	Planned Shut-Down (Class B)	0.2178	0.21	0.26	0.37
	Unplanned Interruption (Class C)	0.7183	0.96	1.46	0.87
Trans Power	Planned Shut-Down (Class A)	0.0588	-	0.19	0.21
	Unplanned Interruption (Class D)	0.1708	0.04	0.79	-
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-

9 The CAIDI for the total of all interruptions:

99.1408 82.55 105.39 147.82

10 The CAIDI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Minutes per Customer Interruption			
		2005	2004	2003	2002
MainPower	Planned Shut-Down (Class B)	228.5500	230.17	236.45	297.04
	Unplanned Interruption (Class C)	69.0096	47.50	53.44	59.67
Trans Power	Planned Shut-Down (Class A)	225.6768	-	387.19	256.28
	Unplanned Interruption (Class D)	17.2769	143.00	90.03	-
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-

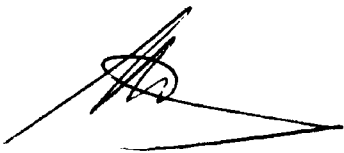
Note: Disclosure of Reliability Performance Measures for the financial years ended 31 March 2003, and 2002 excludes the Reliability Performance Measures applicable to the Kaiapoi Electricity Network. Disclosure of Reliability Performance Measures for the financial years ended 31 March 2005 and 2004 includes the Reliability Performance Measures applicable to the Kaiapoi Electricity Network.

FORM 4**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND
STATISTICS DISCLOSED BY DISCLOSING ENTITIES (OTHER THAN TRANSPower)**

We, P A COX and A BERGE directors of MainPower New Zealand Limited certify that, having made all reasonable enquiries, to the best of our knowledge:

- a) The attached audited financial statements of MainPower New Zealand Ltd, 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 MainPower New Zealand Ltd, 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 2005.



P A COX
Director

25 July 2005



A BERGE
Managing Director

Deloitte.**AUDIT REPORT****TO THE READERS OF THE FINANCIAL STATEMENTS OF MAINPOWER NEW ZEALAND LIMITED**

We have audited the accompanying financial statements of MainPower New Zealand Limited. The financial statements provide information about the past financial performance of MainPower New Zealand Limited and its financial position as at 31 March 2005. This information is stated in accordance with the accounting policies set out on pages 1 and 2.

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 MainPower New Zealand Limited as at 31 March 2005, and results of operations and cash flows for the year then ended.

Auditors' Responsibilities

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

Basis of Opinion

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

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

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

Other than in our capacity as auditor and the provision of financial advice, we have no relationship with or interests in MainPower New Zealand Limited.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been maintained by MainPower New Zealand Limited as far as appears from our examination of those records; and
- the financial statements referred to above:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of MainPower New Zealand Limited as at 31 March 2005 and the results of its operations and cash flows for the year then ended; and
 - comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 25 July 2005 and our unqualified opinion is expressed as at that date.



Chartered Accountants
Christchurch, New Zealand.

Deloitte.**AUDITORS' OPINION OF PERFORMANCE MEASURES OF MAINPOWER NEW ZEALAND LIMITED**

We have examined the attached information, being-

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

that were prepared by MainPower New Zealand Limited and dated 25 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.



Chartered Accountants
Christchurch, New Zealand.
25 July 2005

**STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION
SUPPLIED TO THE COMMERCE COMMISSION
PURSUANT TO REQUIREMENT 36(1) OF THE COMMERCE ACT
(ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS) NOTICE 2004**

I, ALLAN BERGE, of 23 Belmont Avenue, Rangiora, being a director of MainPower New Zealand Limited, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by MainPower New Zealand Limited under the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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



Managing Director

Declared at Rangiora this 10th day of August 2005

before: 
.....
**B. R. HASSALL
RANGIORA
JUSTICE OF THE PEACE
FOR NEW ZEALAND**