



New Zealand Gazette

OF THURSDAY, 13 JANUARY 2005

WELLINGTON: WEDNESDAY, 19 JANUARY 2005 — ISSUE NO. 20

ALPINE ENERGY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

ALPINE ENERGY LIMITED

LINES BUSINESS

FINANCIAL STATEMENTS

For the Year Ended 31 March 2004

Prepared for the Purposes of the Electricity Information
Disclosure Requirements 2004

INFORMATION DISCLOSURE DISCLAIMER

The information disclosed in this 2004 Information Disclosure package issued by Alpine Energy Limited as been prepared solely for the purposes of the Electricity Information Disclosure Requirements 2004.

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

The information should not be used for any other purpose than that intended under the requirements.

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

APPROVAL BY DIRECTORS

The Directors have approved the Consolidated Financial Statements of Alpine Energy Limited Line Business for the period ended 31 March 2004 on pages 1 to 14.

For and on behalf of the Board of Directors



Murray Cleverley



Ian James Bowan

23 December, 2004

Alpine Energy Limited Lines Business

Statement of Financial Performance for the Year Ended 31 March 2004

REVENUE	Note	2004 \$	2003 \$
Operating revenue			
Revenue from line/access charges		25,217,612	24,562,129
Revenue from "Other" business for services carried out by the line business		0	0
Interest on cash, bank balances and short term investments		493,433	555,291
AC loss-rental rebates		984,267	732,398
Other revenue not listed above			
Capital Contributions		1,438,034	1,285,892
Other		8,444	9,029
		<u>1,446,478</u>	<u>1,294,921</u>
Total operating revenue		<u>28,141,790</u>	<u>27,144,739</u>
EXPENDITURE		2004	2003
			\$
Operating expenditure			
Payment for transmission charges		7,546,649	7,566,123
Transfer payments to the "Other" business for			
Asset maintenance	8	2,307,220	2,059,671
Consumer disconnection/reconnection services		0	0
Meter data		0	0
Consumer-based load control services		0	0
Royalty and patent expenses		0	0
Avoided transmission charges on account of own generation		0	0
Other goods and services	8	1,702,741	1,452,660
Total transfer payment to the "Other" business		<u>4,009,961</u>	<u>3,512,331</u>
Expense to entities that are not related parties for			
Asset maintenance		280,905	158,608
Consumer disconnection/reconnection services		0	0
Meter data		0	0
Consumer-based load control services		0	0
Royalty and patent expenses		0	0
Total of specified expenses to non-related parties		<u>280,905</u>	<u>158,608</u>
Employee salaries, wages and redundancies			0
Consumer billing and information system expense			0
Depreciation on			
System property, plant and equipment		3,227,882	3,134,228
Other property, plant and equipment		1,292	1,237
Total depreciation		<u>3,229,174</u>	<u>3,135,465</u>
Amortisation of			
Goodwill		0	0
Other intangibles		0	0
Total amortisation of intangibles		<u>0</u>	<u>0</u>
Corporate and administration		96,332	401,476
Human resource expenses			541
Marketing/advertising		30,206	12,785
Merger and acquisition expenses		0	0
Takeover defence expenses		0	0
Research and development expenses		0	0
Consultancy and legal expenses		214,640	90,130
Donations		0	0

Alpine Energy Limited Line Business

Statement of Financial Performance for the Year Ended 31 March 2004 - Continued

	Note	2004 \$	2003 \$
Directors' fees		101,133	102,851
Auditors' fees			
Audit fees paid to principal auditors	23,900	25,482	
Audit fees paid to other auditors	0	0	
Fees paid for other services provided by principal and other auditors	19,123	5,322	
Total auditors' fees		43,023	30,804
Costs of offering credit			
Bad debts written off	0	0	
Increase in estimated doubtful debts	0	0	
Total cost of offering credit		0	0
Local authority rates expense		67,869	54,902
AC loss-rentals (distribution to retailers/customers) expense		0	0
Rebates to consumers due to ownership interest		0	0
Subvention payments		0	0
Unusual expenses		0	0
Other expenditure not listed above		102,016	116,205
Total operating expenditure		15,721,908	15,182,221
Operating surplus before interest and income tax		12,419,882	11,962,518
Interest expense			
Interest expense on borrowings		0	0
Financing charges related to finance leases		0	0
Other interest expense		0	0
Total interest expense		0	0
Operating surplus before income tax		12,419,882	11,962,518
Income tax	2	3,624,010	3,523,286
Net surplus after tax		8,795,872	8,439,232

Statement of Movements in Equity for the Year Ended 31 March 2004

	2004 \$	2003 \$
Equity at the Beginning of the Year	79,758,210	78,021,556
Net Surplus (Deficit) for the Period	8,795,872	8,439,232
Revaluation	(6,021,000)	0
Total Recognised Revenue and Expenses	2,774,872	8,439,232
Dividends Paid	(7,827,526)	(6,702,578)
Transfer on Disposal of Plant, Property and Equipment	0	0
Equity at the End of the Year	74,705,556	79,758,210

Alpine Energy Limited Lines Business**Statement of Financial Position as at 31 March 2004**

	Note	2004 \$	2003 \$
Current assets			
Cash and bank balances		58,061	82,914
Short-term investments		1,800,000	3,900,000
Inventories		0	0
Accounts receivable		1,125,885	1,178,536
Other current assets		4,873	4,382
Total current assets		<u>2,988,819</u>	<u>5,165,832</u>
Fixed assets			
System property, plant and equipment		73,346,108	72,656,859
Consumer billing and information system assets		0	0
Motor vehicles		0	0
Office equipment		0	0
Land and buildings		0	0
Capital works under construction (system fixed assets)		1,480,714	3,260,288
Other property, plant and equipment		0	0
Total fixed assets		<u>74,826,822</u>	<u>75,917,147</u>
Other tangible assets not listed above			
Deferred tax	2	975,782	913,059
Total tangible assets		<u>78,791,423</u>	<u>81,996,038</u>
Intangible assets			
Goodwill		0	0
Other intangibles		0	0
Total intangible assets		<u>0</u>	<u>0</u>
Total assets		<u>78,791,423</u>	<u>81,996,038</u>
Current liabilities			
Bank overdraft		0	0
Short-term borrowings		0	0
Payables and accruals		1,844,431	2,210,826
Provision for dividends payable		1,322,497	0
Provision for income tax		918,939	27,002
Other current liabilities		0	0
Total current liabilities		<u>4,085,867</u>	<u>2,237,828</u>
Non-current liabilities			
Payables and accruals		0	0
Borrowings		0	0
Deferred tax		0	0
Other non-current liabilities		0	0
Total non-current liabilities		<u>0</u>	<u>0</u>
Equity			
Shareholders' equity			
Share capital		26,596,000	26,596,000
Retained earnings		13,202,556	12,234,210
Reserves	3	34,907,000	40,928,000
Total Shareholders' equity		<u>74,705,556</u>	<u>79,758,210</u>
Minority interests in subsidiaries		0	0
Total equity		<u>74,705,556</u>	<u>79,758,210</u>
Capital notes		0	0
Total capital funds		<u>74,705,556</u>	<u>79,758,210</u>
Total equity and liabilities		<u>78,791,423</u>	<u>81,996,038</u>

Alpine Energy Limited Lines Business**Statement of Cash Flows for the Year Ended 31 March 2004**

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from Customers		28,188,154	27,337,544
GST		(34,915)	35,837
<i>Cash was disbursed to:</i>			
Payments to Suppliers and Employees		(12,818,418)	(11,475,461)
Income Tax		(2,794,796)	(3,594,264)
GST		0	0
NET CASH FLOWS FROM OPERATING ACTIVITIES	7	<u>12,540,025</u>	<u>12,303,656</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from sales of property, plant and equipment		0	0
<i>Cash was applied to:</i>			
Purchase of Property, Plant and Equipment		(8,159,849)	(9,095,803)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(8,159,849)</u>	<u>(9,095,803)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was applied to:</i>			
Dividend paid		(6,505,029)	(6,702,578)
Loan repaid		0	0
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(6,505,029)</u>	<u>(6,702,578)</u>
NET INCREASE (DECREASE) IN CASH HELD		(2,124,853)	(3,494,725)
Add Opening Cash Brought Forward		3,982,914	7,477,639
ENDING CASH CARRIED FORWARD		<u>1,858,061</u>	<u>3,982,914</u>

Alpine Energy Limited Lines Business**Notes to and Forming Part of the Financial Statements**

for the Year Ending 31 March 2004

1. Statement of Accounting Policies

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity Information Disclosure Requirements 2004.

The financial information presented is for the line business activities of Alpine Energy Limited. There are also additional activities of the Company that are not required to be reported under the Regulations.

The financial statements have been prepared on the basis of historical cost, with the exception of certain items for which specific accounting policies are identified.

a) Customer Contributions

Contributions from customers, in relation to the construction of new lines for the network, and contributions from district councils towards the costs of replacing overhead lines with underground cables are accounted for as income in the year in which they are received.

b) Capital and Operating Expenditure

Capital expenditure relates to expenditure incurred in the creation of a new asset and expenditure incurred on existing reticulation system assets to the extent the system is enhanced.

Operating expenditure relates to expenditure which restores an asset closer to its original condition and includes expenditure incurred in maintaining and operating the fixed assets of the network.

c) Depreciation

Depreciation is charged as follows:

System Property, Plant and Equipment - straight line over useful life (from 10 to 80 years)	
Buildings	1 to 2.5% of cost
Plant and Office Equipment	8 to 60% on diminishing value

Depreciation for taxation purposes recognises that:

- Additions to the network exclude any allocation of indirect costs.
- Only 80% of the book value of the Globo distribution system at 1 April 1987 is depreciated.

d) Taxation

The taxation charge is the estimated liability payable in respect of the accounting profit for the year, adjusted for non assessable income and non deductible costs and including any adjustments in respect of prior years.

e) Accounts Receivable

Accounts receivable are stated at estimated realisable value after making provision for doubtful debts. Bad debts are written off during the period in which they are identified.

f) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost. System Property, Plant and Equipment are subsequently revalued to net current value as determined by an independent valuer using the depreciated replacement cost valuation method. Other Property, Plant and Equipment are stated at cost less an allowance for depreciation.

g) Financial Instruments

Financial instruments carried in the Statement of Financial Position include cash and bank balances, receivables and trade creditors. These instruments are generally carried at their estimated fair value.

h) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis except for Accounts Receivable and Accounts Payable.

Alpine Energy Limited Lines Business

Notes to and Forming Part of the Financial Statements - Continued

for the Year Ending 31 March 2004

i) 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.

2. Taxation

	2004 \$	2003 \$
Income Tax Expense		
Operating Surplus before Income Tax	12,419,882	11,962,517
Add/(Deduct):		
Non Deductible Costs	0	0
Non Assessable Income	(1,438,034)	(1,285,892)
Timing Differences	0	0
Taxable Income	<u>10,981,848</u>	<u>10,676,625</u>
 Taxation Charge @ 33%	3,624,010	3,523,286
Prior Year Over (Under) Provisions	0	0
Income Tax Expense	<u>3,624,010</u>	<u>3,523,286</u>
 The income tax expense is represented by:		
Current Taxation	3,686,733	3,594,264
Deferred Taxation	(62,723)	(70,978)
	<u>3,624,010</u>	<u>3,523,286</u>
 Deferred Income Tax Liability (Asset)		
Balance at Beginning of Year	(913,059)	(842,081)
Current Year Timing Differences	(62,723)	(70,978)
Adjustment on Disposal of Business	0	0
Balance at End of Year	<u>(975,782)</u>	<u>(913,059)</u>
 Taxation Liability (Asset)		
Income Tax Expense	3,624,010	3,523,286
Add/(Deduct):		
Deferred Tax	62,723	70,978
Income Tax Paid	(2,794,796)	(3,137,989)
Income Tax Liability at Beginning of Year	27,002	(429,273)
Provision for Tax	<u>918,939</u>	<u>27,002</u>

3. Reserves

	2004 \$	2003 \$
Asset Revaluation Reserve		
Balance at Beginning of the Year	40,928,000	40,928,000
Net Revaluations	(6,021,000)	0
Transfer on Disposal of Property, Plant & Equipment	0	0
Balance at End of the Year	<u>34,907,000</u>	<u>40,928,000</u>

4. Contingent Liabilities

In respect of the business activities being reported on, the Company has no contingent liabilities as at 31 March 2004 (2003 nil).

Alpine Energy Limited Lines Business

Notes to and Forming Part of the Financial Statements - Continued

for the Year Ending 31 March 2004

5. Capital Commitments

In respect of the business activities being reported on, the Company has capital commitments amounting to \$6,508,807 as at 31 March 2004 (2003 \$2,689,573).

6. Financial Instruments

a) Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of bank deposits and accounts receivable. The maximum credit risk is the book value of these financial instruments however, the Company considers the risk of non recovery of these amounts to be minimal.

The Company places its cash and bank deposits with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution.

The Company continually evaluates and monitors the credit quality of its customers. There is a concentration of credit risk in relation to activities with associated entities. This risk is managed indirectly through appointments to the governing bodies of these associated entities.

b) Fair Value

The carrying value of cash and bank deposits, accounts receivable and accounts payable is equivalent to their fair value.

7. Reconciliation Of Operating Surplus With Cash Flows From Operating Activities

	2004 \$	2003 \$
Operating Surplus After Income Tax	8,795,872	8,439,232
Add/ (Deduct) Non Cash Items		
Depreciation	3,229,174	3,135,465
Deferred Tax		
	<u>12,025,046</u>	<u>11,574,697</u>
Add/ (Deduct) Movements in Working Capital		
(Increase)/Decrease in Debtors	52,160	(291,474)
(Increase)/Decrease in Deferred Tax	(62,723)	(70,978)
Increase/(Decrease) in Creditors	(366,395)	639,518
Increase/(Decrease) in Provision for Tax	891,937	451,893
	<u>514,979</u>	<u>728,959</u>
	<u>12,540,025</u>	<u>12,303,656</u>

8. Related Party Transactions

Associated Entity: Networks South Limited (excl GST)

Networks South Limited is 50% owned by Alpine Energy Limited and provided administrative, engineering and planning functions for the network from 1 April 2003 to 31 March 2004. These services are charged on a fixed contract basis.

During the period, this charge totalled \$3,254,518 (2003 \$2,882,534). The outstanding amount as at 31 March 2004 was \$85,304 (2003 \$90,106) payable on normal commercial terms.

No debts were written off or forgiven and no transactions took place at nil or nominal value.

Transactions do not relate to the categories specified in the Regulations except 'Maintenance of Assets' which totalled \$875,173 in 2004 (2003 \$811,182).

Alpine Energy Limited Lines Business

Notes to and Forming Part of the Financial Statements - Continued

for the Year Ending 31 March 2004

Associated Entity: NetCon Limited (excl GST)

NetCon is wholly owned by Networks South Limited and provided asset maintenance and construction services for the network from 1 April 2003 to 31 March 2004. Services were charged on both a fixed price basis or 'time and materials' basis.

During the period, this charge totalled \$4,770,601 (2003 \$5,636,515). The outstanding amount as at 31 March 2004 was \$859,996 (2003 \$878,839) payable on normal commercial terms.

No debts were written off or forgiven and no transactions took place at nil or nominal value.

During the period capital construction transactions totalled the following:

	2004 \$	2003 \$
Asset Construction:		
Subtransmission assets	0	0
Zone Substations	236,802	391,713
Distribution Lines	1,516,944	2,773,185
Medium Voltage Switchgear	0	17,208
Distribution Transformers	38,215	43,364
Distribution Substations	28,738	24,844
Low Voltage lines	893,689	1,004,398
Other System Fixed Assets (as per the ODV Handbook)	0	0
Maintenance of Assets	1,923,805	1,248,489
Customer Connections and Disconnections	0	0
Other Goods and Services	132,408	133,314

Alpine Energy Limited Lines Business

Financial Performance Measures - 31 March 2004

	2004	2003	2002	2001
Accounting return on funds	16.4%	17.5%	16.0%	13.8%
Accounting return on equity	11.6%	11.7%	10.6%	8.3%
Accounting return on investments	11.2%	12.1%	10.8%	7.9%

Efficiency Performance Measures - 31 March 2004

	2004	2003	2002	2001
Direct line costs per kilometre	\$1,150	\$992	\$1,061	\$890
Direct expenditure	4,290,866	3,670,939	3,913,444	3,331,000
System length (km)	3,730	3,701	3,687	3,741

Indirect line costs per consumer	\$23	\$29	\$23	\$41
Indirect expenditure	655,219	809,694	647,019	1,150,000
Total consumers	28,409	28,248	28,376	27,806

Energy Delivery Efficiency Performance Measures - 31 March 2004

	2004	2003	2002	2001
Load Factor (= a/b/c x 100)	69.5%	72.7%	68.4%	72.0%
a = kWh of electricity entering system	629,964,387	624,177,487	565,290,378	563,554,516
b = Maximum Demand (kW)	103,502	98,018	94,358	89,346
c = Total number of hours	8,760	8,760	8,760	8,760
Loss Ratio* (= a/b x 100)	6.4%	6.0%	7.6%	-0.9%
a = Total Electricity lost in the Network (kWh)	40,280,103	37,625,216	42,831,221	-5,262,659
b = Total Electricity entering the Network before losses (kWh)	629,964,387	624,177,487	565,290,378	563,554,516
Capacity Utilisation (= a/b x 100)	35.1%	34.6%	34.4%	34.2%
a = Maximum Demand (kW)	103,502	98,018	94,358	89,346
b = Transformer Capacity (kVA)	295,055	283,188	274,510	261,555

* Alpine Energy relies on the sales information reported by electricity retailers to calculate these amounts.

Alpine Energy Limited Lines Business

Network Statistics - 31 March 2004

		2004	2003	2002	2001
Total System Length (kms)	33kV	189	189	188	189
	22kV	146	146	145	147
	11kV	2,815	2,788	2,761	2,725
	6.6kV	8	8	8	8
	230/400 V	572	570	585	672
	Total	3,730	3,701	3,687	3,741
Overhead Circuit Length (kms)	33kV	183	183	182	183
	22kV	145	145	145	147
	11kV	2,603	2,585	2,568	2,543
	6.6kV	0	0	0	0
	230/400 V	332	333	349	374
	Total	3,263	3,246	3,244	3,247
Underground Circuit Length (kms)	33kV	6	6	5.6	6
	22kV	0.5	0.5	0.5	0
	11kV	212	203	193	182
	6.6kV	8	8	8	8
	230/400 V	240	237	235.7	298
	Total	467	455	443	494

Transformer Capacity (kVA)		295,055	283,188	274,510	261,555
Maximum Demand (kW)		103,502	98,018	94,358	89,346

Total Electricity entering the Network - before losses (kWh)	Embed Generation	27,996,408	20,513,352	18,823,608	36,226,840
	Import	601,967,979	603,664,135	546,466,770	527,327,676
	Total	629,964,387	624,177,487	565,290,378	563,554,516
Amount of electricity supplied from the Network - after losses (kWh)*	Retailer A	261,319,111	234,456,051	200,749,602	276,611,511
	Retailer B	8,952,864	39,832,655	102,021,616	99,166,180
	Retailer C	22,172,818	45,698,409	21,479,320	22,139,820
	Retailer D	77,633,665	89,440,542	86,951,354	23,111,782
	Retailer E	0	0	30,610,485	87,741,765
	Retailer F	201,537,690	164,352,449	67,847,566	35,047,796
	Retailer G	0	0	144,195	570,978
	Export	18,068,136	12,772,164	12,655,019	24,427,343
	Total	589,684,284	586,552,271	522,459,157	568,817,175

Total number of Consumers		28,409	28,248	28,376	27,806
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*Alpine Energy relies on the sales information reported by electricity retailers to calculate these amounts.

Alpine Energy Limited Lines Business

Reliability and Performance Measures - Interruptions and Faults - 31 March 2004

<u>Interruptions</u>	Class	2004/08 (Target)	2004 (Target)	2004	2003	2002	2001
Number of Interruptions							
<i>Planned Interruptions - Transpower</i>	Class A	2	2	0	2	2	0
<i>Planned Interruptions - Alpine</i>	Class B	35	40	42	46	64	25
<i>Unplanned Interruptions - Alpine</i>	Class C	95	100	90	65	97	163
<i>Unplanned Interruptions - Transpower</i>	Class D	2	3	0	0	1	8
	Class E - I			0	0	0	0
	Total	134	145	132	113	164	196

Proportion of Total Class C Interruptions not restored:							
	Within 3 Hours			27%	37%	7%	16%
	Within 24 Hours			9%	12%	0%	0%

<u>Faults</u>	Voltage	2004/08 (Target)	2004 (Target)	2004	2003	2002	2001
Overall System							
Faults per 100 circuit kilometres of prescribed voltage electric line		3.1	3.3	3.2	2.08	3.1	5.3
Faults per 100 circuit kilometres	33kV	1.1	1.1	1.1	0.53	1.1	0.0
	22kV	0.7	0.7	0.7	0.00	0.0	2.7
	11kV	3.3	3.5	3.4	2.30	3.4	5.8
	6.6kV	0.0	0.0	0.0	0.00	0.0	0.0
Overhead							
Faults per 100 circuit kilometres of prescribed voltage electric line				3.3	2.13	3.3	5.6
Faults per 100 circuit kilometres	33kV			1.1	0.55	1.1	0.0
	22kV			0.7	0.00	0.0	2.7
	11kV			3.6	2.36	3.7	6.1
	6.6kV			0.0	0.00	0.0	0.0
Underground							
Faults per 100 circuit kilometres of prescribed voltage electric line				1.3	1.38	0.5	1.5
Faults per 100 circuit kilometres	33kV			0.0	0.00	0.0	0.0
	22kV			0.0	0.00	0.0	0.0
	11kV			1.4	1.48	0.5	1.6
	6.6kV			0.0	0.00	0.0	0.0

Alpine Energy Limited Lines Business

Reliability and Performance Measures

System Average Interruption Duration Index (SAIDI) - 31 March 2004

	Class	2004/08 (Target)	2004 (Target)	2004	2003	2002	2001
SAIDI for total number of interruptions	Overall	77	82	115	204	81	113
SAIDI for total number of interruptions within each interruption class (= a/b)	Class A	7	7	0	22	0	0
	Class B	12	12	12	20	19	8
	Class C	45	49	103	162	50	68
	Class D	13	14	0	0	12	38
	Class E - I	0	0	0	0	0	0
a = sum of interruption duration factors for all interruptions within the particular interruption class	Class A	200,000	200,000	0	609,600	9,805	0
	Class B	350,000	350,000	350,995	570,856	525,896	210,305
	Class C	1,300,000	1,400,000	2,935,049	4,580,897	1,411,304	1,881,474
	Class D	375,000	400,000	0	0	339,660	1,060,175
	Class E - I	0	0	0	0	0	0
b = Total Consumers		28,800	28,500	28,409	28,248	28,376	27,806

System Average Interruption Frequency Index (SAIFI) - 31 March 2004

	Class	2004/08 (Target)	2004 (Target)	2004	2003	2002	2001
SAIFI for total number of interruptions	Overall	1.2	1.3	1.6	1.1	1.2	1.7
SAIFI for total number of interruptions within each interruption class (= a/b)	Class A	0.1	0.1	0.0	0.1	0.1	0.0
	Class B	0.1	0.1	0.1	0.1	0.2	0.1
	Class C	0.9	1.0	1.5	0.9	0.8	1.3
	Class D	0.1	0.1	0.0	0.0	0.0	0.3
	Class E - I	0.0	0.0	0.0	0.0	0.0	0.0
a = sum of electricity consumers affected by all interruptions	Class A	4,000	4,000	0	1,977	3,922	0
	Class B	3,000	3,500	3,930	3,390	5,700	1,859
	Class C	26,500	27,500	41,406	25,988	23,455	36,765
	Class D	1,750	2,000	0	0	629	9,587
	Class E - I	0	0	0	0	0	0
b = Total Consumers		28,800	28,500	28,409	28,248	28,376	27,806

Connection Average Interruption Duration Index (CAIDI) - 31 March 2004

	Class	2004/08 (Target)	2004 (Target)	2004	2003	2002	2001
CAIDI for total number of interruptions	Overall	63	64	72	184	68	65
CAIDI for total number of interruptions within each interruption class (= a/b)	Class A	50	50	0	308	3	0
	Class B	117	100	89	168	92	113
	Class C	49	51	71	176	60	51
	Class D	214	200	0	0	540	111
	Class E - I	0	0	0	0	0	0

Alpine Energy Limited Lines Business

FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2004

	Symbol	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements		12,419,882		
Operating surplus before interest and income tax adjusted pursuant to regulation 18		12,419,882		
Interest on cash, bank balances, and short-term investments (ISTI)		493,433		
OSBIT minus ISTI	a	11,926,449	11,926,449	11,926,449
Net surplus after tax from financial statements				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	n	8,795,872	8,795,872	
Amortisation of goodwill and amortisation of other intangibles				
Subvention payment	g	0	add	add
Depreciation of PPE at BV (x)	s	0	add	add
Depreciation of PPE at ODV (y)				
ODV depreciation adjustment	d	0	add	add
Subvention payment tax adjustment	s^t		deduct	deduct
Interest tax shield	q	-162,833		-162,833
Revaluations	r	0		add
Income tax	p	3,624,010		deduct
Numerator		11,926,449	8,795,872	8,139,606
		OSBIT^{ADJ} = a + g + s + d	NSAT^{ADJ} = n + g + s - s^t + d	OSBIT^{ADJ} = a + g - q + r + s + d - p - s^t
Property, Plant & Equipment at end of previous financial year (FA ₀)		75,917,147		
Property, Plant & Equipment at end of current financial year (FA ₁)		74,826,822		
Adjusted net working capital at end of previous financial year (ANWC ₀)		-1,081,912		
Adjusted net working capital at end of current financial year (ANWC ₁)		0		
Average total funds employed (ATFE)	c	74,290,073	74,290,073	74,290,073
Total equity at end of previous financial year (TE ₀)		79,758,210		
Total equity at end of current financial year (TE ₁)		74,705,556		
Average total equity	k	77,231,883	77,231,883	
WUC at end of previous financial year (WUC ₀)		3,260,288		
WUC at end of current financial year (WUC ₁)		1,480,714		
Average total works under construction	e	2,370,501	2,370,501	2,370,501
Revaluations	r	0	deduct	deduct
Half of revaluations	r/2	0		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	m	0	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	v	0	add	0
Property, Plant and Equipment at book value (SFA ₀)		72,656,859		
Property, Plant and Equipment at end of previous financial year at book value (SFA ₀)		73,346,108		
Average value of system property, plant and equipment assets at book value	f	73,001,484	73,001,484	73,001,484
Property, Plant and Equipment at year beginning at ODV value (SFA ₀ _{ODV})		65,957,994		
Property, Plant and Equipment at end of current financial year at ODV value (SFA ₀ _{ODV})		81,784,104		
Average value of system property, plant and equipment at ODV value	h	73,871,049	73,871,049	73,871,049
Denominator		72,789,137	75,730,947	72,789,137
		ATFE^{ADJ} = c - e - f + h	Ave TE^{ADJ} = k - e - m + v - f + h	ATFE^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:		16.38	11.61	11.18
t = maximum statutory income tax rate applying to corporate entities				
subscript '1' = end of the current financial year				
subscript '0' = end of the previous financial year				
ave = average				
odv = optimised deprival valuation				
ROI = return on investment				
ROE = return on equity				
ROF = return on funds				
ROI = return on investment				
ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100				
ROI = NSAT ^{ADJ} /ATE ^{ADJ} x 100				
ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100				

Alpine Energy Limited (Lines) Annual Valuation Reconciliation Report

	2004 \$	2003 \$
System Property, Plant & Equipment at ODV (start of period)	65,957,994	65,995,961
Adjustment following Commerce Commission Comprehensive Audit Process (under Commerce Act 1986)	0	0
Restated System Property, Plant & Equipment at ODV (start of period)	65,957,994	65,995,961
Add System Property, Plant & Equipment acquired during the period at ODV	2,703,783	3,329,561
Less System Property, Plant & Equipment disposed of during the period at ODV	0	(233,300)
Less depreciation on System Property, Plant & Equipment at ODV	(3,495,248)	(3,134,228)
Add revaluations of System Property, Plant & Equipment	16,617,471	0
Gives System Property, Plant & Equipment at ODV (end of period)	81,784,000	65,957,994

Valuation of the Network Reticulation System

Valuation of the Network Reticulation System is at net current value on an existing use basis, as at 31 March 2004, and was conducted by KPMG, Christchurch. The Commerce Commission has adjusted this valuation (as shown) following a comprehensive audit.

Explanation of Terms

General

km	kilometres
kV	kilovolts
kVA	kilovolt amperes
kW	kilowatts
kWh	kilowatt hours (also referred to as <i>units</i>)

ODV	Optimised Deprival Valuation
GXP	Grid Exit Point

Network Statistics

Generation	Electricity provided by embedded generation from Opuha Dam.
Import	Electricity supplied to the Network from Transpower's Network.
Export	Electricity supplied to Transpower's Network from the Network at Albury GXP due to a surplus of embedded generation over demand.

Reliability and Performance Measures

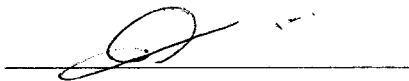
Class A	planned interruptions by Transpower.
Class B	planned interruptions by Alpine Energy.
Class C	unplanned interruptions by Alpine Energy.
Class D	unplanned interruptions by Transpower.
Class E	unplanned interruptions on 'generation' lines used by Alpine Energy.
Class F	unplanned interruptions on 'generation' lines used by another line owner.
Class G	unplanned interruptions caused by another line owner.
Class H	planned interruptions caused by another line owner.
Class I	an interruption not referred to in Classes A to H.

**Certificate of Financial Statements, Performance Measures, and Statistics
Disclosed by Line Owners other than Transpower**

We, Murray Cleverley and Ian James Bowan, Directors of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge,

- (a) the attached audited financial statements of Alpine Energy Limited prepared for the purposes of regulation 6 of the Commerce Commissions Electricity Information Disclosure Requirements 2004 comply with the requirements of those regulations; 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 Alpine Energy Limited, and having been prepared for the purpose of regulations 14, 15, 20, and 21 of the Electricity Information Disclosure Requirements 2004 comply with the requirements of those regulations.

The valuations on which those financial performance measures are based are as at 31 March 2004.



Murray Cleverley



Ian James Bowan

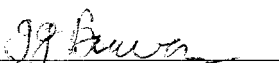
23 December, 2004

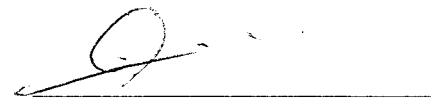


Certification of Valuation Report of Disclosing Entities

We, **Ian James BOWAN** and **Donald Murray Douglas CLEVERLEY**, Directors of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge –

- a The attached valuation report of Alpine Energy 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 Alpine Energy Limited is \$191,926,396; and
- c The depreciated replacement cost of the lines business system fixed assets of Alpine Energy Limited is \$83,576,836; and
- d The optimised depreciated replacement cost of the lines business system fixed assets of Alpine Energy Limited is \$82,577,730; and
- e The optimised deprival valuation of the lines business system fixed assets of Alpine Energy Limited is \$81,784,104; 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.


I J Bowan


D M D Cleverley

23 December 2004

Form 8

**Statutory Declaration in Respect of Statements and Information
Supplied to Secretary**

I, Ian James Bowen of Timaru, being director of Alpine Energy 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 under the 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.

Signed

Ig Bowen

Declared at Timaru this 23rd day of December 2004

Witnessed

P A White J.A.
JP or Solicitor or Other person authorised to take a statutory declaration
P A WHITE - J.P.
CHARTERED ACCOUNTANT
248B OTIPUA ROAD
TIMARU

Attached: Alpine Energy Limited Annual Lines Disclosure



PricewaterhouseCoopers
119 Armagh Street
PO Box 13244
Christchurch
New Zealand
Telephone +64 3 374 3000
Facsimile +64 3 374 3001

Report of the Auditor-General

To the readers of the financial statements of Alpine Energy Limited - Lines Business

We have audited the accompanying financial statements of Alpine Energy Limited - Lines Business. The financial statements provide information about the past financial performance of Alpine Energy Limited – Lines Business and its financial position as at 31 March 2004. This information is stated in accordance with the accounting policies set out in the Statement of 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 Alpine Energy Limited - Lines Business as at 31 March 2004, and the results of operations and cash flows for the year ended on that date.

Auditors' 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 presented by the Directors and report that opinion to you.

The Auditor-General has appointed Maurice Noone 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 Alpine Energy Limited - 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 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 Alpine Energy Limited in the provision of 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 Alpine Energy Limited.

Report of the Auditor-General

Alpine Energy Limited - Lines Business

Unqualified Opinion

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

In our opinion:

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

Our audit was completed on 24 December 2004 and our unqualified opinion is expressed as at that date.



Maurice Noone
PricewaterhouseCoopers
On behalf of the Auditor-General
Christchurch, New Zealand



PricewaterhouseCoopers
119 Armagh Street
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New Zealand
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Facsimile +64 3 374 3001

Auditor-General's Opinion of Performance Measures of Alpine Energy Limited – Lines Business

We have examined the attached information, being:-

- (a) a derivation table in requirement 15; and
- (b) an annual ODV reconciliation report in requirement 16; and
- (c) financial performance measures in clause 1 of Part 3 of Schedule 1; and
- (d) financial components of the efficiency performance measures in clause 2 of Part 3 of Schedule 1

that were prepared by Alpine Energy Limited – Lines Business and dated 24 December 2004 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 'M. Noone'.

Maurice Noone
PricewaterhouseCoopers
On behalf of the Auditor-General
Christchurch, New Zealand
24 December 2004