



New Zealand Gazette

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UNITEDNETWORKS LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1999 AND THE
ELECTRICITY (INFORMATION DISCLOSURE)
AMENDMENT REGULATIONS 2000 AND 2001

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**FORM 8: STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND
INFORMATION SUPPLIED TO SECRETARY**

I, Daniel Wayne Warnock, of Auckland, being a Director of UnitedNetworks 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) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000.

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

Declared at Takapuna this 16th day of August 2002.



Daniel Wayne Warnock



Solicitor *KIRSTEN MARIE MUIR*

FORM 1: AUDITORS' REPORT

To the readers of the financial statements of UnitedNetworks.

We have audited the accompanying financial statements of UnitedNetworks. The financial statements provide information about the past financial performance of UnitedNetworks and its financial position as at 31 March 2002. This information is stated in accordance with the accounting policies set out in section 2.5 (1).

Directors' Responsibilities

The Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000 require the Directors to prepare financial statements which give a true and fair view of the financial position of UnitedNetworks as at 31 March 2002, 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 judgments made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to UnitedNetworks 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.

In addition to our capacity as auditors, our firm carries out consultancy assignments and provides taxation advice to UnitedNetworks.

Unqualified Opinion

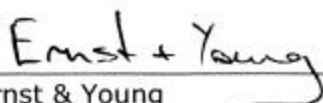
We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by UnitedNetworks as far as appears from our examination of those records.

In our opinion the financial statements of UnitedNetworks in Section 2:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of:
 - the financial position as at 31 March 2002; and
 - the results of its operations and cash flows for the year ended on that date; and
- comply with the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000

Our audit was completed on 16th August 2002 and our opinion is expressed as at that date.



Ernst & Young
Chartered Accountants
Auckland
New Zealand

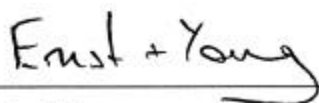
FORM 2: AUDITORS' OPINION OF PERFORMANCE MEASURES

We have examined the attached information, being -

- a) the derivation table specified in regulation 16; and
- b) the annual ODV reconciliation report in regulation 16A; and
- c) the time-weighted averages calculations in regulation 33 (if they apply); and
- d) the financial performance measures in clause 1 of Part 3 of Schedule 1; and
- e) the financial components of the efficiency performance measures in clause 2 of Part 3 of Schedule 1, -

that were prepared by UnitedNetworks Limited and dated 31st March 2002 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000.

In our opinion, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000.



Ernst & Young
Chartered Accountants
Auckland
New Zealand

16 August 2002

**FORM 5: CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE
MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER
THAN TRANSPower**

We, Philip Michael Smith and Daniel Wayne Warnock, directors of UnitedNetworks Limited certify that, having made all reasonable enquiry, to the best of our knowledge, -

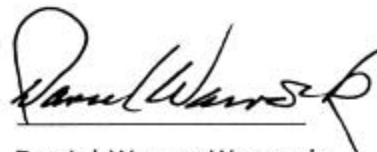
- a) The attached audited financial statements of UnitedNetworks, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000 comply with the requirements of those regulations; and
- 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 UnitedNetworks, and having been prepared for the purposes of regulations 15, 16, 21, and 22 of the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000, comply with the requirements of those regulations.

The valuations on which those financial performance measures are based are as at 31 March 2002.



Philip Michael Smith

16 August 2002



Daniel Wayne Warnock

16 August 2002

1. INTRODUCTION AND INTERPRETATION

- 1.1 This document contains certain material required to be disclosed by UnitedNetworks Limited under Regulations 6 to 9, 15 to 22, and 33 of the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000.
- 1.2 The information in this document was prepared by UnitedNetworks Limited after making all reasonable enquiry, and to the best of its knowledge the information complies with all relevant requirements of the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000.
- 1.3 The information in this document is not intended by UnitedNetworks Limited to constitute an offer of services to the public.
- 1.4 The information is available on request at:
- 44 Taharoto Road
Takapuna
Auckland
- And on the Internet at:
- <http://www.unitednetworks.co.nz>
- 1.5 In this document, words and expressions have the meaning given to them in the Regulations or the Act, unless otherwise specified.
- 1.6 For the purpose of this disclosure:
- “UnitedNetworks” means the Lines Business of UnitedNetworks Limited.
- “The company” means UnitedNetworks Limited.
- “Lines Business” means the Electricity Lines Business of UnitedNetworks.
- “Other Business” means any part of UnitedNetworks, which is not the Lines Business.

2. FINANCIAL STATEMENTS: Regulations 6 - 9

2.1 STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 March 2002

	Notes	2002 (\$000)	2001 (\$000)
Operating revenue	2	396,742	389,112
Operating expenditure	3	204,738	218,750
Operating surplus before interest and income tax		192,004	170,362
Interest expense	4	56,862	64,200
Operating surplus before income tax		135,142	106,162
Income tax	5	39,954	26,712
Net surplus after tax		95,188	79,450

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

2.2 STATEMENT OF FINANCIAL POSITION

As at 31 March 2002

	Notes	2002 (\$000)	2001 (\$000)
CURRENT ASSETS			
Cash and bank balances		284	-
Inventories		-	653
Accounts receivable	8	37,299	37,711
Other current assets not listed above		6,790	6,240
Total current assets		44,373	44,604
FIXED ASSETS			
System fixed assets		1,038,455	1,037,001
Consumer billing and information system assets		11,184	11,041
Motor vehicles		10	88
Office equipment		5,904	6,980
Land and buildings		3,913	7,870
Capital works under construction		26,739	28,260
Inventories – critical spares		1,141	-
Other fixed assets not listed above		1,128	302
Total fixed assets	10	1,088,474	1,091,542
OTHER TANGIBLE ASSETS not listed above	11	10,608	20,622
TOTAL TANGIBLE ASSETS		1,143,455	1,156,768
INTANGIBLE ASSETS			
Goodwill	12	1,469	1,556
Other intangibles not listed above	13	492,466	505,846
Total intangible assets		493,935	507,402
TOTAL ASSETS		1,637,390	1,664,170
CURRENT LIABILITIES			
Bank overdraft		1,029	735
Payables and accruals	9	53,697	49,966
Provision for dividend payable	15	27,264	24,228
Total current liabilities		81,990	74,929
NON-CURRENT LIABILITIES			
Borrowings	14	678,648	839,299
Deferred tax	5	46,749	45,570
Other non-current liabilities not listed above	21	197,470	112,819
Total non-current liabilities		922,867	997,688
EQUITY			
Shareholders' equity			
Share capital	6	116,459	116,459
Retained earnings	7	200,825	157,261
Reserves	7	315,249	317,833
Total shareholders' equity		632,533	591,553
Total equity and liabilities		1,637,390	1,664,170

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

2.3 STATEMENT OF MOVEMENTS IN EQUITY
For the year ended 31 March 2002

	Notes	2002 (\$000)	2001 (\$000)
Equity at start of period		591,553	552,531
Net surplus for the period		95,188	79,450
Tax credit on supplementary dividend paid to foreign shareholders		6,818	6,538
Revaluation of distribution system	7	(2,584)	6,654
Dividends returned from ESOP		1,390	-
Distributions to owners during the period	15	(53,014)	(47,082)
Supplementary dividend paid		(6,818)	(6,538)
Equity at end of period		632,533	591,553

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

2.4 STATEMENT OF CASH FLOWS
For the year ended 31 March 2002

	Notes	2002 (\$000)	2001 (\$000)
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from customers		393,696	391,359
Interest received		922	362
		394,618	391,721
<i>Cash was applied to:</i>			
Payments to suppliers & employees		(130,107)	(155,200)
Interest paid		(62,925)	(65,174)
Income taxes paid		(20,444)	(18,202)
		(213,476)	(238,576)
Net cash flow from operating activities	16	181,142	153,145
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Proceeds from the sale of fixed assets		1,235	1,981
Proceeds from investments		-	306
		1,235	2,287
<i>Cash was applied to:</i>			
Purchases of fixed assets		(50,333)	(71,092)
		(50,333)	(71,092)
Net cash flow from investing activities		(49,098)	(68,805)
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Borrowings		913,690	-
		913,690	-
<i>Cash was applied to:</i>			
Settlement of borrowings		(990,338)	(33,791)
Related party advances		-	(1,767)
Dividends paid		(55,406)	(46,419)
		(1,045,744)	(81,977)
Cash flow from financing activities		(132,054)	(81,977)
Net increase (decrease) in cash held		(10)	2,363
Opening cash balances		(735)	(3,098)
Closing cash balances		(745)	(735)
Represented by:			
Cash on hand at bank		284	-
Bank overdraft or current loan facility		(1,029)	(735)
Cash on hand		(745)	(735)

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

These notes refer to the numbered notes to the statements in Sections 2.1 to 2.4 and are to be read in conjunction with the statements.

SIGNIFICANT EVENT RELEVANT TO THESE FINANCIAL STATEMENTS

On 12 June 2002 UnitedNetworks Limited announced that, following an approach made to it by its principal shareholder, UtiliCorp N.Z. Limited (whose ultimate parent company is Aquila, Inc.), the company is considering a possible sale of its entire operation by way of share or asset sale. The process is expected to be completed early September.

As the final method of the sale has yet to be determined, the directors have presented the financial statements on the basis that the company will continue its existing business. The accounting basis and policies, including the going concern assumption, have therefore been adopted on a consistent basis to the previous year. This assumption has particular relevance to the continued treatment of borrowings as long-term debt and treating financial instruments as hedges.

As a result of the potential sale the company had not yet entered into a subvention and loss-offset agreement with Utilicorp N.Z. Limited for the 1st quarter of the 2002 financial year. This has had the net effect of increasing the tax charge for the year by approximately \$1.0 million.

1 STATEMENT OF ACCOUNTING POLICIES

Special purpose financial statements

These financial statements are made pursuant to UnitedNetworks' obligations under the Electricity (Information Disclosure) Regulations 1999, read with Electricity (Information Disclosure) Amendment Regulations 2000. They are in addition to UnitedNetworks' financial statements published pursuant to UnitedNetworks' obligations under the Companies Act 1993 and the Financial Reporting Act 1993.

The Lines Business is treated as the core business and corporate activities are accounted for through the Line and Other Business financial statements. UnitedNetworks has adopted the avoidable cost allocation methodology stipulated in the Electricity Information Disclosure Handbook issued on 30th June 2000.

General accounting policies

The general accounting principles as recommended by the Institute of Chartered Accountants of New Zealand for the measurement and reporting of financial performance, financial position, movements in equity and cash flows under the historical cost method have been followed by the company with the exception of System Fixed Assets, which have been revalued to their Optimised Deprival Value (ODV) in accordance with the treatment outlined in the Electricity Information Disclosure Handbook. This is more fully explained within the particular accounting policy for Fixed Assets.

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

Income tax

These financial statements adopt the liability method of accounting for deferred taxation. The taxation charge against the surplus for the period is the estimated liability in respect of that surplus after allowance for all the permanent differences.

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

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)***Fixed assets***

All fixed assets are initially recorded at cost. The cost of assets constructed by UnitedNetworks includes the cost of all material used in construction, direct labour on the project and financing costs that are directly attributable to the project. Costs cease to be capitalised as soon as the asset is ready for use.

The System Fixed Assets have been revalued as at 31 March 2001. The methodology adopts a three-step process. Firstly, an asset based valuation – the Optimised Depreciated Replacement Cost (ODRC) value is determined. Secondly, the Economic Value (EV) is established through a process of sustainability checking. Finally, the Optimised Deprival Value (ODV) – is determined as the minimum of the ODRC and the EV. The company engaged independent valuers to undertake the ODV valuation, which appears in the statement of financial position and the notes thereto.

Financial instruments

The company has financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to fluctuations in interest rates and foreign exchange rates.

Financial instruments entered into as hedges of an underlying exposure are accounted for on the same basis as the underlying exposure. Accordingly, hedge gains and losses are included in the Statement of Financial Performance when the gains or losses arising on the related physical exposures are recognised in the Statement of Financial Performance.

Foreign Currencies

Transactions in foreign currencies are translated at the New Zealand rate of exchange ruling at the date of transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are included in the Statement of Financial Performance as operating items.

Operating leases

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

Finance leases

Finance leases, which effectively transfer to the lessee substantially all of the risks and benefits incident to ownership of the leased item, are capitalised at the present value of the minimum lease payments. Income for assets leased out under finance lease arrangements is recognised on the basis of the net investment outstanding as at balance date.

Depreciation

Depreciation of fixed assets, other than freehold land, has been charged at rates calculated to allocate on a straight-line basis the assets' cost or valuation, less estimated residual value, over their estimated useful lives as follows:

(i)	Freehold buildings	50 – 100 years
(ii)	Reticulation system	15 – 70 years
(iii)	Plant, vehicles and equipment	2 – 10 years

Goodwill

Goodwill on acquisition of businesses is amortised on a straight line basis over the period of expected benefit or 20 years, whichever is the lesser.

Identifiable intangibles

Identifiable intangibles arising from acquisition of reticulation assets is amortised on a straight line basis over the period of expected benefit, which has been assessed as 40 years.

Accounts receivable

Accounts receivable are stated at their estimated net realisable value.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)***Inventory***

Inventory is stated at the lower of cost and net realisable value. In arriving at net realisable value an allowance is made for deterioration and obsolescence.

Revenue recognition

Income from line charges includes an estimated amount for accrued sales for charges not billed at balance date.

Distributions from UnitedNetworks Shareholders Society Inc (UNSS)

As with 2001, the distributions received from UNSS are treated as a distribution from a trust, being a return of dividends previously paid to the trust, of which the company is the beneficiary. Under the avoidable cost allocation methodology these distributions have been identified as dividends and allocated to the Other Business.

Statement of cash flows

The following are the definitions of the terms used in the statement of cash flows:

- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and investments that can include securities not falling within the definition of cash.
- Financing activities are those that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activations.
- Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

Changes in accounting policies

There were no changes in accounting policies during the period.

	2002 (\$000)	2001 (\$000)
2 OPERATING REVENUE		
Revenue from line/access charges	363,833	360,588
Interest on cash, bank balances, and short-term investments	922	362
AC loss-rental rebates	20,787	15,892
Other operating revenue not listed above	11,200	12,270
Total operating revenue	396,742	389,112

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	2002 (\$000)	2001 (\$000)
3 OPERATING EXPENDITURE		
Payment for transmission charges	85,195	98,847
Transfer payments to the "other" business for:		
Asset maintenance	6,329	24,934
Consumer disconnection/reconnection services	-	-
Meter data	-	-
Consumer-based load control services	-	-
Royalty and patent expenses	-	-
Avoided transmission charges on account of own generation	-	-
Other goods and services not listed above	-	12
Total transfer payment to the "other" business	6,329	24,946
Expense to entities that are not related parties for:		
Asset maintenance	20,448	6,084
Consumer disconnection/reconnection services	-	-
Meter data	-	-
Consumer-based load control services	-	-
Royalty and patent expenses	-	-
Total of specified expenses to non-related parties	20,448	6,084
Employee salaries, wages, and redundancies	15,075	15,134
Consumer billing and information system expense	142	129
Depreciation on:		
System fixed assets	39,705	37,658
Other assets not above	5,355	5,239
Total depreciation	45,060	42,897
Amortisation of:		
Goodwill	87	87
Other intangibles	13,381	13,389
Total amortisation of intangibles	13,468	13,476
Corporate and administration	8,365	6,597
Human resource expenses	2,060	420
Marketing/advertising	1,044	922
Merger and acquisition expenses	-	(152)
Takeover defence expenses	-	-
Research and development expenses	64	117
Consultancy and legal expenses	3,795	3,430
Donations	17	(3)
Directors' fees	295	188
Auditors' fees:		
Audit fees paid to principal auditors	123	197
Audit fees paid to other auditors	-	-
Fees paid for other services provided by principal and other auditors	78	248
Total auditors' fees	201	445
Cost of offering credit:		
Bad debts written off	296	61
Increase in estimated doubtful debts	(238)	20
Total cost of offering credit	58	81
Local authority rates expense	663	462
AC loss-rental rebates (distribution to retailers/customers)	-	-
Rebates to consumers due to ownership interest	-	-
Subvention payments	2,389	4,706
Unusual expenses	-	-
Other expenditure not listed above	70	24
Total operating expenditure	204,738	218,750

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	2002 (\$000)	2001 (\$000)
4 Operating surplus before interest and income tax	192,004	170,362
INTEREST EXPENSE		
Interest expense on borrowings	56,862	64,200
Financing charges related to finance leases	-	-
Other interest expense not listed above	-	-
Total interest expense	56,862	64,200
Operating surplus before income tax	135,142	106,162
Income tax	39,954	26,712
Net surplus after tax	95,188	79,450
5 TAXATION		
Surplus from operations before taxation	135,142	106,163
Taxation at 33%	44,597	35,034
Permanent differences	751	2,032
Net benefit of tax losses transferred from group companies	(5,394)	(10,354)
Taxation charge	39,954	26,712
The taxation charge is represented by		
Current taxation	26,796	9,367
Deferred taxation	13,158	17,345
	39,954	26,712
Non-current taxation assets		
Prepaid tax	41,156	33,293
Provision for Tax	(43,501)	(14,180)
Deferred tax asset	46,749	45,570
	44,404	64,683
Deferred taxation reconciliation		
Opening balance	45,570	28,225
Adjustment to opening balance	(11,979)	-
Current period tax charge movement	13,158	17,345
Closing balance	46,749	45,570
Imputation credit account		
Opening balance	-	-
Imputation credits attached to dividends received	3,360	2,383
Taxation paid – current period	15,188	20,032
Imputation credits attached to dividends paid	(18,548)	(22,415)
Imputation credits available to shareholders	-	-

In respect of the valuation, there is a deferred tax liability for tax depreciation recovered amounting to approximately \$93 million (2001: \$44.4 million), which would crystallise if all the revalued assets were disposed of for their carrying value. This liability has not been recognised in the financial statements.

The amount charged by the holding company for gross tax losses of \$18.75 million (2001: \$31.4 million) purchased during the year is \$2.4 million (2001: \$4.7 million).

The subsequent realisation of the future income tax benefit is subject to the necessary shareholder continuity and other requirements of income tax legislation being met.

6 SHARE CAPITAL

151,469,342 (2001: 151,469,342)

Ordinary shares fully paid

116,459 116,459

Each ordinary share entitles the holder to vote at any general meeting of the company and to participate in the share of any surplus upon winding up.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	2002 (\$000)	2001 (\$000)		
7 RESERVES				
Revaluation reserve				
Opening balance	317,833	324,161		
Transfer arising from disposal of fixed assets	-	-		
Revaluation in respect of provision for obsolescence	(2,584)	(1,803)		
Revaluation to ODV	-	8,457		
Transfer to retained earnings	-	(12,982)		
Closing balance	315,249	317,833		
Retained earnings				
Opening balance	157,261	111,911		
Dividend received from employee share ownership plan	1,390	-		
Transfer from revaluation reserve	-	12,982		
Dividends	(53,014)	(47,082)		
Transferred from statement of financial performance	95,188	79,450		
Closing balance	200,825	157,261		
Total reserves	516,074	475,094		
8 ACCOUNTS RECEIVABLE				
Trade receivables	35,034	34,796		
Other receivables and prepayments	2,265	2,915		
	37,299	37,711		
9 ACCOUNTS PAYABLE				
Trade and other creditors	44,997	43,230		
Employee entitlements	496	208		
Expenditure provision	988	-		
Interest payable	7,216	6,528		
	53,697	49,966		
10 FIXED ASSETS	At cost (\$000)	At valuation (\$000)	Accum deprn (\$000)	Net carrying value (\$000)
2002				
Freehold land	119	-	-	119
Freehold buildings	5,554	-	1,760	3,794
Distribution system	41,921	1,034,417	37,883	1,038,455
Plant, vehicles and equipment	35,639	-	17,413	18,226
Capital work in progress	26,739	-	-	26,739
Inventories – critical spares	1,141	-	-	1,141
	111,113	1,034,417	57,056	1,088,474
2001				
Freehold land	119	-	-	119
Freehold buildings	9,598	-	1,847	7,751
Distribution system	-	1,037,001	-	1,037,001
Plant, vehicles and equipment	43,498	-	25,087	18,411
Capital work in progress	28,260	-	-	28,260
	81,475	1,037,001	26,934	1,091,542

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	2002 (\$000)	2001 (\$000)
11 OTHER TANGIBLE ASSETS		
Term prepayments	6,761	-
Taxation receivable	2,345	19,116
Lease	1,502	1,506
	10,608	20,622
Leases comprise		
Gross amount	4,550	4,733
Unearned interest	3,034	3,159
Net amount	1,516	1,574
Long term	1,502	1,506
Current	14	68
Interest rate	8.00%	8.00%
Term	40 years	40 years
Relating to floodlighting and high tension reticulation systems and other electrical works at the North Harbour Stadium		
12 GOODWILL		
Opening balance	1,556	1,643
Amortised during the period	(87)	(87)
Closing balance	1,469	1,556
13 IDENTIFIABLE INTANGIBLES		
Opening balance	505,846	518,784
Adjustment to opening balance	-	451
Amortised during the period	(13,380)	(13,389)
Closing balance	492,466	505,846

14 BORROWINGS

The company had borrowings which support the requirements of the group and are not specific to a business line. The following profile is indicative of borrowings applicable to the electricity business.

Borrowings are made up as follows:

As at 31 March 2002

	Weighted avg interest rate	Total	Payable within 1 year	Payable between 1 and 2 years	Payable between 2 and 5 years	Payable after 5 years
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Bank loans	5.86%	74,025	10,966	63,059	-	-
Commercial paper	5.07%	183,692	-	183,692	-	-
Medium term notes - fixed rate NZ\$	6.50%	108,918	-	-	-	108,918
Medium term notes - floating rate A\$	4.75%	312,013	-	-	-	312,013
	5.24%	678,648	10,966	246,751	-	420,931

As at 31 March 2001

	Weighted avg interest rate	Total	Payable within 1 year	Payable between 1 and 2 years	Payable between 2 and 5 years	Payable after 5 years
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Bank loans	7.06%	719,800	588,122	131,678	-	-
Commercial paper	6.54%	119,499	-	119,499	-	-
Medium term notes - fixed rate NZ\$	-	-	-	-	-	-
Medium term notes - floating rate A\$	-	-	-	-	-	-
	6.98%	839,299	588,122	251,177	-	-

All borrowings are unsecured with all bank loans and Medium Term Notes being subject to negative pledge arrangements.

Commercial paper is supported by a 2 year standby facility made available by a syndicate of banks and issued for various terms up to 90 days.

Interest rates for all bank loans are floating based on the bank bill rate plus a margin.

Medium term notes – fixed rate NZ\$ mature April 2007 and are shown at the value of proceeds received after deducting the discount on issue (\$1.7 million) and adjusted for the amount amortised (\$0.3 million).

Medium term notes – floating rate A\$ mature April 2008 and April 2011.

Borrowings are classified between current and non-current dependent on the directors expectation of repayment dates.

15 DIVIDEND

	2002 (\$000)	2001 (\$000)
Dividend paid	25,750	22,854
Dividend declared	27,264	24,228
	53,014	47,082

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**16 RECONCILIATION OF OPERATING SURPLUS AFTER TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

Reported surplus after taxation	95,188	79,450
Add non-cash items:		
Depreciation	45,060	42,897
Amortisation of goodwill and intangibles	13,468	13,476
Increase (decrease) in deferred tax payable	39,954	17,345
Decrease (increase) in tax refund due	(22,004)	(10,666)
Add (less) movements in working capital items:		
Decrease (increase) in accounts receivable and other debtors	447	2,774
Decrease (increase) in current portion of lease	55	(13)
Decrease (increase) in inventory	653	(16)
Increase (decrease) in accounts and sundry payables	3,731	1,430
Add (less) items classified as investing activities:		
Loss (profit) on sale of assets	36	(70)
Movements in accounts payable that relate to fixed assets	4,486	
Supplementary dividend paid	6,818	6,538
Add (less) other items:		
Movements in term prepayment that relate to deferred financing Costs	(6,750)	-
Net cash flow from operating activities	181,142	153,145

17 FINANCIAL INSTRUMENTS

The company has a comprehensive treasury policy to manage the risks of financial instruments which is approved by the board of directors.

Interest rate risk

The company has long term borrowings which are used to fund ongoing activities. The company actively manages interest rate exposures in accordance with treasury policy. In this respect, at least 60% of all term debt must be at fixed interest rates or effectively fixed using interest rate swaps, forward rate agreements, options and similar derivative instruments. The following profile is indicative of borrowings applicable to the electricity business.

The weighted average rates of borrowings are as follows:

	2002		2001	
	Weighted avg interest rate	Face value (\$'000s)	Weighted avg interest rate	Face value (\$'000s)
Bank loans	5.86%	74,025	7.06%	719,800
Commercial paper	5.07%	183,692	6.54%	119,499
Medium term notes – fixed rate NZ\$	6.50%	108,918	-	-
Medium term notes – floating rate A\$	4.75%	312,013	-	-
	5.24%	678,648	6.98%	839,299

The weighted average rates of interest rate swaps are as follows:

	2002		2001	
	Weighted avg interest rate	Face value (\$'000s)	Weighted avg interest rate	Face value (\$'000s)
Interest rate swaps				
Maturing in less than 1 year	5.95%	127,488	6.34%	67,863
Maturing between 1 and 2 years	6.66%	50,036	6.07%	105,225
Maturing between 2 and 5 years	7.16%	216,592	6.99%	220,363
Maturing after 5 years	7.07%	116,521	7.14%	213,500
	6.79%	510,637	6.81%	606,951
Cross currency swaps		312,013		-

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**FINANCIAL INSTRUMENTS (continued)****Foreign exchange risk**

The company has, in this reporting period, conducted transactions in foreign currencies for the purposes of protecting the New Zealand dollar value of capital expenditure and for the issuance of Australian Bonds which have been hedged with cross currency swaps.

At balance date the company has no significant exposure to foreign currency risk.

Credit Risk

In the normal course of its business, the company incurs credit risk from energy retailers, financial institutions and trade debtors. The company has a credit policy which is used to manage this exposure to credit risk.

As part of this policy, the company can only have exposures to financial institutions having at least a credit rating of A- long term and A1 short term from Standard & Poors (or equivalent rating). In addition, limits on exposures to financial institutions have been set by the board of directors and are monitored on a regular basis. In this respect, the company minimises its credit risk by spreading such exposures across a range of institutions. The company does not anticipate non-performance by any of these financial institutions.

The company has a concentration of credit exposures to a few large energy retailers. To minimise this risk, the company performs credit evaluations on all energy retailers and other electricity customers and requires a bond or other form of security where deemed necessary.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

Fair values

The estimated fair value of financial instruments at balance date is:

	2002		2001	
	Carrying amount (\$000)	Fair value (\$000)	Carrying amount (\$000)	Fair value (\$000)
Cash and bank overdraft	(745)	(745)	(735)	(735)
Bank loans	74,025	74,025	719,800	719,800
Commercial paper	183,262	183,692	119,499	119,487
Medium term notes – fixed rate NZ\$	108,918	106,261	-	-
Medium term notes – floating rate A\$	312,013	308,007	-	-
Interest rate swaps	-	(1,703)	-	(22,493)
Cross currency swaps	-	(1,971)	-	-

The following methods and assumptions were used to estimate the fair value of each class of financial instrument where it is practical to estimate that value:

Cash and short term deposits, short term loans

The carrying amount of these items is equivalent to the fair value. Bank overdrafts are set off against cash balances pursuant to right of set off.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**FINANCIAL INSTRUMENTS (continued)*****Commercial paper***

The carrying amount of these items is equivalent to the fair value.

Medium Term Notes

The fair value of NZ\$ notes is based on quoted market prices.

The fair value of A\$ notes is based on the face value converted at the exchange rate prevailing at year end.

Derivative instruments

The fair value of interest rate swaps, forward rate agreements, interest rate options and other derivative instruments is estimated based on the quoted market prices for these instruments.

18 SEGMENTAL REPORTING

The predominant activity of UnitedNetworks is the ownership and operation of electricity distribution networks. All operations are conducted in New Zealand.

19 CAPITAL COMMITMENTS

At balance date, estimated capital expenditure contracted for but not provided was approximately \$8 million (2001: nil).

20 CONTINGENT LIABILITIES

The company has contingent liabilities totalling \$1.3 million (2001: \$2.1 million) consisting of:

- i) Performance bonds to ensure completion of contract works; and
- ii) Letters of credit to satisfy New Zealand Stock Exchange listing requirements; and
- iii) Letters of credit to guarantee other payments

21 TRANSACTIONS BETWEEN RELATED PARTIES

The principal related party of UnitedNetworks is its holding company UtiliCorp NZ Limited. Deutsche Bank AG is a shareholder in the parent company of UtiliCorp NZ Limited and details of transactions with it have been disclosed as if Deutsche Bank AG were a related party.

	2002 (\$000)	2001 (\$000)
Purchases from UtiliCorp NZ Limited and subsidiaries	\$3,999	\$1,890
Purchase of tax losses from Utilicorp NZ Limited	\$5,258	\$3,600
Balance due to UtiliCorp NZ Limited	\$1,588	\$269
Balance due to UtiliCorp NZ Limited arising from transfer of tax losses	\$2,875	\$6,286
Advisory, financing and success fees paid to Deutsche Bank Limited	\$225	\$41
Interest payments to Deutsche Bank AG	\$6,654	\$10,566
Borrowings owing to Deutsche Bank AG	\$67,939	\$549,685
Interest and other balances due to Deutsche Bank AG	\$390	\$3,121

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**Holding company**

The company is a subsidiary of UtiliCorp NZ Limited. The ultimate holding company is Aquila, Inc. (previously known as Utilicorp United Inc), which is incorporated in the United States of America.

All transactions are conducted under normal commercial terms of settlement.

Deutsche Bank AG

A New Zealand subsidiary of Deutsche Bank purchased a shareholding in a parent company of UtiliCorp NZ Limited on 30 June 2000. Deutsche Bank provides advisory and financing services to UnitedNetworks. All transactions between UnitedNetworks and Deutsche Bank are conducted on an arms length basis under normal market conditions.

UnitedNetworks Contracting Business

The UnitedNetworks Contracting Business provided maintenance and construction work on the Lines Business assets for the period 1 April 2001 to 1 July 2001. The contracting business was sold to Siemens A.G. on 2 July 2001. Accordingly the figures below cover the period 1 April 2001 to 1 July 2001.

Terms of settlement: settled under normal terms of trade.

Total debts written off or forgiven: nil

Reticulation asset additions	Quantity	Unit price (\$)	Expenditure (\$000)
Construction of subtransmission assets	969	319	309
Construction of zone substations	224	18,734	4,196
Construction of distribution lines and cables	127,719	62	7,919
Construction of medium voltage switchgear	152	2,419	367
Construction of distribution transformers	172	7,591	1,306
Construction of distribution substations	58	3,234	187
Construction of low voltage reticulation	87,798	52	4,566
Construction of other system fixed assets as per ODV handbook	54	2,521	136
Total reticulation asset additions	217,146		18,986

	2002 (\$000)	2001 (\$000)
Advances from other business	197,470	112,819

22 OPERATING LEASE COMMITMENTS

	2002 (\$000)	2001 (\$000)
At balance date the group had the following operating lease commitments:		
Within the year	1,964	600
Between one and two years	1,781	600
Between two and five years	1,663	1,075
Over five years	2,989	3,338
	8,397	5,613

23 EVENTS OCCURRING AFTER BALANCE DATE

The directors are not aware of any significant event occurring subsequent to balance date which, if known at balance date, would have resulted in a different assessment of the amount attributable to an item in the financial statements.

3. PERFORMANCE MEASURES AND STATISTICS: Regulations 15 - 22

3.1 FINANCIAL PERFORMANCE AND EFFICIENCY MEASURES For the year ended 31 March 2002

Schedule 1 – PART 3		2002	2001	2000	1999	1998
1	Financial performance measures					
A	Return on funds	19.59%	17.99%	16.69%	13.40%	-
B	Return on equity	*124.68%	*346.81%	*235.33%	8.76%	-
C	Return on investment	12.99%	12.87%	9.82%	9.22%	-
	Accounting return on total assets	-	-	-	-	9.87%
	Accounting return on Equity	-	-	-	-	8.04%
	Accounting rate of profit	-	-	-	-	8.07%
*The treatment of identified intangible in the calculation of ROE from 2000 has been amended by regulation from that used in 1999.						
Additional Information						
The following financial performance measures result if the full book value of the line assets purchased from TransAlta and Trustpower is included in the financial ratio calculations.						
A	Return on funds	12.44%	11.22%	10.39%	6.23%	
B	Return on equity	14.95%	12.96%	10.75%	6.49%	
C	Return on investment	7.98%	7.77%	5.79%	4.09%	
2	Financial performance measures					
A	Direct line costs per kilometre	\$891.93	\$1,075.69	\$1,173.41	\$1,209.32	\$975.51
	<i>a/b where</i>					
	<i>a = direct expenditure (\$)</i>	\$26,777,256	\$31,029,587	\$30,510,198	\$31,883,657	\$12,964,341
	<i>b = system length (kms)</i>	30,021.83	28,846.20	26,001.32	26,364.93	13,289.84
b	Indirect line costs per consumer	\$62.94	\$56.45	\$62.92	\$98.07	\$115.35
	<i>a/b where</i>					
	<i>a = indirect expenditure (\$)</i>	\$31,848,622	\$27,794,618	\$30,808,606	\$48,337,314	\$25,811,387
	<i>b = total consumers</i>	506,035	492,387	489,656	492,883	223,765

3.2 DERIVATION OF FINANCIAL PERFORMANCE MEASURES

Schedule 1 – PART 7 FORM FOR THE DERIVATION OF FINANCIAL STATEMENTS						
Derivation Table	Input and Symbol in formula	ROF	ROE	ROI		
Operating surplus before interest and income tax from financial statements	192,004					
Operating surplus before int. and income tax adj pursuant to reg 18 (OSBIIT)	192,004					
Interest on cash, bank balances, and short-term investments (ISTI)	922					
OSBIIT minus ISTI	191,083	191,083		191,083		
Net surplus after tax from financial statements	95,188					
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	95,188		95,188			
Amortisation of goodwill and amortisation of other intangibles	13,468	Add	Add	Add		13,468
Subvention payment	2,389	Add	Add	Add		2,389
Depreciation of SFA at BV (x)	39,705					
Depreciation of SFA at ODV (y)	39,705					
ODV depreciation adjustment	0	Add	Add	Add		
Subvention payment tax adjustment	6,856	s*t	Deduct	Deduct		6,856
Interest tax shield	18,461	q		Deduct		18,461
Revaluations	-	r		Add		-
Income tax	39,954	p		Deduct		39,954
Income tax adjustment on amortisation of other intangibles	4,416			Deduct		4,416
Numerator		OSBIIT ^{ADJ} = a + g + s + d	NSAT ^{ADJ} = n + g + s + s*t + d	OSBIIT ^{ADJ} = a + g - q + r + s + d - p - s*t		137,254
Fixed assets at end of previous financial year (FA ₀)	1,091,542					
Fixed assets at end of current financial year (FA ₁)	1,088,474					
Adjusted net working capital at end of previous financial year (ANWC ₀)	(5,361)					
Adjusted net working capital at end of current financial year (ANWC ₁)	(9,608)					
Average total funds employed (ATFE) - Reg 33 time-weighted average	1,082,524	c	1,082,524			1,082,524
Total equity at end of previous financial year (TE ₀)	591,553					
Total equity at end of current financial year (TE ₁)	632,533					
Average total equity - Reg 33 time-weighted average	612,043	k	612,043			
WUC at end of previous financial year (WUC ₀)	28,260					
WUC at end of current financial year (WUC ₁)	26,739					
Average total works under construction - Reg 33 time-weighted average	27,499	e	Deduct 27,499	Deduct		27,499
Revaluations	-	r		Deduct		-
Half of revaluations	-	r/2		Deduct		-
Intangible assets at end of previous financial year (IA ₀)	507,402					
Intangible assets at end of current financial year (IA ₁)	493,935					
Average total intangible asset - Reg 33 time-weighted average	500,668	m	Deduct 500,668			
Subvention payment at end of previous financial year (S ₀)	4,706					
Subvention payment at end of current financial year (S ₁)	2,389					
Subvention payment tax adjustment at end of previous financial year	10,353					
Subvention payment tax adjustment at end of current financial year	6,856					
Average subvention payment & related tax adjustment	(5,057)	v	Add (5,057)			
System fixed assets at end of previous financial year at book value (SFA _{book,0})	1,037,001					
System fixed assets at end of current financial year at book value (SFA _{book,1})	1,038,455					
Ave. value of system fixed assets at book value - Reg 33 time-weighted ave.	1,037,728	f	Deduct 1,037,728	Deduct		1,037,728
System Fixed assets at year beginning at ODV value (SFA _{odv,0})	1,037,001					
System Fixed assets at end of current financial year at ODV value (SFA _{odv,1})	1,040,859					
Ave. value of system fixed assets at ODV value - Reg 33 time-weighted ave.	1,038,930	h	Add 1,038,930	Add		1,038,930
Denominator		ATFE ^{ADJ} = c - e - f + h	Ave TE ^{ADJ} = k - e - m + v - f + h	ATFE ^{ADJ} = c - e - 1/2r - f + h		1,056,227
Financial Performance Measure:		ROF = OSBIIT ^{ADJ} /ATFE ^{ADJ} x 100	ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	ROI = OSBIIT ^{ADJ} /ATFE ^{ADJ} x 100		12.99%

3.3 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS
For the year ended 31 March 2002

Schedule 1 – PART 4		2002	2001	2000	1999	1998
1	Energy delivery efficiency performance measures					
a	Load factor	62.77%	58.88%	58.87%	59.94%	55.70%
	<i>a/bc * 100 where</i>					
	<i>a = kWh of electricity entering system</i>	7,461,688,039	7,120,433,531	6,864,048,000	6,681,341,709	3,607,989,950
	<i>b = maximum demand</i>	1,356,970	1,380,517	1,327,434	1,272,484	657,584
	<i>c = total number of hours in financial year</i>	8,760	8,760	8,784	8,760	9,851
b	Loss ratio	5.61%	5.34%	4.50%	5.44%	6.20%
	<i>a/b * 100 where</i>					
	<i>a = losses of electricity in kWh</i>	418,262,514	380,164,078	309,179,016	363,708,921	223,695,377
	<i>b = kWh of electricity entering system</i>	7,461,688,039	7,120,433,531	6,864,048,000	6,681,341,709	3,607,989,950
c	Capacity utilisation	34.91%	37.25%	35.54%	34.03%	39.63%
	<i>a/b * 100 where</i>					
	<i>a = maximum demand</i>	1,356,970	1,380,517	1,327,434	1,272,484	657,584
	<i>b = transformer capacity (kVA)</i>	3,887,571	3,705,855	3,735,466	3,739,313	1,659,135

3.3 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS (continued)

Schedule 1 – PART 4		2002	2001	2000	1999	1998
2	Statistics					
a	System length – total (kms)	30,021.83	28,846.20	24,910.50	24,218.50	13,289.84
	110kV	36.45	36.50	25.00	25.00	25.40
	66kV	150.26	156.60	144.00	144.00	143.81
	50kV	-	-	-	-	-
	33kV	1,282.57	1,308.60	1,436.50	1,365.50	772.57
	22kV	-	-	-	-	-
	11kV	13,033.49	12,996.40	12,240.00	12,102.50	6,526.15
	6.6kV	-	-	-	-	-
	3.3kV	-	-	-	-	-
	230/400 V	15,519.06	14,348.10	11,065.00	10,581.50	5,821.91
b	Circuit length – o/h (kms)	19,339.94	18,549.90	16,876.00	16,696.00	10,124.27
	110kV	27.67	27.70	25.00	25.00	25.40
	66kV	150.26	156.60	144.00	144.00	143.81
	50kV	-	-	-	-	-
	33kV	997.86	1,027.30	1,072.00	1,071.50	680.88
	22kV	-	-	-	-	-
	11kV	9,944.78	9,968.5	9,321.50	9,438.00	5,465.13
	6.6kV	-	-	-	-	-
	3.3kV	-	-	-	-	-
	230/400 V	8,219.37	7,396.80	6,313.50	6,017.50	3,809.05
c	Circuit length – u/g (kms)	10,681.89	10,296.30	8,034.50	7,522.50	3,165.57
	110kV	8.78	8.80	-	-	-
	66kV	-	-	-	-	-
	50kV	-	-	-	-	-
	33kV	284.71	281.30	364.50	294.00	91.69
	22kV	-	-	-	-	-
	11kV	3,088.71	3,027.90	2,918.50	2,664.50	1,061.02
	6.6kV	-	-	-	-	-
	3.3kV	-	-	-	-	-
	230/400 V	7,299.70	6,978.30	4,751.50	4,564.00	2,012.86
d	Transformer capacity (kVA)	3,887,571	3,705,855	3,735,466	3,739,313	1,659,135
e	Maximum demand (kWh)	1,356,970	1,380,517	1,327,434	1,272,484	657,584
f	Total electricity supplied from system, after losses of electricity (kWh)	7,283,111,083	6,740,269,453	6,554,868,984	6,317,632,788	3,384,294,573
g	Total amount of electricity conveyed through the system, before losses of electricity, on behalf of each person that is an electricity generator or electricity retailer or both:					
	On Energy (previously TransAlta)	1,328,877,777	3,576,249,078	4,115,559,838	954,312,486	-
	Trustpower	1,490,659,159	1,483,009,486	1,236,430,880	228,008,660	-
	First Electric	-	54,445,430	149,231,368	-	-
	Empower	-	134,109,341	18,695,939	546,385	-
	Meridian	461,355,825	4,759,528	17,146,507	-	-
	Mighty River	578,293,427	20,194,008	4,396,398	-	-
	Mercury	-	118,160,350	2,218,739	444,189,000	-
	Contact	483,471,506	200,851,992	1,311,841	63,091,832	-
	Energy Waikato (NGC Wel Energy)	32,119,355	149,552,573	896,525	-	-
	Bay of Plenty	-	-	307,593	-	-
	Energy Options	-	-	144,289	-	-
	Genesis	1,694,727,680	313,613,163	107,161	-	-
	Todd Energy	221,562,973	62,935,543	-	-	-
	Carter Holt Harvey Pulp & Paper	356,632,518	325,821,080	-	-	-
	KCE Retail Ltd	-	50,576,296	-	-	-
	Phoenix	-	120,069	-	-	-
	NZ Co-op Dairy Group	99,213,310	-	-	-	-
	NZ Sugar	14,790,327	-	-	-	-
	Energy Online	50,638,387	-	-	-	-
	Other	60,696,264	626,035,594	1,317,600,922	4,627,484,425	-
	Total (kWh)	6,873,038,508	7,120,433,531	6,864,048,000	6,317,632,788	-
h	Total number of consumers	506,035	492,387	479,972	469,953	223,765

3.4 RELIABILITY PERFORMANCE MEASURES

For the year ended 31 March 2002

Schedule 1 – PART 5								
Interruptions		Ave Target 2003/07	Target 2003	2002	2001	Actual		1998
				2000	1999			
1-3	Total			2,229	2,258	2,258	2,421	1,683
	Class A			2	-	1	5	1
	Class B - planned	850	850	971	831	828	1,002	645
	Class C - unplanned	1,100	1,200	1,234	1,421	1,077	1,402	1,032
	Class D			18	6	19	12	5
	Class E			3	-	-	-	-
	Class F			1	-	-	-	-
	Class G			-	-	-	-	-
	Class H			-	-	-	-	-
	Class I			-	-	-	-	-
							Within 3 hrs	Within 24 hrs
4	Proportion of total class C interruptions not restored						58.43%	0.73%
	<i>a/b * 100 where</i>							
	<i>a = no. of interruptions not restored within</i>						721	9
	<i>b = total number of Class C interruptions</i>						1,234	1,234
Faults		Ave Target 2003/07	Target 2003	2002	2001	Actual		1998
				2000	1999			
5	Faults per 100 circuit kms			9.50	10.00	8.79	10.47	13.32
	110kV			-	-	-	-	-
	66kV	5.00	5.00	6.00	3.99	6.25	1.47	4.87
	50kV			-	-	-	-	-
	33kV	8.00	8.00	8.40	10.91	6.96	5.49	8.03
	22kV			-	-	-	-	-
	11kV	9.00	9.00	9.71	10.38	9.05	11.14	14.19
	6.6kV			-	-	-	-	-
	3.3kV			-	-	-	-	-
	230/400 V			-	-	-	-	-
6	Faults per 100 circuit kms (underground)			4.20	5.00	5.63	4.73	6.41
	110kV			-	-	-	-	-
	66kV			-	-	-	-	-
	50kV			-	-	-	-	-
	33kV			2.67	5.70	4.66	2.72	2.18
	22kV			-	-	-	-	-
	11kV			4.38	5.01	5.76	4.95	6.78
	6.6kV			-	-	-	-	-
	3.3kV			-	-	-	-	-
	230/400 V			-	-	-	-	-
7	Faults per 100 circuit kms (overhead)			11.23	12.00	9.77	12.06	14.58
	110kV			-	-	-	-	-
	66kV			6.00	3.99	6.25	3.47	4.87
	50kV			-	-	-	-	-
	33kV			10.10	12.35	7.74	6.25	8.81
	22kV			-	-	-	-	-
	11kV			11.45	12.00	10.08	12.88	15.62
	6.6kV			-	-	-	-	-
	3.3kV			-	-	-	-	-
	230/400 V			-	-	-	-	-

3.4 RELIABILITY PERFORMANCE MEASURES (continued)

Schedule 1 – PART 5							
	Ave targets 2003/07	Targets 2003	2002	2001	Actual 2000	1999	1998
8-11 SAIDI			121.61	130.25	108.88	179.32	171.19
Class A			0.01	-	0.01	6.50	-
Class B - planned	20	20	21.23	15.18	17.18	22.48	28.39
Class C - unplanned	93	96	97.90	107.68	80.98	143.89	134.25
Class D			2.13	7.40	10.71	6.47	8.55
Class E			0.34	-	-	-	-
Class F			-	-	-	-	-
Class G			-	-	-	-	-
Class H			-	-	-	-	-
Class I			-	-	-	-	-
<i>a/b where</i>							
<i>a = sum of interruption duration factors</i>			61,541,348	64,133,932	52,257,815	84,273,989	38,306,330
Class A			7,377	-	6,661	3,052,862	-
Class B	10,500,000	10,300,000	10,740,624	7,472,526	8,244,468	10,562,925	6,352,688
Class C	48,580,000	49,450,000	49,541,419	53,018,462	38,866,409	67,619,428	30,040,451
Class D			1,077,309	3,642,944	5,140,277	3,038,774	1,913,191
Class E			174,386	-	-	-	-
Class F			233	-	-	-	-
Class G			-	-	-	-	-
Class H			-	-	-	-	-
Class I			-	-	-	-	-
<i>b = total consumers</i>	525,000	515,000	506,035	492,387	479,972	469,953	223,765
12-15 SAIFI			1.99	2.03	1.91	2.38	2.90
Class A			-	-	0.01	0.03	-
Class B - planned	0.10	0.10	0.12	0.09	0.11	0.14	0.18
Class C - unplanned	1.62	1.67	1.66	1.80	1.53	1.97	2.37
Class D			0.20	0.14	0.26	0.24	0.35
Class E			0.01	-	-	-	-
Class F			-	-	-	-	-
Class G			-	-	-	-	-
Class H			-	-	-	-	-
Class I			-	-	-	-	-
<i>a/b where</i>							
<i>a = sum of electricity consumers</i>			1,008,822	991,151	918,663	1,117,292	648,919
Class A			467	-	6,661	16,431	-
Class B	52,500	51,500	61,166	43,167	50,470	64,529	40,278
Class C	849,000	860,000	839,061	887,023	735,852	924,582	530,323
Class D			100,562	68,961	125,680	111,750	78,318
Class E			7,565	-	-	-	-
Class F			1	-	-	-	-
Class G			-	-	-	-	-
Class H			-	-	-	-	-
Class I			-	-	-	-	-
<i>b = total consumers</i>	525,000	515,000	506,035	479,972	479,972	469,953	223,765

3.4 RELIABILITY PERFORMANCE MEASURES (continued)

Schedule 1 – PART 5		Ave targets	Targets	Actual					
		2003/07	2003	2002	2001	2000	1999	1998	
16-19	CAIDI			61	64	57	75	59	
	Class A			16	-	1	186	-	
	Class B - planned	200	200	176	173	163	164	158	
	Class C – unplanned	57	58	59	60	53	73	57	
	Class D			11	53	41	27	24	
	Class E			23	-	-	-	-	
	Class F			233	-	-	-	-	
	Class G			-	-	-	-	-	
	Class H			-	-	-	-	-	
	Class I			-	-	-	-	-	
	a/b where								
	a = sum of interruption duration factors			61,541,348	64,133,932	52,257,815	84,273,989	38,306,330	
	Class A				7,377	-	6,661	3,052,862	-
	Class B		10,500,000	10,300,000	10,740,624	7,472,526	8,244,468	10,562,925	6,352,688
	Class C		48,580,000	49,450,000	49,541,419	53,018,462	38,866,409	67,619,428	30,040,451
	Class D				1,077,309	3,642,944	5,140,277	3,038,774	1,913,191
	Class E				174,386	-	-	-	-
	Class F				233	-	-	-	-
	Class G				-	-	-	-	-
	Class H				-	-	-	-	-
Class I				-	-	-	-	-	
b = total consumers			1,008,822	991,151	918,663	1,117,292	648,919		
Class A				467	-	6,661	16,431	-	
Class B		52,500	51,500	61,166	43,167	50,470	64,529	40,278	
Class C		849,000	860,000	839,061	887,023	735,852	924,582	530,323	
Class D				100,562	68,961	125,680	111,750	78,318	
Class E				7,565	-	-	-	-	
Class F				1	-	-	-	-	
Class G				-	-	-	-	-	
Class H				-	-	-	-	-	
Class I				-	-	-	-	-	

3.5 ANNUAL VALUATION RECONCILIATION REPORT
For the year ended 31 March 2002

Schedule 1 – PART 8		\$000
	System fixed assets at ODV - end of the previous financial year	1,037,001
<i>add</i>	System fixed assets acquired during the year at ODV	43,563
<i>less</i>	System fixed assets disposed of during the year at ODV	-
<i>less</i>	Depreciation on system fixed assets at ODV	39,705
<i>add</i>	Revaluations of system fixed assets	-
	System fixed assets at ODV - end of the financial year	1,040,859