



# New Zealand Gazette

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## MAINPOWER NEW ZEALAND LIMITED

### INFORMATION FOR DISCLOSURE

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

**NEW ZEALAND LTD****Notes to and Forming Part of the Financial Statements  
For The Year Ended 31 March 2001****Statement of Accounting Policies Specific to MainPower's Lines Business Activities**Reporting Entity

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

The financial statements have been prepared in accordance with, and for the purposes of, complying with the requirements of the Electricity (Information Disclosure) Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000.

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

Special Purpose Financial Statements

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1999 and amendments to those Regulations.

Allocations of the costs, revenues, assets and liabilities of the Company have been made in accordance with the mandatory avoidable cost allocation methodology as required by the Regulations.

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

Measurement Base

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

Accounting Policies

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

1.1 Fixed Assets and Depreciation

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

Distribution assets were revalued by PricewaterhouseCoopers on an Optimised Deprival Valuation (ODV) basis as at 31 March 2001.

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

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

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

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

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

1.2 Income Tax

The income tax expense charged to the Statement of Financial Performance includes the current year's provision after allowing for permanent differences. Deferred taxation is determined on a partial basis using the liability

**MAINPOWER NEW ZEALAND LTD****Notes to and Forming Part of the Financial Statements  
For The Year Ended 31 March 2001**

method. Deferred tax assets attributable to timing differences or tax losses are only recognised if there is virtual certainty of realisation.

**1.3 Goods and Services Tax**

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

**1.4 Allocation of Costs , Revenues , Assets and Liabilities**

The allocation of costs, revenues, assets and liabilities are in accordance with Regulation 6 of the Electricity (Information Disclosure) Regulations 1999 (as amended).

**1.5 Business Accounting Separation**

**Lines Business**

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

**1.6 Rebate Shares**

**i) Redemption**

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

**ii) Rebates**

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

**1.7 Changes in Accounting Policies**

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

**MAINPOWER NEW ZEALAND LTD****Lines Business Statement of Financial Performance  
For The Year Ended 31 March 2001**

	Note	2001 \$000	2000 \$000
Operating Revenue	1	22,293	20,388
Operating Expenditure	1	(19,629)	(19,012)
<b>Operating Surplus Before Interest &amp; Taxation</b>		2,664	1,376
Interest Expense		(1)	(3)
Taxation	1	(964)	(662)
<b>Operating Surplus After Taxation</b>		1,699	711
<b>Net Surplus After Taxation</b>	4	1,699	711

**Lines Business Statement of Movements in Equity  
for the Year Ended 31 March 2001**

	Note	2001 \$000	2000 \$000
Equity at Start of Period		88,586	88,065
Net Surplus	4	1,699	711
<u>Increase in Asset Revaluation Reserve</u>		2,496	-
Total Recognised Revenues and Expenses		4,195	711
Dividend to Other Business Activities		-	(190)
<b>Equity at the End of the Period</b>		<b>92,781</b>	<b>88,586</b>

**MAINPOWER NEW ZEALAND LTD****Lines Business Statement of Financial Position  
As At 31 March 2001**

	Note	2001 \$000	2000 \$000
<b>Equity</b>			
Share Capital	2	23,411	23,411
Reserves	3	64,388	61,892
Retained Earnings	4	4,982	3,283
<b>Total Shareholders' Equity</b>		<b>92,781</b>	<b>88,586</b>
Minority Interests in Subsidiaries		-	-
Total Equity		92,781	88,586
Capital Notes		-	-
<b>Total Capital Funds</b>		<b>92,781</b>	<b>88,586</b>
<b>Non Current Liabilities</b>	10	67	54
<b>Current Liabilities</b>			
Accounts Payable and Accruals	9	1,677	1,303
<b>Total Equity and Liabilities</b>		<b>94,525</b>	<b>89,943</b>
<b>Non Current Assets</b>			
Fixed Assets	5	88,135	85,673
Total Non Current Assets		88,135	85,673
<b>Current Assets</b>			
Bank and Short term deposits		4,681	2,556
Short Term Investments		-	-
Receivables and Prepayments	6	1,709	1,714
Inventory		-	-
Other Current Assets		-	-
Total Current Assets		6,390	4,270
<b>Other Tangible Assets</b>	7	-	-
<b>Total Tangible Assets</b>		<b>94,525</b>	<b>89,943</b>
<b>Intangible Assets</b>	8	-	-
<b>Total Assets</b>		<b>94,525</b>	<b>89,943</b>

# STATEMENT OF CASH FLOWS

**For The Year Ended 31 March 2001**

	<b>2001</b>	<b>2000</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash Flows From Operating Activities</b>		
Cash was provided from:		
Receipts from Customers	14,757	19,067
Interest Received	194	63
	<u>14,951</u>	<u>19,130</u>
Cash was disbursed to:		
Payments to Suppliers and Employees	(9,281)	(14,351)
Income Taxes Paid	(927)	(555)
Interest Paid	(1)	(3)
	<u>(10,209)</u>	<u>(14,909)</u>
<b>Net Cash Inflow from Operating Activities</b>	<b>12</b>	<b>4,221</b>
<b>Cash Flows from Investing Activities</b>		
Cash was provided from:		
Sale of Fixed Assets	13	49
Cash was Applied to:		
Purchase of Fixed Assets	(2,630)	(2,626)
<b>Net Cash Outflow from Investing Activities</b>	<b>(2,617)</b>	<b>(2,577)</b>

## STATEMENT OF CASH FLOWS

	2001 \$000	2000 \$000
<b>Cash Flows from Financing Activities</b>		
Cash was Applied to:		
Dividend Paid to Other Business Activities	-	(190)
Repayment Loans	-	(13)
<b><u>Net Cash Outflow from Financing Activities</u></b>	<b>-</b>	<b>(203)</b>

### SUMMARY

Inflow from Operations Activities	4,742	4,221
Outflow from Investing Activities	(2,617)	(2,577)
<u>Outflow from Financing Activities</u>	<u>-</u>	<u>(203)</u>
Net Increase in Cash Holdings	2,125	1,441
 <u>Add Opening Bank and Short Term Deposits</u>	 <u>2,556</u>	 <u>1,115</u>
<b><u>Closing Bank and Short Term Deposits</u></b>	<b><u>4,681</u></b>	<b><u>2,556</u></b>

**MAINPOWER NEW ZEALAND LTD**  
**Lines Business**  
**Notes to and Forming Part of the Financial Statements**  
**For The Year Ended 31 March 2001**

1a	Operating Revenue	2001 \$000	2000 \$000
	Line Charges ex Retailers	19,757	18,629
	Line Charges ex Customers	-	-
	A C Rental Rebates	1,024	413
	Interest	194	63
	Revenue from "Other" Business	-	-
	Other Operating Revenue	1,318	1,283
	<b>Total Operating Revenue</b>	<b>22,293</b>	<b>20,388</b>
1b	Operating Expenditure		
	Transmission Charges	5,078	5,103
	Transfer Payments		
	Asset Maintenance	2,594	2,425
	Consumer Disconnection	-	-
	Metering	23	16
	Load Control	30	38
	Royalty and Patents	-	-
	Avoid Transmission Charges	-	-
	Other	6	-
	<b>Total Transfer Payments</b>	<b>2,653</b>	<b>2,479</b>
	Non Related Parties		
	Asset Maintenance	-	-
	Consumer Disconnection	-	-
	Metering	-	-
	Load Control	-	-
	Royalty and Patents	-	-
	<b>Total Non Related Parties</b>	<b>-</b>	<b>-</b>
	Salaries and Wages	909	922
	Consumer Billing and Information System	135	144
	Depreciation		
	System Assets	3,620	3,699
	Other	329	389
	<b>Total Depreciation</b>	<b>3,949</b>	<b>4,088</b>
	Amortisation		
	Goodwill	-	-
	Other Intangibles	-	-
	<b>Total Amortisation</b>	<b>-</b>	<b>-</b>
	Corporate and Administration	327	84
	Human Resources Expenses	217	159
	Market and Advertising	37	9
	Merger and Acquisition Expenses	-	-
	Takeover Defence Expenses	-	-
	Research and Development Expenses	-	48
	Consultancy and Legal Expenses	80	123
	Donations	-	-
	Directors Fees	103	98



**MAINPOWER NEW ZEALAND LTD****Lines Business****Notes to and Forming Part of the Financial Statements  
For The Year Ended 31 March 2001**

<b>1b</b>	<b>Operating Expenditure (continued)</b>	<b>2001</b>	<b>2000</b>
		<b>\$000</b>	<b>\$000</b>
	Auditors Fees		
	Principal Auditors	28	33
	Other Auditors	-	-
	Other Audit Services	12	13
	<u>Total Auditors Fees</u>	<u>40</u>	<u>46</u>
	Cost of Credit		
	Bad Debts Written Off	(8)	4
	Doubtful Debts	-	50
	<u>Total Cost of Credit</u>	<u>(8)</u>	<u>54</u>
	Rates	21	25
	AC Loss – Rental Rebates	-	-
	Rebates to Consumers Due to Ownership Interest	6,032	5,630
	Subvention Payments	-	-
	Unusual Expenses	-	-
	Other Expenditure	56	-
	<u><b>Total Operating Expenditure</b></u>	<u><b>19,629</b></u>	<u><b>19,012</b></u>
	<b>Operating Surplus Before Interest and Income Tax</b>	<b>2,664</b>	<b>1,376</b>
	Interest Expense		
	Borrowings	1	3
	Finance Leases	-	-
	Other	-	-
	<u>Total Interest Expense</u>	<u>1</u>	<u>3</u>
	Operating Surplus Before Income Tax	2,663	1,373
	Income Tax	964	662
	<u><b>Net Surplus After Tax</b></u>	<u><b>1,699</b></u>	<u><b>711</b></u>
<b>1c</b>	<b>Taxation</b>		
	<u>Operating Surplus Before Taxation</u>	<u>2,663</u>	<u>1,373</u>
	Prime Facie Taxation @ 33 cents	879	453
	Movement in Income Tax Due to		
	Permanent Differences	321	428
	Taxation Relating to Previous Periods	-	-
	Timing Differences Not Recognised	(236)	(219)
	Deferred Tax Adjustment	-	-
	<u>Total Taxation Expense per Statement of Financial Performance</u>	<u>964</u>	<u>662</u>
	The Taxation Charge is Represented by:		
	Current Taxation	964	662
	Deferred Taxation	-	-
	<u><b>Total Taxation Expense per Statement of Financial Performance</b></u>	<u><b>964</b></u>	<u><b>662</b></u>
<b>2.</b>	<b>Share Capital</b>		
	Issued and Fully Paid Capital		
	Ordinary Shares	23,406	23,406
	Redeemable Preference Shares	5	5
	<u>Total Issued Capital</u>	<u>23,411</u>	<u>23,411</u>
	<b>Share Capital Movements</b>		
	Opening Balance	23,411	23,411
	<u>Total Issued Capital</u>	<u>23,411</u>	<u>23,411</u>

**MAINPOWER NEW ZEALAND LTD**  
**Lines Business**  
**Notes to and Forming Part of the Financial Statements**  
**For The Year Ended 31 March 2001**

	<b>2001</b>	<b>2000</b>
	<b>\$000</b>	<b>\$000</b>
<b>3. Reserves</b>		
Company Establishment Reserve		
Balance at 31 March	4,647	4,647
Asset Revaluation Reserve		
Opening Balance	57,245	57,245
Revaluation Distribution System	2,496	-
Closing Balance	59,741	57,245
<b>Total Reserves</b>	<b>64,388</b>	<b>61,892</b>
The Company Establishment Reserve represents the difference between the issued and paid up capital and the net assets vested in the Company from the former North Canterbury Electric Power Board at 1 May 1993.		
<b>4. Retained Earnings</b>		
Opening Balance	3,283	2,762
Dividend to Other Business Activities	-	(190)
Net Surplus	1,699	711
<b>Total Retained Earnings</b>	<b>4,982</b>	<b>3,283</b>
<b>5. Fixed Assets</b>		
Distribution System	86,567	85,261
Accumulated Depreciation	-	3,342
	86,567	81,919
Load Control Equipment	794	3,112
Accumulated Depreciation	-	357
	794	2,755
System Fixed Assets	87,361	88,373
Accumulated Depreciation	-	3,699
System Fixed Assets	87,361	84,674
Motor Vehicles	283	234
Accumulated Depreciation	190	140
	93	94
Consumer Billing and Information System Assets	1,277	1,626
Accumulated Depreciation	944	1,134
	333	492
Office Equipment	750	585
Accumulated Depreciation	500	286
	250	299
Furniture and Fittings	260	269
Accumulated Depreciation	162	155
	98	114
Land and buildings	-	-
Capital works under construction	-	-
Other Fixed Assets	-	-
Accumulated Depreciation	-	-
	-	-
<b>Total Fixed Assets</b>	<b>88,135</b>	<b>85,673</b>

**MAINPOWER NEW ZEALAND LTD**  
**Lines Business**  
**Notes to and Forming Part of the Financial Statements**  
**For The Year Ended 31 March 2001**

	2001 \$000	2000 \$000
<b>6. Receivables</b>		
Lines Receivables	1,290	1,444
Prepayments	8	10
Taxation	205	242
Other	206	18
	<u>1,709</u>	<u>1,714</u>
<b>7. Other Tangible Assets</b>	-	-
<b>8. Intangible Assets</b>		
Goodwill	-	-
Other Intangibles	-	-
<b>Total Intangible Assets</b>	-	-
<b>9. Current Liabilities</b>		
Bank Overdraft	-	-
Short Term Borrowings	-	-
Payables and Accruals	1,677	1,303
Provision for Dividend	-	-
Provision for Tax	-	-
Other	-	-
<b>Total Current Liabilities</b>	<u>1,677</u>	<u>1,303</u>
<b>10. Non Current Liabilities</b>		
Payables and Accruals	-	-
Borrowings	-	-
Deferred Tax	-	-
Other	67	54
<b>Total Non Current Liabilities</b>	<u>67</u>	<u>54</u>

**11. Transactions with Related Parties**

(i) MainPower Trust

The major related party of MainPower is the MainPower Trust and during the current financial year there were no related party transactions, other than the payment of a dividend of \$13.5 million and no related party debts written off or forgiven and no transaction took place at nil or nominal value.

(ii) MainPower Contracting Limited

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

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

**MAINPOWER NEW ZEALAND LTD**  
**Lines Business**  
**Notes to and Forming Part of the Financial Statements**  
**For The Year Ended 31 March 2001**

	2001 \$000	2000 \$000
1. Asset Maintenance	2,594	2,425
2. Meter Maintenance	23	16
3. Load Control Maintenance	30	38
4. Construction of Distribution Substations	76	78
5. Construction of Distribution Transformers	1,036	655
6. Construction of Low Voltage Reticulation	478	430
7. Construction of Distribution Lines and Cables	360	678
8. Construction of Subtransmission Assets	-	10
9. Construction of Other System Assets	47	48
10. Construction of Medium Voltage Switchgear	-	-
11. Construction of Zone Substations	-	1
<b>12. Reconciliation with Reported Operating Surplus</b>		
Reported Surplus After Taxation	1,699	711
Non Cash Items		
Depreciation	3,949	4,088
Customer Contributions	(1,298)	(1,109)
Movement in Deferred Tax	-	-
Assets Written Off	-	-
Movement in Gratuities	13	-
	2,664	2,979
Movements in Working Capital Items		
(Increase)/Decrease Accounts Receivable	5	298
Increase/(Decrease) Accounts Payable	374	148
	379	446
Items Classified as Investing Activities		
Gain on Sale of Assets	-	-
Loss on Sale of Assets	-	85
	-	85
<b>Net Cash Inflow from Operations</b>	<b>4,742</b>	<b>4,221</b>

**13. Financial Instruments**

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

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

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

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

**14. Commitments and Contingent Liabilities**

There are no significant capital commitments or contingent liabilities as at 31 March 2001 (2000, Nil).

**15. Significant Events After Balance Date**

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

**16. Segmental Reporting**

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

**MAINPOWER NEW ZEALAND LTD**

**DISCLOSURE OF FINANCIAL PERFORMANCE MEASURES AND  
EFFICIENCY PERFORMANCE MEASURES PURSUANT TO  
REGULATION 15 AND PART III OF THE FIRST SCHEDULE OF THE  
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999 (AS AMENDED)**

**Note:**

Disclosure of Financial and Efficiency Measures for the year ended 31 March 2001 and 31 March 2000 exclude the Financial and Efficiency Measures applicable to Kaiapoi Electricity Limited. Disclosure of Financial and Efficiency Measures for the financial years ended 31 March 1998 and 1999 include the Financial and Efficiency Measures of Kaiapoi Electricity Ltd.

	<b>For The Year Ended 31 March</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b>1.</b>	<b>Financial Performance Measures</b>				
	As defined in the Electricity ( Information Disclosure ) Regulations 1999 (as amended):				
a)	Return on Funds	2.84%	1.52%	3.60%	
b)	Return on Equity	1.87%	0.80%	2.00%	
c)	Return on Investment	4.75%	0.75%	4.27%	
	As defined in the Electricity ( Information Disclosure ) Regulations 1994:				
a)	Accounting Return on Total Assets				11.98%
b)	Accounting Return on Equity				4.63%
c)	Accounting Rate of Profit				18.70%
<b>2</b>	<b>Efficiency Performance Measures</b>				
a)	Direct line costs per kilometre:	\$732	\$724	\$792	\$714
b)	Indirect line costs per customer:	\$53	\$49	\$57	\$144

SCHEDULE 1 – PART 7  
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Estimate Derivation Table March 2002	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	2,664				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	2,664				
Interest on cash, bank balances, and short-term investments (ISTI)	194				
OSBIT minus ISTI	2,470	a	2,470		2,470
Net surplus after tax from financial statements	1,699				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	1,699	n		1,699	
Amortisation of goodwill and amortisation of other intangibles	0	g	add 0	add 0	add 0
Subvention payment	0	s	add 0	add 0	add 0
Depreciation of SFA at BV (x)	3,620				
Depreciation of SFA at ODV (y)	3,620				
ODV depreciation adjustment	0	d	add 0	add 0	add 0
Subvention payment tax adjustment	0	s <sup>t</sup>		deduct 0	deduct 0
Interest tax shield	-84	q			deduct -84
Revaluations	2,496	r			add 2,496
Income tax	964	p			deduct 964
Numerator			OSBIT <sup>ROF</sup> = a + g + s + d	NSAT <sup>ROE</sup> = n + g + s - s <sup>t</sup> + d	OSBIT <sup>ROI</sup> = a + g - q + r + s + d - p - s <sup>t</sup>
Fixed assets at end of previous financial year (FA <sub>0</sub> )	85,673				
Fixed assets at end of current financial year (FA <sub>1</sub> )	88,135				
Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )	169				
Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )	-173				
Average total funds employed (ATFE)	86,902 (or regulation 33 time-weighted average)	c	86,902		86,902
Total equity at end of previous financial year (TE <sub>0</sub> )	88,586				
Total equity at end of current financial year (TE <sub>1</sub> )	92,781				
Average total equity	90,684 (or regulation 33 time-weighted average)	k		90,684	
WUC at end of previous financial year (WUC <sub>0</sub> )	0				
WUC at end of current financial year (WUC <sub>1</sub> )	0				
Average total works under construction	0 (or regulation 33 time-weighted average)	e	deduct 0	deduct 0	deduct 0
Revaluations	2,496	r			
Half of revaluations	1,248	r/2			deduct 1,248
Intangible assets at end of previous financial year (IA <sub>0</sub> )	0				
Intangible assets at end of current financial year (IA <sub>1</sub> )	0				
Average total intangible asset	0 (or regulation 33 time-weighted average)	m		add 0	
Subvention payment at end of previous financial year (S <sub>0</sub> )	0				
Subvention payment at end of current financial year (S <sub>1</sub> )	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
Average subvention payment & related tax adjustment	0	v		add 0	
System fixed assets at end of previous financial year at book value (SFA <sub>0,bv</sub> )	84,674				
System fixed assets at end of current financial year at book value (SFA <sub>1,bv</sub> )	87,361				
Average value of system fixed assets at book value	86,018 (or regulation 33 time-weighted average)	f	deduct 86,018	deduct 86,018	deduct 86,018
System Fixed assets at year beginning at ODV value (SFA <sub>0,odv</sub> )	84,674				
System Fixed assets at end of current financial year at ODV value (SFA <sub>1,odv</sub> )	87,361				
Average value of system fixed assets at ODV value	86,018 (or regulation 33 time-weighted average)	h	add 86,018	add 86,018	add 86,018
Denominator			ATFE <sup>ROF</sup> = c - e - f + h	Ave TE <sup>ROE</sup> = k - e - m + v - f + h	ATFE <sup>ROI</sup> = c - e - 1/2 r - f + h
Financial Performance Measure:			ROF = OSBIT <sup>ROF</sup> /ATFE <sup>ROF</sup> x 100	ROE = NSAT <sup>ROE</sup> /ATE <sup>ROE</sup> x 100	ROI = OSBIT <sup>ROI</sup> /ATFE <sup>ROI</sup> x 100
			2.84	1.87	4.76

t = maximum statutory income tax rate applying to corporate entities  
odv = optimised deprival valuation  
ROF = return on funds

bv = book value  
subscript '0' = end of the previous financial year  
ROE = return on equity

ave = average  
subscript '1' = end of the current financial year  
ROI = return on investment

**Annual Valuation Reconciliation Report**

	<b>2001</b> <b>\$000</b>	<b>2000</b> <b>\$000</b>
System fixed assets at cost – 1 April 2000	84,674	84,937
System fixed assets acquired during the year at cost	3,811	3,436
System fixed assets disposed of during the year at ODV	-	-
Depreciation on system fixed assets at ODV	(3,620)	(3,699)
Revaluations of system fixed assets	<u>2,496</u>	<u>-</u>
System fixed assets – at ODV 31 March	<u>\$87,361</u>	<u>\$84,674</u>



**MAINPOWER NEW ZEALAND LTD****DISCLOSURE OF ENERGY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS  
PURSUANT TO REGULATION 21 AND PART IV OF THE FIRST SCHEDULE OF THE  
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999 (AS AMENDED)****Note:**

Disclosure of Energy Efficiency Performance Measures and Statistics for the year ended 31 March 2001 and 31 March 2000 exclude the Performance Measures and Statistics applicable to Kaiapoi Electricity Limited. Disclosure of Energy Efficiency Performance Measures and Statistics for the financial years ended 31 March 1998 and 1999 include the Performance Measures and Statistics of Kaiapoi Electricity Ltd.

For the Year Ended 31 March	2001	2000	1999	1998
<b>1. <u>Energy Delivery Efficiency Performance Measures</u></b>				
<b>(a) Load Factor</b>				
<u>Electrical energy entering the distribution system</u>				
Maximum demand * Hours per year	68.77%	59.09%	66.76%	63.52%
<b>(b) Loss Ratio</b>				
<u>Distribution losses</u>				
Energy entering the system	5.84%	5.28%	5.31%	5.32%
<b>(c) Capacity Utilisation</b>				
<u>Maximum demand</u>				
Total transformer capacity	27.30%	29.80%	31.70%	30.84%

**2. Statistics****(a) System length, by voltage:**

Voltage	Circuit Length Kms			
	2001	2000	1999	1998
400/230	734	675	640	614
11000	3,260	3,186	3,152	3,125
33000	270	274	267	244
<b>Total</b>	<b>4,264</b>	<b>4,135</b>	<b>4,059</b>	<b>3,983</b>

**(b) Circuit length of overhead electric lines, by voltage:**

Voltage	Circuit Length Kms			
	2001	2000	1999	1998
400/230	424	425	415	407
11000	3,163	3,093	3,063	3,043
33000	268	272	265	242
<b>Total</b>	<b>3,855</b>	<b>3,790</b>	<b>3,743</b>	<b>3,692</b>

**(c) Circuit length of underground electric lines, by voltage:**

Voltage	Circuit Length Kms			
	2001	2000	1999	1998
400/230	310	250	225	207
11000	97	93	89	82
33000	2	2	2	2
<b>Total</b>	<b>409</b>	<b>345</b>	<b>316</b>	<b>291</b>

For the Year Ended 31 March		2001	2000	1999	1998
(d)	Transformer capacity, (kilovolt amperes):	247220kVA	229010kVA	214829kVA	208420kVA
(e)	Maximum demand (Kilowatts):	67502kW	68232kW	68110kW	64278kW
(f)	Total electricity supplied from the system, (Kilowatt hours):	382,912,659	353,200,893	321,775,002	357,657,305
(g)	Total electricity conveyed through the system, on behalf of energy retailers (Kilowatt hours):				
	Retailer A	294,572,837	243,137,083	238,710	
	Retailer B	48,796,807	83,244,329	240,027	
	Retailer C	48,110,452	1,841,671	38,519,756	
	Retailer D	9,901,268	2,045,703	<u>110,040,940</u>	<u>149,039,433</u>
	Retailer E	2,940,775	217,663		
	Retailer F	2,351,115	784,640		
	Retailer G	9,628	1,242,636		
	Retailer H	-	<u>62,973</u>		
	Total	406,682,882	332,576,778	339,828,612	
(h)	Total customers	25,638	24,140	22,859	24,786

**MAINPOWER NEW ZEALAND LTD**

**A. DISCLOSURE RELIABILITY PERFORMANCE MEASURES TO BE DISCLOSED BY LINE OWNERS  
(OTHER THAN TRANS POWER) PURSUANT TO REGULATION 22 AND PART V OF THE FIRST  
SCHEDULE OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999  
(AS AMENDED)**

**For The Year Ended 31 March 2001**

- A1. Total number of interruptions, together with a breakdown of that total according to interruption class.

<b>NETWORK OR GENERATION OWNER</b>	<b>Disc Reg Class</b>	<b>CLASSIFICATION OF INTERRUPTIONS</b>	
MainPower	B C + G	Planned Shut-downs	94
		Unplanned Interruptions <b>Subtotal</b>	191
Trans Power	A D	Planned Shut-downs	0
		Unplanned Interruptions <b>Subtotal</b>	0
Other Other	G E	Other Interruptions	
		Unplanned Interruptions <b>Subtotal</b>	0
		<b>TOTAL</b>	<b>285</b>

- A2. Interruption targets for the following financial year for-  
(a) Planned interruptions by the line owner (Class B); and  
(b) Unplanned interruptions originating within the works of the line owner (Class C).
- A3. Average interruption targets for the following financial year and the subsequent 4 financial years for each of-  
(a) Planned interruptions by the line owner (Class B); and  
(b) Unplanned interruptions originating within the works of the line owner (Class C).

	<b>Class B Interruptions</b>	<b>Class C Interruptions</b>
Target 31/03/02		
31/03/02 Avg forecast	96	185
31/03/2002 Avg forecast	95	182
31/03/2003 Avg forecast	93	179
31/03/2004 Avg forecast	96	177
31/03/2005 Avg forecast	90	170
31/03/2006 Avg forecast	88	165

- A4. The proportion {expressed as a percentage} of the total number of Class C interruptions not restored within-  
(a) 3 hours and;  
(b) 24 hours.

<b>Not restored within 3 hours- % of Class C</b>	<b>Not restored within 24 hours- % of Class C</b>
10.47%	0%

- A5. With respect to faults per 100 circuit kilometers of prescribed voltage electric line, the following information:  
(a) The total number of faults; and  
(b) The total number of faults targeted for the following financial year; and  
(c) The average total number of faults for that financial year and the subsequent 4 financial years; and  
(d) A breakdown of the fault information in accordance with paragraphs (a) to (c) by different nominal line voltages.

- A6. The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.
- A7. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Lines	Cable	Total
	Faults per 100 km	Faults per 100 km	Faults per 100 km
33 kV	1.79	0	1.78
11 kV	5.53	5.30	5.53
<b>TOTALS</b>	5.65	5.19	5.63

	Faults/100km	Faults/100km 33kV	Faults/100km 11kV
Target 31/03/02	5.40	1.75	5.35
31/03/2002 Avg forecast	5.62	1.77	5.48
31/03/2003 Avg forecast	5.57	1.72	5.15
31/03/2004 Avg forecast	5.37	1.67	4.82
31/03/2005 Avg forecast	4.79	1.61	4.71
31/03/2006 Avg forecast	4.32	1.57	4.66

- A8. The SAIDI, SAIFI, CAIDI for the total number of interruptions.

SAIDI targets for the following financial year for-

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

Average SAIDI targets for the following financial year and the subsequent 4 financial years for each of-

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

The SAIDI for the total number of interruptions within each interruption class.

NETWORK OR GENERATION OWNER	Disc Reg Class	CLASSIFICATION OF INTERRUPTIONS	SAIDI		SAIFI		CAIDI
			Numerator (Cust-min)	Result (min/Conn Cust)	Numerator (Cust-int)	Result (Int/Conn Cust)	Result (min/Cust int)
MainPower	B C + G	Planned Shut-downs	1509608	60.48	6725	0.27	224.48
		Unplanned Interruptions	2283358	91.48	45118	1.81	50.61
		Subtotal	3792966	151.96	51843	2.08	0.00
Trans Power	A D	Planned Shut-downs	0	0.00	0	0.00	333.00
		Unplanned Interruptions	0	0.00	0	0.00	0.00
		Subtotal	0	0.00	0	0.00	0.00
Other Other	G E	Other Interruptions	0	0.00	0	0.00	0.00
		Unplanned Interruptions	0	0.00	0	0.00	0.00
		Subtotal	0	0.00	0	0.00	0.00
TOTAL			3792966	151.96	51843	2.08	73.16
Common Denominator = No of Cust.			24960.5				

Class B	SAIDI	SAIFI	CAIDI
Target 31/03/02	42	0.19	221
31/03/2002 Av forecast	45	0.21	214
31/03/2003 Av forecast	43	0.20	215
31/03/2004 Av forecast	36	0.15	240
31/03/2005 Av forecast	25	0.13	192
31/03/2006 Av forecast	23	0.12	192

<u>Class C</u>	SAIDI	SAIFI	CAIDI
Target 31/03/02	66	1.56	42.30
31/03/2002 Avg forecast	69	1.50	46.00
31/03/2003 Avg forecast	67	1.46	46.00
31/03/2004 Avg forecast	65	1.50	43.30
31/03/2005 Avg forecast	64	1.46	43.84
31/03/2006 Avg forecast	64	1.46	43.84

## B. RELIABILITY PERFORMANCE MEASURES (1999 REGULATIONS)

B1. Total number of interruptions, together with a breakdown of that total according to interruption class.

Interruption Class		Number of Interruptions			
		2001	2000	1999	1998
MainPower	Planned Shut-Down ( Class B)	94	106	111	180
	Unplanned Interruption ( Class C)	191	189	143	553
Trans Power	Planned Shut-Down ( Class A)	-	1	1	-
	Unplanned Interruption ( Class D)	-	1	-	-
Generation	Unplanned Interruption ( Class E)	-	-	-	-
Generation Other	Unplanned Interruption ( Class F)	-	-	-	-
Other	Other Interruptions ( Class G)	-	-	-	-
	Unplanned Interruption ( Class G)	-	-	-	-
Total		285	297	255	733

B2. The total number of faults per 100 circuit kilometres of prescribed voltage electric line.

5.63 faults      5.51 faults      4.27 faults      16.62 Faults

B3. The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Faults per 100 km			
	2001	2000	1999	1998
33 kV	-	-	-	43.80
11 kV	5.30	7.89	1.17	8.88
<b>TOTAL</b>	<b>5.19</b>	<b>7.69</b>	<b>1.14</b>	<b>9.87</b>

B4. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Faults per 100 km			
	2001	2000	1999	1998
33 kV	1.79	0.75	3.35	11.71
11 kV	5.53	5.86	4.40	17.14
<b>TOTAL</b>	<b>5.65</b>	<b>5.45</b>	<b>4.31</b>	<b>16.73</b>

B5. The SAIDI for the total of interruptions:

151.96      116.94      204.71      225.05

B6. The SAIDI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Minutes per Connected Customer			
		2001	2000	1999	1998
MainPower	Planned Shut-Down ( Class B)	60.48	22.06	86.98	50.00
	Unplanned Interruption ( Class C)	91.48	71.55	103.27	175.05
Trans Power	Planned Shut-Down ( Class A)	-	22.27	14.46	-
	Unplanned Interruption ( Class D)	-	1.06	-	-
Generation	Unplanned Interruption ( Class E)	-	-	-	-
Generation Other	Unplanned Interruption ( Class F)	-	-	-	-
Other	Other Interruptions ( Class G)	-	-	-	-
	Unplanned Interruption ( Class G)	-	-	-	-

B7. The SAIFI for the total number of interruptions:

2.08                      1.77                      1.83                      3.68

B8. The SAIFI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Interruption per Connected Customer (%)			
		2001	2000	1999	1998
MainPower	Planned Shut-Down ( Class B)	0.27	0.12	0.38	0.45
	Unplanned Interruption ( Class C)	1.81	1.54	1.40	3.23
Trans Power	Planned Shut-Down ( Class A)	-	0.07	0.06	-
	Unplanned Interruption ( Class D)	-	0.05	-	-
Generation	Unplanned Interruption ( Class E)	-	-	-	-
Generation Other	Unplanned Interruption ( Class F)	-	-	-	-
Other	Other Interruptions ( Class G)	-	-	-	-
	Unplanned Interruption ( Class G)	-	-	-	-

B9. The CAIDI for the total of all interruptions:

73.16                      65.99                      111.66                      61.08

B10. The CAIDI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Minutes per Customer Interruption			
		2001	2000	1999	1998
MainPower	Planned Shut-Down ( Class B)	224.48	177.56	231.14	111.11
	Unplanned Interruption ( Class C)	50.61	46.61	74.03	54.12
Trans Power	Planned Shut-Down ( Class A)	-	333.00	233.56	-
	Unplanned Interruption ( Class D)	-	23.05	-	-
Generation	Unplanned Interruption ( Class E)	-	-	-	-
Generation Other	Unplanned Interruption ( Class F)	-	-	-	-
Other	Other Interruptions ( Class G)	-	-	-	-
	Unplanned Interruption ( Class G)	-	-	-	-


**FORM 5**

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE  
MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS (OTHER  
THAN TRANS POWER) PURSUANT TO REGULATION 32 AND  
SCHEDULE 3 OF THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1999 (AS AMENDED)**

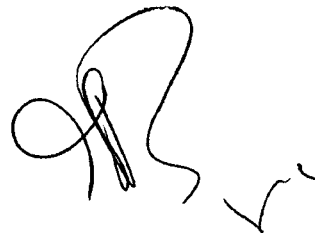
We, P A COX and A BERGE directors of MainPower New Zealand Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- a) The attached audited financial statements of MainPower New Zealand Ltd, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999 (as amended) comply with the requirements of those regulations; and
- b) The attached information, being derivation table, financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to MainPower New Zealand Ltd, and having been prepared for the purposes of regulations, 15, 16, 21 and 22 of the Electricity (Information Disclosure) Regulations 1999 (as amended), comply with the requirements of the Electricity (Information Disclosure) Regulations 1999 (as amended).

The valuations on which those financial performance measures are based are as at 31 March 2001



P A COX  
Director  
29 August 2001



A BERGE  
Managing Director

**FORM 7****CERTIFICATION OF VALUATION REPORT OF LINE OWNERS  
PURSUANT TO REGULATION 20 OF THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1999 (AS AMENDED)**

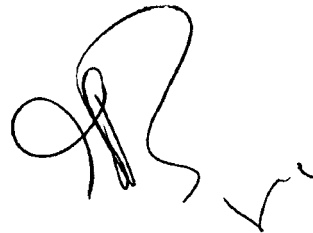
We, P A COX and A BERGE directors of MainPower New Zealand Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- a) The attached valuation report of MainPower New Zealand Limited, prepared for the purposes of regulation 20 of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of that regulation; and
- b) The replacement cost of the lines business system fixed assets of MainPower New Zealand Limited is \$169,270,600; and
- c) The depreciated replacement cost of the line business system fixed assets of MainPower New Zealand Limited is \$87,796,300; and
- d) The optimised depreciated replacement cost of the line business system fixed assets of MainPower New Zealand Limited is \$87,732,778; and
- e) The optimised deprival valuation of the line business system fixed assets of MainPower New Zealand Limited is \$87,361,204; and
- f) The values in paragraphs (b) through to (e) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 2001.

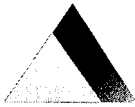


P A COX  
Director  
29 August 2001



A BERGE  
Managing Director



**Audit New Zealand****REPORT OF THE AUDIT OFFICE****TO THE READERS OF THE FINANCIAL STATEMENTS OF  
MAINPOWER NEW ZEALAND LIMITED  
FOR THE YEAR ENDED 31 MARCH 2001**

We have audited the financial statements of MainPower New Zealand Limited on pages 1 to 12. The financial statements provide information about the past financial performance of MainPower New Zealand Limited and its financial position as at 31 March 2001. This information is stated in accordance with the accounting policies set out on pages 1 to 2.

**Directors' Responsibilities**

The Electricity (Information Disclosure) Regulations 1999 require the Directors to prepare financial statements which give a true and fair view of the financial position of MainPower New Zealand Limited as at 31 March 2001 and the results of its operations and cash flows for the year then ended.

**Auditor's Responsibilities**

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

The Controller and Auditor-General has appointed Devan Menon of Audit New Zealand 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 MainPower New Zealand Limited's circumstances, consistently applied and adequately disclosed.

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

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in MainPower New Zealand Limited.

### **Unqualified Opinion**

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

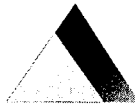
In our opinion:

- proper accounting records have been maintained by MainPower New Zealand Limited as far as appears from our examination of those records; and
- the financial statements on pages 1 to 12 -
  - a) comply with generally accepted accounting practice; and
  - b) give a true and fair view of the financial position of MainPower New Zealand Limited as at 31 March 2001 and the results of its operations and cash flows for the year then ended; and
  - c) comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 29 August 2001 and our unqualified opinion is expressed as at that date.



D Menon  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
Christchurch, New Zealand

**Audit New Zealand****AUDIT OFFICE OPINION ON THE PERFORMANCE MEASURES OF  
MAINPOWER NEW ZEALAND LIMITED**

We have examined the attached information, being –

- (a) the derivation table in regulation 16 on page 14; and
- (b) the annual ODV reconciliation report in regulation 16A on page 15; and
- (c) the financial performance measures in clause 1 of Part 3 of Schedule 1 on page 13;  
and
- (d) the financial components of the efficiency performance measures in clause 2 of Part 3 of Schedule 1 on page 13, -

that were prepared by MainPower New Zealand Limited and dated 29 August 2001 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999.

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.

D Menon  
Audit New Zealand  
On behalf of the Controller & Auditor-General  
Christchurch, New Zealand  
29 August 2001



PricewaterhouseCoopers  
23-25 Albert Street  
Private Bag 92162  
Auckland, New Zealand  
DX CP24073  
Telephone +64 9 355 8000  
Facsimile +64 9 355 8001

## CERTIFICATION BY AUDITOR IN RELATION TO VALUATION

We have examined the valuation report of Mainpower Limited and dated 26 July 2001, which report contains valuations of system fixed assets as at 31 March 2001.

In our opinion, having made all reasonable enquiry, to the best of our knowledge, the valuations contained in the report, including the total valuation of system fixed assets of \$87,361,204, have been made in accordance with the ODV Handbook.

A handwritten signature in black ink that reads "PricewaterhouseCoopers". The signature is written in a cursive, flowing style and is positioned above a horizontal line.

PricewaterhouseCoopers  
Chartered Accountants  
Auckland  
7 August 2001