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## WESTPOWER LIMITED

### INFORMATION FOR DISCLOSURE

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

# **WESTPOWER LIMITED**

## **INFORMATION DISCLOSURE**

### **Information Disclosure Disclaimer**

The information disclosed has been prepared in accordance with and for the specific use intended in the Electricity Act and information disclosure regulations. No responsibility will be accepted for any third party that may use or rely on this report or any part thereof without the express written permission of Westpower Limited.

Except as allowed for by the Electricity Act 1992 and information disclosure regulations promulgated by the Act, neither the whole or any part of the information disclosed or any reference thereto may be included in any published document, circular or statement or published in any way without Westpower Limited written approval of the form and context in which it may appear.

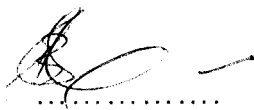
The information disclosed is for the line business as described in the Electricity (Information Disclosure) Regulations 1999. There are also additional activities of the company that are not required to be reported under the Regulations.

**WESTPOWER****FORM 7****ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS  
1999****CERTIFICATION OF VALUATION REPORT OF LINE OWNERS**

We, Richard Snowden Cornelius and Hugh Robert Little, directors of Westpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge –

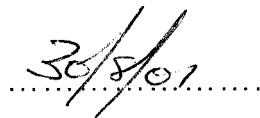
- (a) The attached valuation report of Westpower Limited, prepared for the purposes of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of those regulations; and
- (b) The Optimised Depreciated Replacement Cost of the line business system fixed assets of Westpower Limited is \$47,495,491; and
- (c) The Optimised Deprival Valuation of the line business system fixed assets of Westpower Limited is \$47,381,340; and
- (d) The values in (b) and (c) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 2001.

  
.....  
R S Cornelius

  
.....  
H R Little

Dated

  
.....

**WESTPOWER LIMITED****STATEMENT OF ACCOUNTING POLICIES**

FOR THE YEAR ENDED 31 MARCH 2001

**STATEMENT OF ACCOUNTING POLICIES**

Westpower Limited is a company registered under the Companies Act 1993. The financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1999 (the Regulations) as amended.

The measurement base adopted is that of historical cost except for the revaluation of certain fixed assets.

**Particular Accounting Policies**

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

**(a) Network Charges**

Income from Network Charges includes an estimated amount for accrued sales from meters unread as at 31 March 2001.

**(c) Fixed Assets and Depreciation****(i) Valuation**

Fixed Assets comprise:

Distribution System Assets (being the network system consisting of distribution and transmission lines and cables, zone substations, distribution transformers, protection and control equipment, communications equipment and metering).

Other Assets (being land, buildings, plant and equipment, motor vehicles, furniture and fittings).

Distribution System Assets were revalued to Optimised Deprival Value which incorporates a valuation based on the engineering optimisation of the system and its components after allowing for depreciation and is based on the value to the company of being deprived of the assets. The valuation was conducted by KPMG in conjunction with Kerslake and Partners, Consulting Engineers, as at 31 March 2001.

Land and Buildings have been revalued to market value as at 31 March 2000. The valuation was conducted by Coast Valuations Limited, registered valuers.

All other fixed assets are valued at cost less accumulated depreciation where applicable.

Distribution equipment is revalued on a cyclical basis with no individual asset being included at a valuation made more than three years previously.

Additions between revaluations are recorded at cost.

**(ii) Depreciation**

**Distribution Assets** are depreciated using the straight line method at rates which amortise the cost or valuation less estimated residual value over their economic lives.

The main basis are periods not exceeding:

Electricity Distribution System 15 – 70 years

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

**Other Assets** are depreciated using rates which write off the cost or valuation of the fixed assets over their expected economic lives as below:

Buildings	1% to 2.5% CP
Plant and equipment	10% to 50% DV
Furniture and fittings including computers	20% to 48% DV

Profits and losses on disposal are calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal. Any depreciation recovered and any loss on sale is included in the operating result of the Company in the year of the disposal.

**(d) Debtors**

Debtors are stated at estimated realisable value after providing for debts where collection is doubtful.

**(e) Taxation**

The taxation charge against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences and timing differences not expected to reverse in future periods. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation. Future taxation benefits attributable to losses carried forward or timing differences are recognised in the financial statements only where there is virtual certainty of realisation.

**(f) Goods and Services Tax**

All items in the financial statements are net of Goods and Services Tax except for Debtors and Creditors which are shown in the Statement of Financial Position inclusive of GST.

**(g) Financial Instruments**

Westpower and its subsidiaries are party to financial instrument arrangements as part of everyday operations. These instruments include bank accounts, debtors, creditors, borrowings and interest rate swaps.

Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position, with the exception of contingent liabilities and interest rate swaps which are disclosed by way of a note to the financial statements.

(i) **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the previous year.

**WESTPOWER LIMITED - LINES BUSINESS****STATEMENT OF FINANCIAL PERFORMANCE****FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001 \$ '000	2000 \$ '000
Revenue	1	12,090	11,084
Total Expenses	2	7,850	8,726
Net Surplus before Interest and Tax		4,240	2,358
Interest		911	1,103
Net Surplus before Income Tax		3,329	1,255
Less Taxation Expense	3	1,028	373
<b>NET SURPLUS AFTER TAX</b>		<b>2,301</b>	<b>882</b>

**STATEMENT OF MOVEMENTS IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2001**

<b>Equity as at 1 April 2000</b>	40,333	39,548
Net Surplus for Year	2,301	882
Revaluation of Assets	(3,023)	-
Total Recognised Revenue and Expenses	(722)	882
Inclusion of Investment in Subsidiary	1,000	-
Inclusion of Other Business due to below 5%	355	
Provision for Dividends	(97)	(97)
<b>Equity as at 31 March 2001</b>	<b>40,869</b>	<b>40,333</b>

*The accompanying notes form part of these financial statements*

**WESTPOWER LIMITED - LINES BUSINESS****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2001**

	Note	2001 \$ '000	2000 \$ '000
<b>EQUITY</b>			
Share Capital		25,300	25,300
Reserves		19,222	22,245
Retained Earnings		(3,653)	(7,212)
<b>TOTAL EQUITY</b>	7	<b>40,869</b>	<b>40,333</b>
Represented By:			
<b>CURRENT ASSETS</b>			
Cash and Bank		95	245
Short Term Investments		-	-
Sundry Debtors	4	1,402	1,141
Tax refund due		30	170
Other Current Assets		-	19
		<u>1,527</u>	<u>1,575</u>
<b>NON CURRENT ASSETS</b>			
Fixed Assets	5	48,558	50,363
Investments		1,331	307
		<u>49,889</u>	<u>50,670</u>
<b>TOTAL ASSETS</b>		51,416	52,245
<b>CURRENT LIABILITIES</b>			
Sundry Creditors		1,321	1,843
Accrued Interest		127	70
Provision for dividend		97	97
		<u>1,545</u>	<u>2,010</u>
<b>NON CURRENT LIABILITIES</b>			
Employee Entitlements		-	-
Long - term Debt	6	9,002	9,902
		<u>9,002</u>	<u>9,902</u>
<b>TOTAL LIABILITIES</b>		10,547	11,912
<b>NET ASSETS</b>		<b>40,869</b>	<b>40,333</b>

*The accompanying notes form part of these financial statements*



**WESTPOWER LIMITED - LINES BUSINESS****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001 \$ '000	2000 \$ '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Receipts from customers		11,770	10,927
Interest received		80	75
		<u>11,850</u>	<u>11,002</u>
Cash was applied to:			
Payments to suppliers & employees		6,664	7,279
Interest paid		854	1,140
Taxes paid		888	450
Net GST		54	225
		<u>8,460</u>	<u>9,094</u>
Net cash flows from operating activities	11	3,390	1,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was provided from:			
Proceeds from sale of assets		-	1,130
Sale of Investments		-	106
		<u>-</u>	<u>1,236</u>
Cash was applied to:			
Purchase of fixed assets		2,873	2,639
Purchase of investments		24	-
		<u>2,897</u>	<u>2,639</u>
Net cash flows from investing activities		(2,897)	(1,403)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was provided from:			
Term Loan		-	-
Cash was applied to:			
Repayment of Term Loan		900	2,850
Dividends paid		97	97
		<u>997</u>	<u>2,947</u>
Net cash flows from financing activities		(997)	(2,947)
Net increase in cash held		(504)	(2,442)
Add opening cash brought forward		245	2,687
Transfer of Cash from 'Other' Business		354	-
Ending cash carried forward		<u>95</u>	<u>245</u>
<b>CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION</b>			
Cash and Bank		<u>95</u>	<u>245</u>

*The accompanying notes form part of these financial statements*

**WESTPOWER LIMITED - 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>Note 1. Revenue</b>		
Line Charges *	11,157	10,842
Special Discount on Line Charges	-	(503)
Interest	80	75
AC loss-rental rebates	569	152
Sundry Income	284	518
	<u>12,090</u>	<u>11,084</u>
<b>Note 2. Expenses</b>		
Audit fees for Companies financial statements	30	27
Other services provided by Auditors	5	6
Directors' Fees	40	59
Depreciation	1,619	1,539
Loan Interest	911	1,103
Bad debts written off	-	-
Increase (decrease) in estimated doubtful debts	-	-
Loss (Profit) on Sale of Fixed Assets	37	803
Write Down in Valuation of Buildings and Land	-	463
<b>Note 3. Taxation</b>		
Net Surplus before taxation	3,329	1,255
Prima facie taxation at 33%	1,099	414
Plus Tax effect of permanent differences	499	657
Taxation adjustment previous year	(1)	11
Timing differences not Recognised	(569)	(709)
Total Taxation Expense	<u>1,028</u>	<u>373</u>
The Taxation charge comprises		
- current taxation	1,028	373
- deferred taxation	-	-
	<u>1,028</u>	<u>373</u>

Timing differences of the Company have not been recognised in the Statements of Financial Position because they are not likely to reverse within the foreseeable future. At 31 March 2001 such timing differences amount to \$18,763,669 (2000 \$17,002,945) deferred taxation assessed at the current corporate taxation rate of 33 cents in the dollar is a liability of \$6,192,011 (2000 \$5,610,972).

	2001 \$ '000	2000 \$ '000
<b>Note 4. Sundry Debtors</b>		
Line Charge & Sundry Debtors	1,406	1,037
Advance to ElectroNet Services Limited	(4)	104
	<u>1,402</u>	<u>1,141</u>

**Note 5. Fixed Assets**

	Cost/ Valuation \$ '000	Accumulated Depreciation \$ '000	Book Value 2001 \$ '000	Book Value 2000 \$ '000
At Cost:				
Distribution System	-	-	-	1,786
Land and Buildings	25	-	25	-
Other	242	59	183	46
Capital Work In Progress	494	-	494	467
	<u>761</u>	<u>59</u>	<u>702</u>	<u>2,299</u>
At Valuation:				
Distribution System	47,381	-	47,381	47,584
Land and Buildings	480	5	475	480
Total	<u>48,622</u>	<u>64</u>	<u>48,558</u>	<u>50,363</u>

**Note 6. Borrowings**

	2001 \$ '000	2000 \$ '000
Term Liabilities - Repayable 1-2 years	8,600	9,500
- Repayable 2-5 years	-	-
- Repayable later than 5 years	402	402
	<u>9,002</u>	<u>9,902</u>
Loans are secured as follows:		
Advance Facility \$13,000,000 *	8,600	9,500
Various (No Security)	402	402
	<u>9,002</u>	<u>9,902</u>

\* Secured by a charge over all assets.

The interest rates payable on these loans are:

Floating Rate - based on 90 day bill rate

Fixed Rates 9.5% - 10.5%

Interest rates on the National Bank Advance Facility have been hedged using interest rate swaps for varying terms at rates between 7.99% and 8.6% (includes margins).

	2001 \$ '000	2000 \$ '000
<b>Note 7. Share Capital</b>		
Share Capital (issued and fully paid)		
- 25,000,000 ordinary shares	25,000	25,000
- 300,000 7.25% Redeemable Preference Shares	300	300
Capital Reserve	102	102
Transition Reserve	418	418
Asset Revaluation Reserve	18,702	21,725
Retained Earnings	(3,653)	(7,212)
	<u>40,869</u>	<u>40,333</u>

**Note 8. Financial Instruments****Credit Risk**

Financial instruments which potentially subject the Company to credit risk principally consist of bank accounts, accounts receivable and investments.

The Company places its cash with high quality financial institutions and limits the amount of exposure to any one financial institution. There is a high concentration of credit risk to Trustpower.

The maximum exposure to credit risk at balance date is the fair value of the instruments as stated in the Statement of Financial Position.

**Fair Values**

For all financial instruments other than the interest rate swaps and the shareholding in International Panel and Lumber (West Coast) Limited the fair value is equivalent to the carrying amount as stated in the Statement of Financial Position. Borrowings are planned to be run to maturity. The fair value of the interest rate swaps at 31 March 2001 is \$239,470 (2000 \$26,759).

The fair value of the shares in International Panel and Lumber (West Coast) Limited is \$55,815 (2000 \$43,720). This represents the value of the 30,000 shares based on the value of net assets as at 31 January 2001.

**Currency Risk**

The Company has minimal currency risk given that financial instruments are principally transacted in New Zealand dollars. Forward exchange contracts may be employed by the Company to manage exposure to currency fluctuations.

**Interest Rate Risk**

Interest rate risk is low as borrowings have fixed interest rates except for the Advance Facility for \$8,600,000 (2000 \$9,500,000) for which interest rates are hedged. The contract amount of interest rates swaps held at 31 March 2001 is \$10,600,000 (2000 \$10,600,000).

**Note 9. Contingent Liabilities and Capital Commitments**

## Capital Commitments

	2001 \$ '000	2000 \$ '000
The total amount committed at balance date was	40	220

## Operating Lease Commitments

These are long-term operating leases relating to land occupied by the Company.

Period	2001 \$ '000	2000 \$ '000
Not later than 1 year	7	7
1 - 2 years	7	7
2 - 5 years	22	22
Later than 5 years	65	72
	<b>101</b>	<b>108</b>

**Note 10. Related Parties**

At balance date the West Coast Electric Power Trust held 100 per cent of the shares in Westpower Limited. Material transactions (dividends) have been disclosed in the financial statements.

All related party transactions of Westpower Limited have been conducted on a commercial arms length basis.

The Contracting and Management Subsidiary of Westpower Limited, ElectroNet Services, has provided the following services for the period 1 April 2000 to 31 March 2001

	2001 \$ '000	2000 \$ '000
Construction of subtransmission assets *	300	435
Construction of zone substations	150	221
Construction of distribution lines and cables	658	526
Construction of medium voltage switchgear	445	140
Construction of distribution transformers	140	82
Construction of substations	334	166
Construction of low voltage lines and cables	221	245
Construction of other fixed assets	-	118
Maintenance of assets	1,726	1,420
Consumer connections and reconnections	64	-
Asset Management Service	488	57
Other Services	629	536

\* Subtransmission assets now disclosed separately

At year end there was an outstanding balance of \$542,933 (2000 \$976,592) for such services.

No related party debts have been written off or forgiven during the year.

**Note 11. Cash Flows**

## Reconciliation of Net Cash Flows from Operating Activities

	2001 \$ '000	2000 \$ '000
Net surplus After Income Tax	2,301	882
Plus Non Cash Items:		
Depreciation	1,619	1,539
Writedown of Buildings	-	463
	<u>1,619</u>	<u>2,002</u>
Movements in Working Capital:		
Movement in Debtors & Other Current Assets	(242)	(155)
Movement in Creditors & Accrued Interest	(465)	(1,510)
Movement in Income Tax Payable/Receivable	140	(79)
	<u>(567)</u>	<u>(1,744)</u>
Other		
Decrease in Gratuities Provision	-	(66)
(Gain) Loss on Disposal of Assets	37	834
	<u>37</u>	<u>768</u>
<b>Operating Cashflow</b>	<b><u>3,390</u></b>	<b><u>1,908</u></b>

**Note 12. ODV Reconciliation Report**

	2001 \$ '000	2000 \$ '000
System fixed assets at ODV at beginning of year	49,370	50,332
Add system fixed assets acquired during the year at ODV	2,654	1,852
Less system fixed assets disposed of during the year at OD	(37)	(1,302)
Less depreciation system fixed assets at ODV	(1,583)	(1,512)
Adjusted system fixed assets at ODV at end of year	50,404	49,370
Less revaluations of system fixed assets	(3,023)	-
System fixed assets at ODV at end of year	<u>47,381</u>	<u>49,370</u>

**WESTPOWER LIMITED - LINES BUSINESS**

Disclosure of Information to be Disclosed in Financial Statements under regulation 6 of the Electricity (Information Disclosure) Regulations 1999 Schedule 1 Part 2 as amended.

	2001 \$ '000	2000 \$ '000
<b>Statement of Financial Position Disclosure (Schedule 1, Part 2)</b>		
<b>1 Current Assets</b>		
(a) Cash and Bank Balances	95	245
(b) Short-term Investments	-	-
(c) Inventories	-	-
(d) Accounts receivable	1,402	1,141
(e) Other current assets not listed in (a) to (d)	30	189
(f) Total current assets	1,527	1,575
<b>2 Fixed Assets</b>		
(a) System fixed assets	47,381	49,370
(b) Customer billing and information system assets	-	-
(c) Motor Vehicles	-	-
(d) Office Equipment	183	46
(e) Land & Buildings	500	480
(f) Capital works under construction	494	467
(g) Other fixed assets not listed in (a) to (f)	-	-
(h) Total fixed assets	48,558	50,363
<b>3 Other tangible assets not listed above</b>	1,331	307
<b>4 Total tangible assets</b>	51,416	52,245
<b>5 Intangible assets</b>		
(a) Goodwill	-	-
(b) Other intangible not listed in (a)	-	-
(c) Total intangible assets	-	-
<b>6 Total Assets</b>	51,416	52,245
<b>7 Current Liabilities</b>		
(a) Bank Overdraft	-	-
(b) Short-term borrowings	-	-
(c) Payables and accruals	1,448	1,913
(d) Provision for dividends payable	97	97
(e) Provision for income tax	-	-
(f) Other Current Liabilities not listed in (a) to (e)	-	-
(g) Total Current Liabilities	1,545	2,010
<b>8 Non-current Liabilities</b>		
(a) Payables and accruals	-	-
(b) Borrowings	9,002	9,902
(c) Deferred tax	-	-
(d) Other Non-current Liabilities not listed in (a) to (c)	-	-
(e) Total Non-current Liabilities	9,002	9,902

**WESTPOWER LIMITED - LINES BUSINESS**

	<b>2001</b> <b>\$ '000</b>	<b>2000</b> <b>\$ '000</b>
<b>9 Equity</b>		
(a) Shareholders equity		
(i) Share Capital	25,300	25,300
(ii) Retained Earnings	(3,653)	(7,212)
(iii) Reserves	19,222	22,245
(iv) Total Shareholders equity	40,869	40,333
(b) Minority interests in subsidiaries	-	-
(c) Total Equity	40,869	40,333
(d) Capital notes;		
(e) Total capital funds	40,869	40,333
<b>10 Total equity and liabilities</b>	<b>51,416</b>	<b>52,245</b>
<b>Statement of Financial Performance Disclosure (Schedule 1, Part 2)</b>		
<b>11 Operating Revenue</b>		
(a) Revenue from line/access charges	11,157	10,842
(b) Revenue from "Other" business (transfer payment)	-	-
(c) Income from interest on bank and short-term investments	80	75
(d) AC loss-rental rebates	569	152
(e) Other operating revenue not listed in (a) to (d)	284	518
(f) Total operating revenue	12,090	11,587
<b>12 Operating expenditure</b>		
(a) Transmission Charges	3,096	2,969
(b) Transfer payments to "Other" business		
(i) Asset maintenance	1,726	1,420
(ii) Consumer disconnections and reconnections	-	-
(iii) Meter data	-	-
(iv) Consumer-based load control	-	-
(v) Royalty and patent expenses	-	-
(vi) Avoided transmission charges for own generation	-	-
(vii) Other goods & services not listed in (i) to (vi) above	488	593
(viii) Total transfer payment to the "Other" business	2,214	2,013
(c) Payments to non-related entities		
(i) Asset maintenance	90	247
(ii) Consumer disconnections and reconnections	-	-
(iii) Meter data	-	-
(iv) Consumer-based load control	-	-
(v) Royalty and patent expenses	-	-
(vi) Total of specified expenses to non-related parties	90	247
(d) Employee salaries, wages and redundancies	-	148
(e) Consumer billing and information system expense	-	15
(f) Depreciation on		
(i) System fixed assets	1,583	1,512
(ii) Other assets not listed in (i)	36	27
(iii) Total depreciation expense	1,619	1,539
(g) Amortisation of		
(i) Goodwill	-	-
(ii) Other intangibles	-	-
(iii) Total amortisation of intangibles	-	-



**WESTPOWER LIMITED - LINES BUSINESS**

	<b>2001 \$ '000</b>	<b>2000 \$ '000</b>
(h) Corporate and administration	601	241
(i) Human resource expenses	9	11
(j) Marketing and advertising	18	3
(k) Merger and acquisition expenses	-	-
(l) Takeover defence expenses	-	-
(m) Research and development expenses	-	-
(n) Consultancy and legal expenses	79	133
(o) Donations	-	-
(p) Directors fees	40	59
(q) Audit fees		
(i) Audit fees paid to principal auditors	30	27
(ii) Audit fees paid to other auditors	-	-
(iii) Fees paid for other services provided by auditors	5	6
(iv) Total auditors fees	35	33
(r) Costs of offering credit		
(i) Bad debts written off	-	-
(ii) Increase in estimated doubtful debts	-	-
(iii) Total costs of offering credit	-	-
(s) Local authority rates	12	17
(t) AC loss-rental (distribution of) expense	-	-
(u) Rebates to customers due to ownership interest	-	503
(v) Subvention payments	-	-
(w) Unusual expenses	-	1,266
(x) Other expenditure not listed in (a) to (w)	37	32
<b>13 Total operating expenditure</b>	<b>7,850</b>	<b>9,229</b>
<b>14 Operating surplus before interest and income tax</b>	<b>4,240</b>	<b>2,358</b>
<b>15 Interest</b>		
(a) Interest expense on borrowings	911	1,103
(b) Financing charges related to finance leases	-	-
(c) Other interest expense	-	-
(d) Total interest expense	911	1,103
<b>16 Operating surplus before income tax</b>	<b>3,329</b>	<b>1,255</b>
<b>17 Income Tax</b>	<b>1,028</b>	<b>373</b>
<b>18 Net Surplus after tax</b>	<b>2,301</b>	<b>882</b>

**WESTPOWER LIMITED - LINES BUSINESS****PERFORMANCE MEASURES**

Disclosure of financial performance measures and efficiency performance measures under Regulation 15 of the Electricity (Information Disclosure) Regulations 1999 as amended.

	2001	2000	1999	1998
<b>1 Financial performance measures</b>				
(a) Return on funds	8.56%	4.64%	8.46%	8.54%
(b) Return on equity	5.74%	2.22%	7.94%	6.94%
(c) Return on investment	(0.35%)	3.88%	51.83%	7.77%
<b>2 Efficiency performance measures:</b>				
(a) Direct lines costs per kilometre	\$ 1,120.23	\$ 1,185.66	\$ 1,737.14	\$ 1,976.32
Direct Expenditure	2,199,004	2,277,659	3,328,367	3,729,316
System Length	1,963	1,921	1,916	1,887
(b) Indirect lines costs per electricity customer *	\$ 74.94	\$ 165.36	\$ 78.42	\$ 106.39
Indirect Expenditure	898,996	1,939,469	937,475	1,272,891
Total consumers *	11,996	11,729	11,954	11,964

\* Number of consumers based on ICP connections

Disclosure of energy delivery efficiency performance measures under regulation 21 of the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000.

**1 Energy Delivery efficiency performance measures:**

(a) Load factor ( $a/b \times c \times 100$ )	66%	66%	68%	66%
a = kWh of electricity entering system	202,136,758	196,242,053	201,971,261	202,292,402
b = Maximum demand	34,776	34,174	33,906	34,989
c = Total number of hours in year	8,760	8,760	8,760	8,760
(b) Loss ratio ( $=a/b \times 100$ )	6%	6%	6%	7%
a = losses in electricity in kWh	11,621,042	10,808,165	11,761,856	14,160,468
b = kWh of electricity entering system	202,136,758	196,242,053	201,971,261	202,292,402
(c) Capacity utilisation ( $=a/b \times 100$ )	32%	34%	35%	37%
a = Maximum demand	34,776	34,174	33,906	34,989
b = Transformer Capacity	107,127	99,705	97,483	93,927

**WESTPOWER LIMITED - LINES BUSINESS****2 Statistics**

	2001	2000	1999	1998
(a) System Length				
Circuit Kilometres 66kV	47	47	47	47
Circuit Kilometres 33kV	230	190	190	172
Circuit Kilometres 11kV	1,484	1,482	1,478	1,467
Circuit Kilometres 230/400V	202	202	201	201
Total	1,963	1,921	1,916	1,887
(b) System Length - Overhead				
Circuit Kilometres 66kV	47	47	47	47
Circuit Kilometres 33kV	230	190	190	172
Circuit Kilometres 11kV	1,452	1,452	1,451	1,440
Circuit Kilometres 230/400V	142	142	142	142
Total Overhead	1,871	1,831	1,830	1,801
(c) System Length - Underground				
Circuit Kilometres 66kV	-	-	-	-
Circuit Kilometres 33kV	-	-	-	-
Circuit Kilometres 11kV	32	29	27	27
Circuit Kilometres 230/400V	60	60	59	59
Total Underground	92	89	86	86
(d) Transformer Capacity (In Kilovolt Amperes)				
District (zone) Substations	76,000	76,000	71,000	71,000
Distribution Substations	107,127	99,705	97,483	93,927
Total Substations	183,127	175,705	168,483	164,927
(e) Maximum Demand	34,776	34,174	33,906	34,989
(f) Total electricity supplied from the system after losses (in Kilowatt Hours)	190,515,716	185,433,888	185,657,664	188,888,451
(g) Electricity conveyed for each retailer including losses				
Retailer 1	1,009,418	681,511	544,409	
Retailer 2	2,505,082	3,131,378		
Retailer 3	7,537,032	7,156,793	7,573,494	
Retailer 4	21,475,632	15,384,446		
Retailer 5	7,678,226	7,744,937	20,430,182	
Retailer 6	161,731,367	162,070,008		
Retailer 7	-	-	168,960,068	203,105,861
	201,936,757	196,169,073	197,508,153	203,105,861
(h) Total Customers *	11,996	11,729	11,954	11,964

\* Number of consumers based on ICP connections

**WESTPOWER LIMITED - LINES BUSINESS**

Disclosure of reliability performance measures under regulation 22 of the Electricity (Information Disclosure) Regulations 1999 as amended.

	2001	2000	1999	1998
<b>1 Total number of interruptions</b>				
Class A - Planned - by Transpower	1	0	0	3
Class B - Planned - by Line Owners	73	80	120	126
Class C - Unplanned - by Line Owners	111	83	70	91
Class D - Unplanned - by Transpower	4	0	3	4
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	3	0	1
Class G - Any other loss of supply	0	0	0	1
Total	189	166	193	226
<b>2 Interruption targets for 2000 / 2001</b>				
Class B - Planned - by Line Owners	70			
Class C - Unplanned - by Line Owners	70			
<b>3 Average interruption targets for 2000/2001 to 2004/2005 years</b>				
Class B - Planned - by Line Owners	60			
Class C - Unplanned - by Line Owners	60			
<b>4 Proportion of Class C interruptions not restored within: <math>(=a/b*100)</math></b>				
3 Hours	35.1%			
a = number of interruptions restored within 3	39			
b = total number of Class C interruptions	111			
24 Hours	0			
a = number of interruptions restored within 24	0			
b = total number of Class C interruptions	111			

## WESTPOWER LIMITED - LINES BUSINESS

	2001	2000	1999	1998
<b>5 (a) The total number of faults per 100 circuit kilometres of prescribed voltage electric line</b>				
66kV	0	2	4	6
33kV	7	4	4	6
11kV	7	5	4	5
Total	7	4	4	6
<b>(b) Target for 2000 / 2001 year</b>				
66kV	0			
33kV	4			
11kV	5			
Total	4			
<b>(c) Average Target for 2000 / 2001 to 2004 / 2005 years</b>				
66kV	0			
33kV	4			
11kV	5			
Total	4			
<b>6 The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line</b>				
33kV	0	0	0	0
11kV	0	28	4	0
Total	0	28	4	3
<b>7 The total number faults per 100 circuit kilometres of overhead prescribed voltage electric line</b>				
66kV	0	0	0	6
33kV	7	4	4	6
11kV	7	5	4	5
Total	7	4	4	6
<b>8 The SAIDI for the total number of interruption</b>	235.18	156.46	227.81	358.15
<b>9 SAIDI targets for 2000 / 2001</b>				
Class B - Planned - by Line Owners	80			
Class C - Unplanned - by Line Owners	80			
<b>10 Average SAIDI target for 2000 / 2001 to 2004 / 2005 years</b>				
Class B - Planned - by Line Owners	70			
Class C - Unplanned - by Line Owners	70			
<b>11 The SAIDI for the total number of interruptions within each interruption class</b>				
Class A - Planned - by Transpower	0.68	0.64	0	12.24
Class B - Planned - by Line Owners	63.99	66.27	128.63	197.13
Class C - Unplanned - by Line Owners	155.88	86.94	96.01	124.24
Class D - Unplanned - by Transpower	14.63	0	3.17	23.48
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	2.62	0	1
Class G - Any other loss of supply	0	0	0	0.07
	235.18	156.47	227.81	358.16

**WESTPOWER LIMITED - LINES BUSINESS**

	2001	2000	1999	1998
<b>12 The SAIFI for the total number of interruption</b>	2.52	1.32	2	3.68
<b>13 SAIFI target for 2000 / 2001</b>				
Class B - Planned - by Line Owners	0.6			
Class C - Unplanned - by Line Owners	0.6			
<b>14 Average SAIFI target for 2000 / 2001 to 2004 / 2005 years</b>				
Class B - Planned - by Line Owners	0.59			
Class C - Unplanned - by Line Owners	0.59			
<b>15 The SAIFI for the total number of interruptions within each interruption class</b>				
Class A - Planned - by Transpower	0	0.02	0	0.01
Class B - Planned - by Line Owners	0.39	0.32	0.57	0.89
Class C - Unplanned - by Line Owners	2.08	0.9	1.36	1.85
Class D - Unplanned - by Transpower	0.05	0	0.07	0.9
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0.08	0	0.03
Class G - Any other loss of supply	0	0	0	0
	2.52	1.32	2	3.68
<b>16 The CAIDI for the total number of interruption</b>	93	110	114	97
<b>17 CAIDI targets for 2000 / 2001</b>				
Class B - Planned - by Line Owners	133			
Class C - Unplanned - by Line Owners	133			
<b>18 Average CAIDI target for 2000 / 2001 to 2004 / 2005 years</b>				
Class B - Planned - by Line Owners	118			
Class C - Unplanned - by Line Owners	118			
<b>19 The CAIDI for the total number of interruptions within each interruption class</b>				
Class A - Planned - by Transpower	450	33	0	1318
Class B - Planned - by Line Owners	166	192	225	220
Class C - Unplanned - by Line Owners	75	90	71	67
Class D - Unplanned - by Transpower	269	0	42	26
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	29	0	36
Class G - Any other loss of supply	0	0	0	15
	93	110	114	97

## WESTPOWER LIMITED - LINES BUSINESS

## SCHEDULE 1 - PART 7

## FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	4,240				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	4,240				
Interest on cash, bank balances, and short-term investments (ISTI)	80				
OSBIT minus ISTI	4,160	a	4,160		4,160
Net Surplus after tax from financial statements	2,301				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	2,301	n		2,301	
Amortisation of goodwill and amortisation of other intangibles	-	g	add	add	add
Subvention payment	-	s	add	add	add
Depreciation of SFA at BV (x)	1,583				
Depreciation of SFA at ODV (y)	1,583				
ODV depreciation adjustment	-	d	add	add	add
Subvention payment tax adjustment	-	s <sup>1</sup>	deduct	deduct	deduct
Interest tax shield	274	q			(274)
Revaluations	(3,023)	r			(3,023)
Income tax	1,028	p			(1,028)
Numerator			OSBIT <sup>NSAT</sup> - g + s + d	NSAT <sup>NSAT</sup> - m + g + s + d	BIT <sup>NSAT</sup> - m + g + s + d + p + r <sup>1</sup>
Fixed asset at end of previous year (FA <sub>0</sub> )	50,383				(165)
Fixed assets at end of current financial year (FA <sub>1</sub> )	48,558				
Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )	(753)				
Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )	(46)				
Average total funds employed (ATFE)	49,061	c	49,061		49,061





Westpower Limited  
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**GREYMOUTH**

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**IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION DISCLOSURE  
REGULATIONS) 1999**

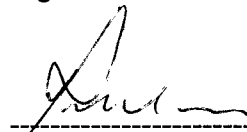
**Certification of Financial Statements, Performance Measures, and Statistics  
Disclosed by Line Owners other than Transpower for the year ending 31  
March 2001.**

We, Robert Caldwell and Michael Newcombe, directors of Westpower Limited  
certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) The attached audited financial statements of Westpower Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999 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 Westpower Limited, and reliability performance measures in relation to Westpower Limited and having been prepared for the purposes of regulations 15, 16, 21, and 22 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of those regulations.

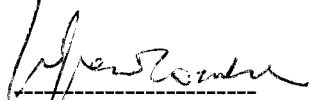
The valuations on which those financial performance measures are based are as at 31 March 2001.

Signatures of Directors:



R Caldwell

22 August 2001.  
Date



M Newcombe

22 August 2001  
Date



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**AUDITORS OPINION IN RELATION TO ODV VALUATION**  
**WESTPOWER LIMITED**

I have examined the valuation report of Westpower Limited by KPMG and dated 3 August 2001, which contains valuations of system fixed assets as at 31 March 2001.

In my opinion, having made all reasonable enquiry, to the best of my knowledge, the ODV valuations contained in the report, including the total valuation of system fixed assets of \$47,381,340 have been made in accordance with the ODV Handbook.

A handwritten signature in black ink, appearing to read 'Peter Young', written over the printed name and title.

Peter Young  
Partner

3 August 2001



## Audit New Zealand

### **REPORT OF THE AUDIT OFFICE TO THE READERS OF THE FINANCIAL STATEMENTS OF WESTPOWER LIMITED FOR THE YEAR ENDED 31 MARCH 2001**

We have audited the accompanying financial statements of Westpower Limited on pages 2 to 15. The financial statements provide information about the past financial performance of Westpower Limited and its financial position as at 31 March 2001. This information is stated in accordance with the accounting policies set out on pages 2 to 4.

#### **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 Westpower 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 the responsibility of the Audit Office to express an independent opinion on the financial statements presented by the Directors and report its 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 and performance information. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Westpower Limited 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. We obtained sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**Unqualified Opinion**

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

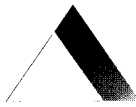
In our opinion:

- proper accounting records have been kept by Westpower Limited as far as appears from our examination of those records; and
- the financial statements of Westpower Limited on pages 2 to 15:
  - comply with generally accepted accounting practice; and
  - give a true and fair view of the financial position of Westpower Limited as at 31 March 2001 and the results of its operations and cash flows for the year then ended; and
  - comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 27 August 2001 and our 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**

We have examined the attached information, being –

- (a) the derivation table specified in regulation 16 on pages 21 and 22; and
- (b) the annual ODV reconciliation report in regulation 16A on page 12; and
- (c) the financial performance measures specified in clause 1 of Part 3 of the Schedule 1 on page 16; and
- (d) the financial components of the efficiency performance measures specified in clause 2 of Part 3 of that schedule 1 on page 16, -

that were prepared by Westpower Limited and dated 22 August 2001 for the purposes of regulation 15 of the Electricity ( Information Disclosure) Regulations 1999.

In my opinion, having made all reasonable enquiry, to the best of my 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  
27 August 2001