



New Zealand Gazette

OF THURSDAY, 16 AUGUST 2001

WELLINGTON: MONDAY, 20 AUGUST 2001 — ISSUE NO. 93

ALPINE ENERGY LIMITED

INFORMATION FOR DISCLOSURE

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

ALPINE ENERGY LIMITED

LINES BUSINESS

FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

Prepared for the Purposes of the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000

IMPORTANT NOTE

The financial information presented is for the 'line business' activity of Alpine Energy Limited as described within the Electricity (Information Disclosure) Regulations. Additional activities of the Company, that are not required to be reported under the Regulations, have been excluded.

This information should not be used for any other purposes than that intended under the Regulations. The Regulations require the information to be disclosed in the manner it is presented.

Alpine Energy Limited (Lines)**Financial Statements Prepared in Accordance with the Electricity (Information Disclosure) Regulations****Statement of Financial Performance for the Year Ended 31 March 2001**

REVENUE	Note	2001 \$'000	2000 \$'000
Operating revenue			
Revenue from line/access charges		22,578	20,578
Revenue from "Other" business for services carried out by the line business		1	3
Interest on cash, bank balances and short term investments		396	0
AC loss-rental rebates		1,672	481
Other revenue not listed above			0
Capital Contributions	519		551
Other	13		92
		532	643
Total operating revenue		25,179	21,706
EXPENDITURE		2001 \$'000	2000 \$'000
Operating expenditure			
Payment for transmission charges		8,433	7,815
Transfer payments to the "Other" business for			
Asset maintenance	1,659		1,361
Consumer disconnection/reconnection services	0		0
Meter data	0		0
Consumer-based load control services	0		0
Royalty and patent expenses	0		0
Avoided transmission charges on account of own generation	0		0
Other goods and services	1,020		48
Total transfer payment to the "Other" business		2,679	1,409
Expense to entities that are not related parties for			
Asset maintenance	87		0
Consumer disconnection/reconnection services	0		0
Meter data	0		0
Consumer-based load control services	0		0
Royalty and patent expenses	0		0
Total of specified expenses to non-related parties		87	0
Employee salaries, wages and redundancies		128	988
Consumer billing and information system expense		8	0
Depreciation on			
System fixed assets	2,873		2,744
Other assets	35		47
Total depreciation		2,908	2,790
Amortisation of			
Goodwill	4	0	0
Other intangibles		0	0
Total amortisation of intangibles		0	0
Corporate and administration		887	1,235
Human resource expenses		11	180
Marketing/advertising		22	73
Merger and acquisition expenses		0	0
Takeover defence expenses		0	0
Research and development expenses		0	0
Consultancy and legal expenses		6	25
Donations		0	0

Alpine Energy Limited (Lines)**Financial Statements Prepared in Accordance with the Electricity (Information Disclosure) Regulations****Statement of Financial Performance for the Year Ended 31 March 2001 - Continued**

	Note	2001 \$'000	2000 \$'000
Directors' fees		127	149
Auditors' fees			
Audit fees paid to principal auditors	29		27
Audit fees paid to other auditors	0		0
Fees paid for other services provided by principal and other auditors	3		10
Total auditors' fees		32	37
Costs of offering credit			
Bad debts written off	0		13
Increase in estimated doubtful debts	0		0
Total cost of offering credit		0	13
Local authority rates expense		10	8
AC loss-rentals (distribution to retailers/customers) expense		0	0
Rebates to consumers due to ownership interest		0	0
Subvention payments		0	0
Unusual expenses		0	0
Other expenditure not listed above		87	156
Total operating expenditure		15,425	14,878
Operating surplus before interest and income tax		9,754	6,828
Interest expense			
Interest expense on borrowings		0	0
Financing charges related to finance leases		0	0
Other interest expense		0	0
Total interest expense		0	0
Operating surplus before income tax		9,754	6,828
Income tax	2	(3,590)	(2,101)
Net surplus after tax		6,164	4,727

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

	2001 \$'000	2000 \$'000
Equity at the Beginning of the Year	74,513	73,095
Net Surplus (Deficit) for the Period	6,164	4,727
Revaluation	(3,014)	0
Total Recognised Revenue and Expenses	3,150	4,727
Dividends Paid	(4,704)	(3,309)
Transfer on Disposal of Assets	3,250	0
Equity at the End of the Year	76,209	74,513

Alpine Energy Limited (Lines)**Financial Statements Prepared in Accordance with the Electricity (Information Disclosure) Regulations****Statement of Financial Position as at 31 March 2001**

	Note	2001 \$'000	2000 \$'000
Current assets			
Cash and bank balances		61	59
Short-term investments		7,800	6,185
Inventories		0	0
Accounts receivable		2,065	1,308
Other current assets		37	0
Total current assets		<u>9,963</u>	<u>7,552</u>
Fixed assets			
System fixed assets		66,956	68,367
Consumer billing and information system assets		0	21
Motor vehicles		0	165
Office equipment		0	21
Land and buildings		381	388
Capital works under construction (system fixed assets)		1,532	1,345
Other fixed assets		0	0
Total fixed assets		<u>68,869</u>	<u>70,308</u>
Other tangible assets not listed above			
Deferred tax		706	86
Total tangible assets		<u>79,538</u>	<u>77,946</u>
Intangible assets			
Goodwill		0	0
Other intangibles		0	0
Total intangible assets		<u>0</u>	<u>0</u>
Total assets		<u>79,538</u>	<u>77,946</u>
Current liabilities			
Bank overdraft		0	0
Short-term borrowings		0	0
Payables and accruals		2,023	1,937
Provision for dividends payable		1,307	1,324
Provision for income tax	2	0	172
Other current liabilities		0	0
Total current liabilities		<u>3,330</u>	<u>3,433</u>
Non-current liabilities			
Payables and accruals		0	0
Borrowings		0	0
Deferred tax		0	0
Other non-current liabilities		0	0
Total non-current liabilities		<u>0</u>	<u>0</u>
Equity			
Shareholders' equity			
Share capital		26,596	26,596
Retained earnings		8,512	7,052
Reserves	3	41,101	40,865
Total Shareholders' equity		<u>76,209</u>	<u>74,513</u>
Minority interests in subsidiaries		0	0
Total equity		<u>76,209</u>	<u>74,513</u>
Capital notes		0	0
Total capital funds		<u>76,209</u>	<u>74,513</u>
Total equity and liabilities		<u>79,539</u>	<u>77,946</u>

Alpine Energy Limited (Lines)**Financial Statements Prepared in Accordance with the Electricity (Information Disclosure) Regulations****Statement of Cash Flows for the Year Ended 31 March 2001**

	Note	2001 \$'000	2000 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from Customers		24,507	24,797
GST		0	475
<i>Cash was disbursed to:</i>			
Payments to Suppliers and Employees		(12,381)	(11,911)
Income Tax		(4,419)	(1,957)
GST		(135)	0
NET CASH FLOWS FROM OPERATING ACTIVITIES	8	<u>7,572</u>	<u>11,404</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from sales of Fixed Assets		83	31
<i>Cash was applied to:</i>			
Purchase of Fixed Assets		<u>(1,317)</u>	<u>(1,163)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(1,234)</u>	<u>(1,132)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was applied to:</i>			
Dividend paid		(4,721)	(4,004)
Loan repaid		<u>0</u>	<u>0</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(4,721)</u>	<u>(4,004)</u>
NET INCREASE (DECREASE) IN CASH HELD		1,617	6,268
Add Opening Cash Brought Forward		<u>6,244</u>	<u>(24)</u>
ENDING CASH CARRIED FORWARD		<u>7,861</u>	<u>6,244</u>

Alpine Energy Limited (Lines)**Financial Statements Prepared in Accordance with the
Electricity (Information Disclosure) Regulations****Notes to and Forming Part of the Financial Statements**

for the Year Ending 31 March 2001

1. Statement of Accounting Policies

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000 ("the Regulations").

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

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

a) Customer Contributions

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

b) Capital and Operating Expenditure

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

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

c) Depreciation

Depreciation is charged as follows:

Network Reticulation System	straight line over useful lives from 10 to 80 years
Buildings	1 to 2.5% of cost
Motor Vehicles	20 to 31.2% on diminishing value
Plant and Office Equipment	8 to 60% on diminishing value

Depreciation for taxation purposes recognises that:

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

d) Taxation

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

e) Accounts Receivable

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

f) Fixed Assets

All fixed assets are initially recorded at cost. Network reticulation system assets are subsequently revalued to net current value as determined by an independent valuer using the optimised deprival valuation method. Other Fixed assets are stated at cost less an allowance for depreciation.

Alpine Energy Limited (Lines)

**Financial Statements Prepared in Accordance with the
Electricity (Information Disclosure) Regulations**

Notes to and Forming Part of the Financial Statements - Continued

for the Year Ending 31 March 2001

g) Financial Instruments

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

h) Goods and Services Tax (GST)

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

i) Changes in Accounting Policies

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

2. Taxation

	2001 \$'000	2000 \$'000
Income Tax Expense		
Operating Surplus before Income Tax	9,754	6,828
Add/(Deduct):		
Non Deductible Costs	0	23
Non Assessable Income	(519)	(570)
Timing Differences	1,123	696
Taxable Income	10,358	6,977
 Taxation Charge @ 33%	 3,418	 2,302
Prior Year Over (Under) Provisions	172	(201)
Income Tax Expense	3,590	2,101
 The income tax expense is represented by:		
Current Taxation	3,960	2,331
Deferred Taxation	(370)	(230)
	3,590	2,101
 Deferred Income Tax Liability (Asset)		
Balance at Beginning of Year	(86)	144
Current Year Timing Differences	(370)	(230)
Adjustment on Disposal of Business	(249)	0
Balance at End of Year	(706)	(86)
 Taxation Liability		
Income Tax Expense	3,590	2,101
Add/(Deduct):		
Deferred Tax	370	230
Income Tax Paid	(4,169)	(2,159)
Income Tax Liability at Beginning of Year	172	0
Provision for Tax	(37)	172

Alpine Energy Limited (Lines)

**Financial Statements Prepared in Accordance with the
Electricity (Information Disclosure) Regulations**

Notes to and Forming Part of the Financial Statements - Continued

for the Year Ending 31 March 2001

3. Reserves

	2001 \$'000	2000 \$'000
Asset Revaluation Reserve		
Balance at Beginning of the Year	40,865	40,865
Net Revaluations	(3,014)	0
Transfer on Disposal of Assets	3,250	0
Balance at End of the Year	<u>41,101</u>	<u>40,865</u>

4. Contingent Liabilities

In respect of the business activities being reported on, the Company has no contingent liabilities as at 31 March 2001 (2000 nil).

5. Capital Commitments

In respect of the business activities being reported on, the Company has capital commitments amounting to \$2,184,460 as at 31 March 2001 (2000 \$1,628,972).

6. Financial Instruments**a) Concentration of Credit Risk**

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

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

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

b) Fair Value

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

Alpine Energy Limited (Lines)

**Financial Statements Prepared in Accordance with the
Electricity (Information Disclosure) Regulations**

Notes to and Forming Part of the Financial Statements - Continued

for the Year Ending 31 March 2001

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

	2001 \$'000	2000 \$'000
Operating Surplus After Income Tax	6,164	4,727
Add/ (Deduct) Non Cash Items		
Depreciation	2,908	2,790
	<u>9,072</u>	<u>7,517</u>
Add/ (Deduct) Movements in Working Capital		
(Increase)/Decrease in Debtors	(759)	3,457
(Increase)/Decrease in Deferred Tax	(620)	(230)
Increase/(Decrease) in Creditors	86	286
Increase/(Decrease) in Provision for Tax	(209)	374
	<u>(1,500)</u>	<u>3,887</u>
	<u>7,572</u>	<u>11,404</u>

8. Related Party Transactions**Associated Entity:** Networks South Limited

Networks South Limited is 50% owned by Alpine Energy Limited and provided administrative, engineering and planning functions for the network from 1 July 2000 to 31 March 2001. These services are charged on a fixed contract basis.

During the period, this charge totalled \$1,326,000. The outstanding amount as at 31 March 2001 was \$68,857 payable on normal commercial terms.

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

Transactions do not relate to the categories specified in the Regulations.

Associated Entity: NetCon Limited

NetCon is wholly owned by Networks South Limited and provided asset maintenance and construction services for the network from 1 July 2000 to 31 March 2001. Services were charged on both a fixed price basis or "time and materials" basis.

During the period, this charge totalled \$2,379,668. The outstanding amount as at 31 March 2001 was \$698,599 payable on normal commercial terms.

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

During the period capital construction transactions totalled the following:

	2001 \$'000
Subtransmission assets	\$0
Zone substations	\$16
Distribution lines	\$474
Medium voltage switchgear	\$7
Distribution transformers	\$0
Distribution substations	\$0
Low voltage lines	\$508
Other System Fixed Assets (as per the ODV Handbook)	\$0
Maintenance of System Fixed Assets	\$1,374
Cost of customer connections and disconnections	\$0

Alpine Energy Limited (Lines)**Financial Statements Prepared in Accordance with the
Electricity (Information Disclosure) Regulations****Notes to and Forming Part of the Financial Statements - Continued**

for the Year Ending 31 March 2001

Subsidiary Entity: Alpine Energy PowerCom Limited

PowerCom was 100% owned by Alpine Energy Limited and provided asset maintenance and construction services for the network from 1 April 2000 to 30 June 2000 at which point it ceased trading.

Services were charged on both a fixed price basis and a "time and materials" basis.

During the period, this charge totalled \$620,152. There was no outstanding amount as at 31 March 2001.

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

	2001	2000
	\$'000	\$'000
Asset Construction:		
Subtransmission	0	0
Zone Substations	5	23
Distribution Lines and Cables	158	705
Medium Voltage Switchgear	2	0
Distribution Transformers	0	0
Distribution Substations	0	0
Low Voltage reticulation	169	531
Other	0	0
Maintenance of assets	285	1,361
Consumer Connections and Disconnections	0	-

Alpine Energy Limited (Lines)**Financial Statements Prepared in Accordance with the Electricity (Information Disclosure) Regulations****Financial Performance Measures - 31 March 2001**

	2001	2000	1999	1998
Accounting return on funds	13.8%	9.4%	9.9%	7.7%
Accounting return on equity	8.3%	6.5%	7.2%	5.6%
Accounting return on investments	7.9%	6.5%	10.9%	5.9%

Efficiency Performance Measures - 31 March 2001

	2001	2000	1999	1998
Direct line costs per kilometre	\$890	\$661	\$886	\$928
Direct expenditure (\$'000)	3,331	2,397	3,223	3,383
System length (km)	3,741	3,627	3,638	3,646
Indirect line costs per consumer	\$41	\$67	\$47	\$61
Indirect expenditure (\$'000)	1,150	1,876	1,292	1,666
Total consumers	27,806	27,829	27,486	27,317

Energy Delivery Efficiency Performance Measures - 31 March 2001

	2001	2000	1999	1998
Load Factor (= a/b/c*100)	77.5%	71.8%	69.8%	65.0%
a = Kwh of electricity entering system	563,510,801	523,637,373	507,685,000	472,400,000
b = Maximum Demand	83,000	83,000	83,000	83,000
c = Total number of hours	8,760	8,784	8,760	8,760
Loss Ratio* (= a/b*100)	-0.9%	10.6%	5.3%	6.1%
a = Total Electricity lost in the Network	-5,306,374	55,764,295	26,990,000	28,816,000
b = Total Electricity entering the Network before losses (kWh)	563,510,801	523,637,373	507,685,000	472,400,000
Capacity Utilisation (= a/b*100)	31.7%	32.0%	32.1%	32.1%
a = Maximum Demand	83,000	83,000	83,000	83,000
b = Transformer Capacity	261,555	259,181	258,621	258,290

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

The Loss Ratio for 2000 was estimated in last year's disclosure. This has been corrected to reflect actual unit usage reported by electricity retailers.

Alpine Energy Limited (Lines)

Disclosure Prepared in Accordance with the Electricity (Information Disclosure) Regulations

Network Statistics - 31 March 2001

		2001	2000	1999	1998
System Length (Total) (kms)	33kV	189	189	189	206
	22kV	147	146	146	0
	11kV	2,725	2,709	2,721	2,883
	6.6kV	8	8	8	0
	230/400 V	672	575	574	557
	Total	3,741	3,627	3,638	3,646
Circuit Length (Overhead) (kms)	33kV	183	183	183	201
	22kV	147	146	146	0
	11kV	2,543	2,528	2,553	2,718
	6.6kV	0	0	0	0
	230/400 V	374	339	341	344
	Total	3,247	3,196	3,223	3,263
Circuit Length (Underground) (kms)	33kV	6	6	6	5
	22kV	0	0	0	0
	11kV	182	181	168	165
	6.6kV	8	8	8	0
	230/400 V	298	236	233	213
	Total	494	431	415	383
Transformer Capacity (kVA)		261,555	259,181	258,621	258,290
Maximum Demand (kW)		83,000	83,000	83,000	83,000
Total Electricity entering the Network- before losses (kWh)	Embed Generation	36,183,132	31,620,768	10,323,000	0
	Import	527,327,669	492,016,605	497,362,000	472,400,000
	Total	563,510,801	523,637,373	507,685,000	472,400,000
Total Electricity supplied from the system - after losses (kWh)		568,817,175	467,873,078	480,695,000	443,584,000
Total amount of electricity conveyed, before losses, on behalf of retailers (kWh)*	Retailer A	274,031,061	357,739,474	406,541,943	472,400,000
	Retailer B	98,241,080	70,132,680	10,510,784	0
	Retailer C	0	0	55,584,006	0
	Retailer D	0	0	7,601,096	0
	Retailer E	0	0	9,089,209	0
	Retailer F	21,933,282	527,271	520,681	0
	Retailer G	0	0	4,584,738	0
	Retailer H	22,896,177	14,803,867	1,119,517	0
	Retailer I	86,923,241	46,652,377	5,389,523	0
	Retailer J	34,720,843	9,717,898	0	0
	Retailer K	565,651	0	0	0
	Export	24,199,466	24,063,806	6,743,504	0
	Total	563,510,801	523,637,373	507,685,000	472,400,000
Total number of Connections		27,806	27,829	27,486	27,317

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

Alpine Energy Limited (Lines)**Disclosure Prepared in Accordance with the Electricity (Information Disclosure) Regulations****Reliability and Performance Measures - Interruptions and Faults - 31 March 2001**

<u>Interruptions</u>	Class	2002/06 (Target)	2002 (Target)	2001	2000	1999	1998
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Number of Interruptions							
<i>Planned Interruptions - Transpower</i>	Class A	0.8	1	0	1	2	3
<i>Planned Interruptions - Alpine</i>	Class B	22	25	25	55	18	28
<i>Unplanned Interruptions - Alpine</i>	Class C	82	85	163	94	110	51
<i>Unplanned Interruptions - Transpower</i>	Class D	0.8	1	8	3	6	7
	Class E - I			0	0	0	0
	Total				153	136	89

Proportion of Total Class C Interruptions not restored:							
	Within 3 Hours			16%	18%	16%	na
	Within 24 Hours			0%	0%	0%	na

<u>Faults</u>	Class	2002/06 (Target)	2002 (Target)	2001	2000	1999	1998
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Overall System							
Faults per 100 circuit kilometres of prescribed voltage electric line		2.72	2.95	5.31	3.05	3.59	1.65
Faults per 100 circuit kilometres	33kV	0.85	1.06	0.00	0.00	3.70	1.94
	22kV	0.14	0.68	2.72	0.00	1.37	0.00
	11kV	2.99	3.21	5.83	3.43	3.71	1.63
	6.6kV	2.50	0.00	0.00	0.00	0.00	0.00
Overhead							
Faults per 100 circuit kilometres of prescribed voltage electric line				5.57	3.26	3.64	1.58
Faults per 100 circuit kilometres	33kV			0.00	0.00	3.83	1.99
	22kV			2.72	0.00	1.37	0.00
	11kV			6.13	3.68	3.76	1.55
	6.6kV			0.00	0.00	0.00	0.00
Underground							
Faults per 100 circuit kilometres of prescribed voltage electric line				1.53	0.00	2.75	2.94
Faults per 100 circuit kilometres	33kV			0.00	0.00	0.00	0.00
	22kV			0.00	0.00	0.00	0.00
	11kV			1.65	0.00	2.98	3.03
	6.6kV			0.00	0.00	0.00	0.00

Alpine Energy Limited (Lines)**Disclosure Prepared in Accordance with the Electricity (Information Disclosure) Regulations****Reliability and Performance Measures - System Average Interruption Duration Index (SAIDI)**

	Class	2002/06 (Target)	2002 (Target)	2001	2000	1999	1998
SAIDI for total number of interruptions	Overall	84	98	113.36	81.94	106	150
SAIDI for total number of interruptions within each interruption class (= a/b)	Class A	6	8	0.00	8.14	23	19
	Class B	13	15	7.56	14.64	10	23
	Class C	50	55	67.66	31.72	57	40
	Class D	15	20	38.13	27.45	16	68
	Class E - I			0.00	0.00	0	0
a = sum of interruption duration factors for all interruptions within the particular interruption class	Class A	167,400	223,200	0	226,440	633,360	520,000
	Class B	362,700	418,500	210,305	407,340	265,267	635,000
	Class C	1,395,000	1,534,500	1,881,474	882,758	1,568,765	1,090,000
	Class D	418,500	558,000	1,060,175	763,880	447,629	1,860,000
	Class E - I			0	0	0	0
b = Total Connections		27,900	27,900	27,806	27,829	27,486	27,317

Reliability and Performance Measures - System Average Interruption Frequency Index (SAIFI)

	Class	2002/06 (Target)	2002 (Target)	2001	2000	1999	1998
SAIFI for total number of interruptions	Overall	1.24	1.35	1.73	1.45	2.44	2.67
SAIFI for total number of interruptions within each interruption class (= a/b)	Class A	0.02	0.02	0.00	0.02	0.11	0.08
	Class B	0.09	0.10	0.07	0.11	0.06	0.25
	Class C	1.00	1.10	1.32	0.66	1.17	0.76
	Class D	0.13	0.13	0.34	0.66	1.10	1.58
	Class E - I			0.00	0.00	0.00	0.00
a = sum of electricity connections affected by each of those interruptions	Class A	558	558	0	629	3,016	2,275
	Class B	2,511	2,790	1,859	2,963	1,598	6,700
	Class C	27,900	30,690	36,765	18,252	32,346	20,761
	Class D	3,627	3,627	9,587	18,476	30,235	43,161
	Class E - I			0	0	0	0
b = Total connections		27,900	27,900	27,806	27,829	27,486	27,317

Reliability and Performance Measures - Connection Average Interruption Duration Index (CAIDI)

	Class	2002/06 (Target)	2002 (Target)	2001	2000	1999	1998
CAIDI for total number of interruptions	Overall	67.74	72.59	65.38	56.56	43	56
CAIDI for total number of interruptions within each interruption class (= a/b)	Class A	300	400	0.00	360.00	210	229
	Class B	144	150	113.13	137.48	166	95
	Class C	50	50	51.18	48.37	48	53
	Class D	115	154	110.58	41.34	15	43
	Class E - I			0.00	0.00	0	0

Alpine Energy Limited (Lines)

Form for the Derivation of Financial Performance Measures from Financial Statements

	Symbol	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	9,358			
Operating surplus before interest and income tax adjusted pursuant to regulation 18	9,358			
Interest on cash, bank balances, and short-term investments (ISTI)	0			
OSBIT minus ISTI	9,358	9,358		9,358
Net surplus after tax from financial statements				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	6,164		6,164	
Amortisation of goodwill and amortisation of other intangibles	0	add	add	add
Subvention payment	0	add	add	add
Depreciation of SFA at BV (x)	2,873			
Depreciation of SFA at ODV (y)	2,873			
ODV depreciation adjustment	0	add	add	add
Subvention payment tax adjustment	0	deduct	deduct	deduct
Interest tax shield	-131	q		-131
Revaluations	-523	r		-523
Income tax	3,590	p		3,590
Numerator		OSBIT^{ADJ} = a + g + s + d	NSAT^{ADJ} = n + g + s - s^t + d	OSBIT^{ADJ} = a + g - q + r + s + d - p - s^t
Fixed assets at end of previous financial year (FA ₀)	70,308			
Fixed assets at end of current financial year (FA ₁)	68,869			
Adjusted net working capital at end of previous financial year (ANWC ₀)	-629			
Adjusted net working capital at end of current financial year (ANWC ₁)	43			
Average total funds employed (ATFE)	69,296	69,296		69,296
Total equity at end of previous financial year (TE ₀)	74,513			
Total equity at end of current financial year (TE ₁)	76,210			
Average total equity	75,362	75,362		75,362
WUC at end of previous financial year (WUC ₀)	1,345			
WUC at end of current financial year (WUC ₁)	1,532			
Average total works under construction	1,439	1,439		1,439
Revaluations	-262	r/2		-262
Half of revaluations	0	0		0
Intangible assets at end of previous financial year (IA ₀)	0			
Intangible assets at end of current financial year (IA ₁)	0			
Average total intangible asset	0	0		0
Subvention payment at end of previous financial year (S ₀)	0			
Subvention payment at end of current financial year (S ₁)	0			
Subvention payment tax adjustment at end of previous financial year	0			
Subvention payment tax adjustment at end of current financial year	0			
Average subvention payment & related tax adjustment	0	0		0
System fixed assets at end of previous financial year at book value (SFA _{book,0})	68,367			
System fixed assets at end of current financial year at book value (SFA _{book,1})	66,956			
Average value of system fixed assets at book value	67,662	67,662		67,662
System Fixed assets at year beginning at ODV value (SFA _{odv,0})	68,367			
System Fixed assets at end of current financial year at ODV value (SFA _{odv,1})	66,956			
Average value of system fixed assets at ODV value	67,662	67,662		67,662
Denominator		ATFE^{ADJ} = c - e - f + h	Ave TE^{ADJ} = k - e - m + v - f + h	ATFE^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:		ROF = OSBIT^{ADJ}/ATFE^{ADJ} x 100	ROE = NSAT^{ADJ}/ATE^{ADJ} x 100	ROI = OSBIT^{ADJ}/ATFE^{ADJ} x 100
t = maximum statutory income tax rate applying to corporate entities	ave = average	odv = optimised deprival valuation	subscript '0' = end of the previous financial year	subscript '1' = end of the current financial year
ROI = return on funds	ROE = return on equity	ROI = return on investment		

Alpine Energy Limited (Lines) Annual Valuation Reconciliation Report

	2001 \$'000	2000 \$'000
System Fixed Assets at ODV (start of period)	68,367	69,723
Add System Fixed Assets acquired during the period at ODV	2,021	2,120
Less System Fixed Assets disposed of during the period at ODV	(36)	(732)
Less depreciation on System Fixed Assets at ODV	(2,873)	(2,744)
Add revaluations of System Fixed Assets	(523)	0
Gives System Fixed Assets at ODV (end of period)	66,956	68,367

Valuation of the Network Reticulation System

Valuation of the Network Reticulation System is at net current value on an existing use basis, as at 31 March 2001, and was conducted by Mr Bruce Gemmell, partner of the firm KPMG, Christchurch.

Explanation of Terms

General

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

ODV	Optimised Deprival Valuation
GXP	Grid Exit Point

Network Statistics

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

Reliability and Performance Measures

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



AUDITORS OPINION IN RELATION TO ODV VALUATION

ALPINE ENERGY LIMITED

I have examined the valuation report of Alpine Energy Limited prepared by KPMG and dated 31 May 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 \$66,956,424 have been made in accordance with the ODV Handbook.

A handwritten signature in black ink, appearing to read 'Peter Young', with a large, stylized flourish at the end.

Peter Young
Partner

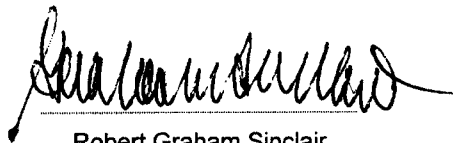
31 May 2001

Certification of Valuation Report of Line Owners

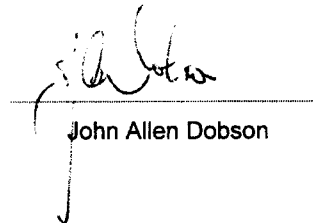
We, Robert Graham Sinclair and John Allen Dobson, Directors of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge,

- (a) the attached valuation report of Alpine Energy Limited, prepared for the purposes of regulation 20 of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of that regulation; and
- (b) the replacement cost of the line business system fixed assets of Alpine Energy is \$150,200,421; and
- (c) The depreciated replacement cost of the line business system fixed assets of Alpine Energy is \$67,270,916; and
- (d) The optimised depreciated replacement cost of the line business system fixed assets of Alpine Energy is \$66,955,424; and
- (e) The optimised deprival valuation of the line business system fixed assets of Alpine Energy is \$66,955,424; 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.



Robert Graham Sinclair



John Allen Dobson

8th August 2001

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

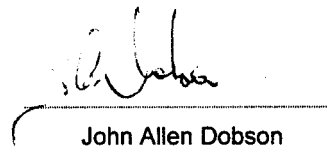
We, Robert Graham Sinclair and John Allen Dobson, Directors of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge,

- (a) the attached audited financial statements of Alpine Energy Limited prepared for the purposes of regulation 6 of the 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, statistics, and reliability performance measures in relation to Alpine Energy Limited, and having been prepared for the purpose 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.



Robert Graham Sinclair



John Allen Dobson

8th August 2001



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

Auditors' Report

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

We have audited the accompanying financial statements of Alpine Energy Limited – Lines Business. The financial statements provide information about the past financial performance and cash flows of Alpine Energy Limited – Lines Business and its financial position as at 31 March 2001. This information is stated in accordance with the accounting policies set out in the Statement of Accounting Policies.

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 Alpine Energy Limited – Lines Business as at 31 March 2001, and the results of 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.

Basis of Opinion

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

- the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Alpine Energy Limited – Lines Business' circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with 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 to provide us with 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 capacities as auditors we have no relationship with or interests in Alpine Energy Limited.

**Unqualified Opinion**

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

In our opinion:

- (a) proper accounting records have been kept by Alpine Energy Limited as far as appears from our examination of those records; and
- (b) the financial statements referred to above:
 - (i) comply with generally accepted accounting practice; and
 - (ii) give a true and fair view of the financial position of Alpine Energy Limited – Lines Business as at 31 March 2001 and the results of its operations and cash flows for the year then ended; and
 - (iii) comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 8 August 2001 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'MG Noone', written over a horizontal line.

MG Noone

Partner

PricewaterhouseCoopers

On behalf of the Controller and Auditor General

Christchurch

8 August 2001

**PricewaterhouseCoopers**

119 Armagh Street
PO Box 13244
Christchurch, New Zealand
Telephone +64 3 374 3000
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Auditors' Opinion of Performance Measures**Alpine Energy Limited – Lines Business**

We have examined the attached information, being –

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

that were prepared by Alpine Energy Limited – Lines Business and dated 8 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.

A handwritten signature in dark ink, appearing to be 'MG Noone', written over a horizontal line.

MG Noone

Partner

PricewaterhouseCoopers

On behalf of the Controller and Auditor General

Christchurch

8 August 2001