



New Zealand Gazette

OF THURSDAY, 16 AUGUST 2001

WELLINGTON: FRIDAY, 17 AUGUST 2001 — ISSUE NO. 92

THE LINES COMPANY LIMITED

INFORMATION FOR DISCLOSURE

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

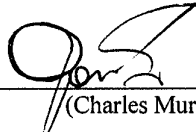
**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES,
AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower**

WE, **Charles Murray Loewenthal** and **Robert Alexander Kidd**, Directors of **The Lines Company Limited**, certify that, having made all reasonable inquiry, to the best of our knowledge,

- (a) The attached Audited financial statements of The Lines Company 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 The Lines Company 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 31st March 2000.


Signature:



(Charles Murray Loewenthal)

Director

Signature:



(Robert Alexander Kidd)

Director

Date:

9/02/01

**Deloitte
Touche
Tohmatsu**

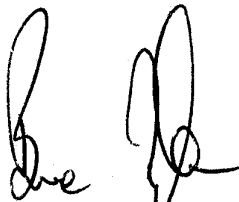
**AUDIT OFFICE OPINION ON THE PERFORMANCE MEASURES OF
THE LINES COMPANY LIMITED**

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 The Lines Company Limited and dated 10 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.



Bruce Taylor
Deloitte Touche Tohmatsu
On behalf of the Controller and Auditor-General
Hamilton, New Zealand
10 August 2001

**Deloitte
Touche
Tohmatsu**

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

We have audited the financial statements of The Lines Company Limited on pages 1 to 11. The financial statements provide information about the past financial performance of The Lines Company Limited and its financial position as at 31 March 2001. This information is stated in accordance with the accounting policies set out on pages 5 to 7.

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 The Lines Company Limited as at 31 March 2001, and results of 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 Bruce Taylor of Deloitte Touche Tohmatsu 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 The Lines Company 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 except that our work has been limited as explained below. 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 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 our capacity acting on behalf of the Controller and Auditor-General, we have no relationship with or interest in The Lines Company Limited.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been maintained by The Lines Company Limited as far as appears from our examination of those records, and
- the financial statements on pages 1 to 11:
 - (a) comply with generally accepted accounting practice; and
 - (b) give a true and fair view of the financial position of The Lines Company 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 10 August 2001 and our unqualified opinion is expressed as at that date.


Bruce Taylor
Deloitte Touche Tohmatsu
On behalf of the Controller and Auditor-General
Hamilton
New Zealand

THE LINES COMPANY LIMITED
Line Business Activity
Statement of Financial Performance
For the Year Ended 31 March 2001


	Note	2001 \$000's	2000 \$000's
Income			
Line/Access Charges		16,829	16,821
Provision of Goods & Services to 'Other'		0	0
Line Losses		0	0
AC loss-rental Rebates		752	298
Interest		0	0
Other		0	0
Total Income		<u>17,581</u>	<u>17,119</u>
less customer discount	2	<u>(5,369)</u>	<u>(4,515)</u>
Total Income		<u><u>12,212</u></u>	<u><u>12,604</u></u>
Expenditure			
Transfer Payments:	3		
Payment by Line Business to "Other"		1,531	1,537
Specified expenses to non-related entities		830	1,042
Transmission costs		4,123	4,094
Employee salaries/redundances		817	847
Customer Billing and Information System		31	36
Depreciation			
System Fixed Assets		1,235	313
Other assets not included in the system		216	45
Total Depreciation		1,451	358
Amortisation of:			
Goodwill		0	0
Other Intangibles		0	0
Total amortisation of intangibles		0	0
Corporate & Administration		112	147
Human Resource		18	16
Marketing & Advertising		36	53
Merger and acquisition expenses		0	0
Takeover defence expenses		0	0
Research and development expenses		0	0
Consultancy & legal expenses		12	10
Donations		23	22
Directors' fees		114	79
Auditors' fees	4	13	14
Cost of offering credit	5	0	37
Local Authority rates expense		2	3
AC loss-rentals (distribution to customers) expense		0	0
Rebate to consumers due to ownership interest		0	0
Subvention payments		0	0
Unusual expenses		0	0
Other		527	471
Total Expenditure		<u>9,640</u>	<u>8,765</u>
Operating surplus before Interest & Tax		<u>2,571</u>	<u>3,839</u>
Interest Expense on Borrowings	6	846	982
Operating surplus before income tax		<u>1,725</u>	<u>2,858</u>
Tax Expense	7	163	378
Net surplus after Tax		<u><u>1,562</u></u>	<u><u>2,479</u></u>

THE LINES COMPANY LIMITED
Line Business Activity
Statement of Financial Position
For the Year Ended 31 March 2001

	Note	2001 \$000's	2000 \$000's
Corporate Funds			
Share Capital		6,021	6,021
Retained Earnings		8,665	7,104
Revaluation Reserve		32,668	28,060
		<u>47,355</u>	<u>41,184</u>
Fixed Assets			
Fixed Assets	8	73,819	66,409
Investments		<u>0</u>	<u>0</u>
Total Fixed Assets		73,819	66,409
Current Assets			
Cash		1,631	1,995
Trade Debtors		2,284	823
Other Debtors		1,016	415
Inventory		278	0
Prepayments		<u>0</u>	<u>0</u>
Total Current Assets		5,209	3,233
Total Tangible Assets		79,028	69,642
Intangible Assets			
Goodwill		<u>0</u>	<u>0</u>
Total Intangible Assets		0	0
Total Assets		79,028	69,642
Non-current Liabilities			
Loans	9	22,763	23,763
Deferred Tax	10	<u>658</u>	<u>533</u>
Total Non-current Liabilities		23,421	24,296
Current Liabilities			
Accounts Payable		4,373	1,105
Accrued Payroll		72	60
Short Term Loan	11	1,000	500
Other Provisions		0	0
Customer Discount Provision		<u>2,806</u>	<u>2,496</u>
Total Current Liabilities		8,252	4,161
Total Liabilities		31,673	28,457
Net Assets Employed		<u>47,355</u>	<u>41,184</u>


Chairman

Date:


 9 August 2001

Director

Date:


 9/08/01

THE LINES COMPANY LIMITED
Line Business Activity
Statement of Movement in Equity
For the Year Ended 31 March 2001

	2001 \$000's	2000 \$000's
Equity at Beginning of Year	41,184	29,341
Surplus retained for the Year	1,562	2,479
Increase in Value Of Fixed Assets	4,608	9,364
Total Recognised Revenue and Expenses	<u>6,170</u>	<u>11,843</u>
Dividend Paid	<u>0</u>	<u>0</u>
Total Distribution to Owners	<u>0</u>	<u>0</u>
Equity at Year End	<u><u>47,355</u></u>	<u><u>41,184</u></u>

THE LINES COMPANY LIMITED
Line Business Activity
Statement of Cashflows
For the Year Ended 31 March 2001

	2001 \$000's	2000 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	18,325	19,378
Less special discounts	<u>(5,059)</u>	<u>(3,025)</u>
	13,266	16,353
Cash was distributed to:		
Payment to suppliers & employees	7,583	11,846
Taxes paid	448	106
Interest paid	<u>846</u>	<u>982</u>
	8,877	12,934
CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>4,389</u></u>	<u><u>3,419</u></u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Investment	<u>0</u>	<u>0</u>
	0	0
Cash was applied to:		
Fixed asset purchase	4,253	24,960
NET CASHFLOW FROM INVESTING ACTIVITIES	<u><u>(4,253)</u></u>	<u><u>(24,960)</u></u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Loan from "Other" Activities	0	9,763
Loan - BNZ	<u>0</u>	<u>11,500</u>
	0	21,263
Cash was provided for:		
Loan - BNZ	<u>500</u>	<u>0</u>
	500	0
NET CASHFLOWS FROM FINANCING ACTIVITIES	<u><u>(500)</u></u>	<u><u>21,263</u></u>
Net cashflow from operating	4,389	3,419
Net cashflow to investing	(4,253)	(24,960)
Net cashflow to financing	<u>(500)</u>	<u>21,263</u>
Net increase in cash held	(364)	(278)
Nominal cash carried forward	<u>1,995</u>	<u>2,274</u>
Total Cash	<u><u>1,631</u></u>	<u><u>1,995</u></u>

THE LINES COMPANY LIMITED
Lines Business Activity
Notes to the Financial Statements
For the Year Ended 31st March 2001

NOTE 1:
STATEMENT OF ACCOUNTING POLICIES

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

REPORTING ENTITY

The Lines Company Limited is owned by: Waitomo Energy Services Customer Trust (75%) and King Country Electric Power Trust (25%) and is incorporated under the Companies Act 1993. The accounts are prepared in accordance with the Companies Act 1993 and the Financial Reporting Act 1993, and the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000.

The principal activity of the entity is the provision of electricity distribution services.

MEASUREMENT BASE

The general accounting policies recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed except where revaluation of assets are incorporated, and other items disclosed in the accounting policies listed below.

Accrual accounting is used to match expenses with revenues. Reliance is placed on the fact that the Company is a going concern.

(a) Receivables

Receivables are stated at their estimated realisable value.

(b) Fixed Assets

The Company has four classes of fixed assets:

- Freehold Land
- Freehold Buildings
- Motor Vehicles, Plant and Equipment
- Distribution System

Land and Buildings were independently valued by Hughes Valuations on 31st March 2000 based on estimated market value and are revalued every three years.

The distribution system has been independently valued based upon optimised deprival value (ODV) by an electrical engineer and PriceWaterhouseCoopers, as at 31 March 2000. The valuation has been reviewed in 2001 to ensure compliance with the new ODV handbook.

Increases in valuations have been transferred to the Revaluation Reserve in Shareholders Equity.

Motor Vehicles, Plant and Equipment and all other fixed assets have been valued at cost less accumulated depreciation.

(c) Staff Leave and Gratuity Payments

Provision is made in respect of the Company's liability for annual leave and gratuity payments. At the balance date retiring gratuities have been accrued in respect of all employees:

1. who have more than 10 years service with the Company and who are aged 45 years or over or
2. whose gratuity entitlement was recognised in the transfer of employment from their previous employer.

THE LINES COMPANY LIMITED
Lines Business Activity
Notes to the Financial Statements
For the Year Ended 31st March 2001

(d) Depreciation

Depreciation is provided on either a straight line or a diminishing value basis on all fixed assets other than freehold land and perpetually renewable distribution assets, at rates calculated to allocate the assets' cost or valuation less estimated residual value, over their estimated useful life. Assets purchased post 1 April 1999 have been depreciated on a straight line basis.

Major depreciation rates and methods:

Buildings	40-100 years	Straight Line
Motor Vehicles, plant & equipment	10% to 50%	Diminishing Value or Straight Line
Network plant & equipment	20 - 50 years	Straight Line
Network Lines	Are not depreciated	
Land	Is not depreciated	

Infrastructural accounting has been adopted for those parts of the distribution asset that are perpetually renewed. This means that a deduction is made against current expenditure of an amount equivalent to the average annual amount that will need to be expended on those assets over the next twenty years to maintain their current condition. Expenditure on renewals is capitalised.

Components that are separately identifiable and have a finite life e.g. 33kV substation transformers, are depreciated.

(e) Inventory

Stocks are stated at the lower of cost, determined on an average cost basis, or net realisable value.

(f) Goods & Services Tax

All amounts in the financial statements have been shown exclusive of Goods and Services Tax, with the exception of Accounts Payable and Accounts Receivable which are shown inclusive of Goods and Services Tax.

(g) Investments

Short term deposits and shares are stated at the lower of cost or estimated realisable value.

(h) Taxation

Income tax expense is recognised on the operating surplus before taxation adjusted for permanent differences between taxable and accounting income. The tax effect of all timing differences, expected to reverse in the foreseeable future, that arise from items being brought to account in different periods for income tax and accounting purposes, is recognised in the Statement of Financial Position as a future tax benefit or a provision for deferred tax. The future tax benefit or provision for deferred tax is stated at the income tax rate prevailing at balance date.

Future tax benefits are not recognised unless realisation of the asset is virtually certain.

The Company uses the liability method of accounting for deferred taxation at the income tax rate prevailing at balance date and applies this on a partial basis.

THE LINES COMPANY LIMITED
Lines Business Activity
Notes to the Financial Statements
For the Year Ended 31st March 2001

(i) Basis of Allocations to Business Units

In general the Ministry of Commerce guidelines for allocation of income and expenditure have been applied. Deviations from the guidelines have been used where assumptions made in the guidelines have not held true for The Lines Company Limited. These are as follows:

Various overhead costs that are an integral part of operating each business and have been allocated according to relative fixed assets involved in each business.

Interest costs allocated to the Lines Business reflects those costs associated with the Subordinated Debt and the Swap loan. The Subordinated Debts were set up to ensure the fair cost allocation of low density customers.

(j) Comparative Figures

Comparative figures have not been changed from those reported in prior periods, despite changes to the Financial Statements preparation basis as set by the Ministry of Commerce.

(k) Changes in Accounting Policies

There have been no changes in the accounting policies during the year.

(l) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

Definitions of the terms used in the Statement of Cash Flows:

“Cash” includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes at call borrowings such as bank overdrafts, used by the company and the group as part of their day-to-day cash management.

THE LINES COMPANY LIMITED
Line Business Activity
Notes to the Financial Statements
For the Year Ended 31 March 2001

	2001 \$'000'	2000 \$'000'
NOTE 2 : CUSTOMER DISCOUNT		
Discount Declared	5,369	4,515
Less Taxation Effect	<u>1,772</u>	<u>1,490</u>
	<u><u>3,597</u></u>	<u><u>3,025</u></u>

NOTE 3 : TRANSFER PAYMENTS

Payments by Line Business to "Other" for:

Meter Data	0	0
Consumer Based Load control	0	0
Permanent Disconnection/Reconnection Services	0	4
Asset Maintenance Services	1,507	1,407
Avoided Transmission Charges	0	0
Royalty and patent expenses	0	0
Other	24	125
Total payments by Line Business to "Other"	<u><u>1,531</u></u>	<u><u>1,536</u></u>

Specified expenses to non-related entities for:

Meter Data	0	0
Consumer Based Load control	0	0
Disconnection/Reconnection Services	0	0
Asset Maintenance Services	16	226
Avoided Transmission Charges	814	816
Royalty and patent expenses	0	0
Total of specified expenses to non-related entities	<u><u>830</u></u>	<u><u>1,042</u></u>

Related Party Transactions

- a) The related party is the contracting division of The Lines Company.
- b) The period covered in these statements are 1st April 2000 to 31st March 2001.
- c) There are no outstanding balances and no debts have been written off.
- c) All work is recorded on the basis of material at cost plus 15% and labour & plant at \$45 per hour.
- d) Construction of the following types of assets were undertaken for the lines business.
The values comprise of material, labour and plant costs added by the contracting division.

Category	Number of Hours	Value (\$)
(i) Construction of Subtransmission Assets	1,400	124,422
(ii) Construction of Zone Substations	50	2,250
(iii) Construction of Distribution Lines and Cables	10,050	1,044,061
(iv) Construction of Medium Voltage Switchgear	560	134,964
(v) Construction of Distribution Substations	2,377	149,984
(vi) Construction of Low Voltage Reticulation	280	13,370
(vii) Construction of Other Assets	1,364	61,380
(viii) Consumer connections & disconnections	20	900

THE LINES COMPANY LIMITED
Line Business Activity
Notes to the Financial Statements
For the Year Ended 31 March 2001

	2001 \$'000'	2000 \$'000'
NOTE 4 : AUDITORS' FEES		
Audit fees paid to principal auditors	13	14
Audit fees paid to other auditors	0	0
Other services provided by auditors	0	0
	<u>13</u>	<u>14</u>
NOTE 5 : COST OF OFFERING CREDIT		
Bad Debts written off	0	37
Increase in estimated doubtful debts	0	0
	<u>0</u>	<u>37</u>
NOTE 6 : INTEREST		
Interest Expense on Borrowings	846	982
Financing Charges relating to Finance Leases	0	0
Other Interest Expense	0	0
	<u>846</u>	<u>982</u>
NOTE 7 : TAXATION EXPENSE		
Nominal Profit Before Tax	1,725	2,858
Prima Facie Taxation @ 33 %	569	943
Add/(Less) Effect of Permanent Tax Diff	(406)	(337)
Net Taxation Expense	163	606
Less Tax loss on Other	0	(228)
	<u>163</u>	<u>378</u>

THE LINES COMPANY LIMITED
Line Business Activity
Notes to the Financial Statements
For the Year Ended 31 March 2001

NOTE 8 : FIXED ASSETS 2000

	at cost	at valuation	accumulated depreciation	carrying value
	\$	\$	\$	\$
Land and Buildings	683,748	260,302	285,413	658,637
Centralised Load Control	3,269,295		564,731	2,704,564
Distribution System	37,252,406	29,993,501	5,127,347	62,118,560
Motor Vehicles	170,681		75,275	95,406
Office Equipment	171,588		84,111	87,477
Other Plant & Equipment	195,050		137,008	58,042
Capital Work in Progress				
Zone Substations	149,365			
Distribution Lines & Cables	394,915			
Medium Voltage Switchgear	0			
Low Voltage Lines & Cables	0			
Other Capital Works	141,560			685,840
	<u>41,742,768</u>	<u>30,253,803</u>	<u>6,273,885</u>	<u>66,408,526</u>

FIXED ASSETS 2001

	at cost	at valuation	accumulated depreciation	carrying value
	\$	\$	\$	\$
Land and Buildings	683,336	260,302	292,563	651,075
Centralised Load Control	3,490,362		691,336	2,799,026
Distribution System	39,631,309	34,601,938	6,236,196	67,997,051
Motor Vehicles	336,140		197,317	138,823
Office Equipment	206,576		120,658	85,918
Other Plant & Equipment	230,595		178,459	52,136
Capital Work in Progress				
Zone Substations	1,558,667			
Distribution Lines & Cables	62,444			
Medium Voltage Switchgear	0			
Low Voltage Lines & Cables	169,377			
Other Capital Works	304,139			2,094,627
	<u>46,672,944</u>	<u>34,862,240</u>	<u>7,716,529</u>	<u>73,818,656</u>

THE LINES COMPANY LIMITED
Line Business Activity
Notes to the Financial Statements
For the Year Ended 31 March 2001

	2001 \$'000'	2000 \$'000'
NOTE 9 : LOANS		
"Other" (The Lines Company Activities)	9,763	9,763
Perpetual	3,000	3,000
Bank of New Zealand Swaps	10,000	11,000
	<u>22,763</u>	<u>23,763</u>
NOTE 10 : DEFERRED TAX		
Fixed Assets	1,426	1,036
Accruals & Provisions	(768)	(503)
	<u>658</u>	<u>533</u>
NOTE 11 : SHORT TERM LOANS		
Bank of New Zealand Swaps	1,000	500
	<u>1,000</u>	<u>500</u>
NOTE 12 : SEGMENTAL INFORMATION		
The Lines Company Limited operates predominantly in one geographical segment. It is located in the mid-central North Island in the King Country. The head office is located in Te Kuiti.		
NOTE 13 : RELATED PARTY TRANSACTIONS		
During the year company paid interest on subordinate debentures to Waitomo Energy Services Customer Trust of \$79,745.		
NOTE 14 : SUBSEQUENT EVENTS		
As at year end the company had a capital commitment of \$2.4m.		
NOTE 15 : CASHFLOW RECONCILIATION WITH NET PROFIT		
Net Profit after Tax and Customer Discount	1,562	2,479
Add: Non cash items		
Depreciation	1,451	358
	<u>3,013</u>	<u>2,837</u>
Add/Less: Movements in Working Capital		
(Increase)/Decrease in Receivables	(1,230)	47
(Increase)/Decrease in Stock	(278)	0
Increase/(Decrease) in Creditors	3,281	787
Increase/(Decrease) in Provisions	310	(1,061)
Increase/(Decrease) in Other	(707)	809
	<u>1,376</u>	<u>582</u>
Net cashflows from operating activities	<u>4,389</u>	<u>3,419</u>

THE LINES COMPANY LIMITED
Line Business Activity
Annual Valuation Reconciliation Report
For the Year Ended 31 March 2001

	2001 \$000's
System Fixed Assets at ODV (Beginning of Year)	64,823
Add System Fixed Assets Acquired during year at ODV	2,600
Less System Fixed Assets Disposed of during year at ODV	0
Less Depreciation on Systems Fixed Assets at ODV	(1,235)
Add Revaluations of Systems Fixed Assets	4,608
System Fixed Assets at ODV (End of Year)	<u><u>70,796</u></u>

Financial and Efficiency Performance Measures from Financial Statements

Regulation 15-16	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and tax (OSBIIT)	2,571				
Interest on cash,bank & short term investments (ISTI)	0				
OSBIIT minus ISTI	2,571	<i>a</i>	2,571		2,571
Net surplus after tax from financial statements	1,562	<i>n</i>		1,562	
Amortised Goodwill	0	<i>g</i>	0	0	0
Subvention Payment	0	<i>s</i>	0	0	0
Depreciation of SFA at BV (x)	1,235				
Depreciation of SFA at ODV (y)	1,235				
ODV Depreciation adjustment	0	<i>d</i>	0	0	0
Subvention Payment tax adjustment	0	<i>s*t</i>		0	0
Interest Tax Shield	279	<i>q</i>			279
Revaluations	4,608	<i>r</i>			4,608
Income Tax	163	<i>p</i>			163
Numerator			2,571	1,562	6,737
Fixed Assets at Start of Year	66,409				
Fixed Assets at Year End	73,819				
Net Working Capital at end of previous financial year	(928)				
Net Working Capital at end of current financial year	(3,043)				
Average Total Funds Employed (ATFE)	68,128	<i>c</i>	68,128		68,128
Total Equity at end of previous financial year	41,184				
Total Equity at end of current financial year	47,355				
Average Total Equity	44,270	<i>k</i>		44,270	
Works Under Construction at end of previous year	686				
Works Under Construction at end of current year	2,095				
Average Total Works Under Construction	1,390	<i>e</i>	1,390	1,390	1,390
Revaluations	4,608	<i>r</i>			
Half of revaluations	2,304	<i>r/2</i>			2,304
Intangible assets at end of previous financial year	0				
Intangible assets at end of current financial year	0				
Average total intangible asset	0	<i>m</i>		0	
Subvention Payment at end of previous financial year	0				
Subvention Payment at end of current financial year	0				
Subvention Payment Tax Adjustment previous year	0				
Subvention Payment Tax Adjustment current year	0				
Average Subvention payment and tax adjustment	0	<i>v</i>		0	
System Fixed Assets at end of previous year at BV	64,823				
System Fixed Assets at end of current year at BV	70,796				
Average value of system fixed assets at BV	67,810	<i>f</i>	67,810	67,810	67,810
System Fixed Assets at year beginning at ODV	64,823				
System Fixed Assets at end of current year at ODV	70,796				
Average value of system fixed assets at ODV	67,810	<i>h</i>	67,810	67,810	67,810
Denominator			66,738	42,879	64,434
Financial Performance Measure			3.85%	3.64%	10.46%

THE LINES COMPANY LIMITED

Financial and efficiency performances measures (Regulation 15 to 21).

	Year ended 31 March			
	2001	2000	1999	1998
Regulation 15:				
1. Financial performance measures				
(a) Accounting return on funds	3.85%	5.57%	4.94%	5.00%
(b) Accounting return on equity	3.64%	5.83%	3.72%	3.83%
(c) Accounting return on investment	10.46%	7.21%	4.26%	3.75%
Regulation 17				
1. Efficiency performance measures				
(a) Direct line costs per kilometer	\$529	\$539	\$896	\$762
(b) Indirect line costs per electricity customer.	\$33	\$37	\$45	\$66
Regulation 19:				
5. As at 1st April 2000 the ODV Valuation of the lines business				
As certified by Coopers & Lybrand was \$70.2 million				(without meters & relays)
Regulation 21				
1. (a) Load Factor	58.18%	60.25%	59.53%	57.73%
(b) Loss Ratio	7.37%	7.39%	7.81%	8.80%
(c) Capacity Utilisation	27.87%	32.20%	36.21%	37.24%
2. (a) System lengths (kms)				
- 33kV	404	396	207	207
- 11kV	3,714	3,863	2,221	2,221
- LV	347	509	139	139
- Total	<u>4,465</u>	<u>4,768</u>	<u>2,567</u>	<u>2,567</u>
(b) Circuit length (overhead) (kms)				
- 33kV	404	396	207	207
- 11kV	3,622	3,766	2,215	2,215
- LV	242	350	123	123
- Total	<u>4,268</u>	<u>4,512</u>	<u>2,545</u>	<u>2,545</u>
(c) Circuit length (underground) (kms)				
- 11 kV	92	97	6	6
- LV	104	159	16	16
- Total	<u>196</u>	<u>256</u>	<u>22</u>	<u>22</u>
(d) Transformer capacity (kVA)	185,050	167,675	84,517	82,959
(e) Maximum demand (kW)	51,581	53,990	30,600	30,900
(f) Total electricity entering the system (kWH)(000's)	283,817	285,972	159,389	156,275
(g) Total electricity supplied from the system (kWH)(000's)				
Retailers: A				
B	59	0	0	0
C	4,041	6,726	0	0
D	1,037	900	0	0
E	4,986	1,280	0	0
F	179	0	0	0
G	21,988	0	0	0
H	6,226	0	0	0
I	461	0	0	0
	<u>223,921</u>	<u>255,942</u>	<u>0</u>	<u>0</u>
	<u>262,898</u>	<u>264,848</u>	<u>0</u>	<u>0</u>
(h) Total supplies	21,298	20,841	9,954	9,726
(i) Total consumers	25,846	*25,259	12,149	11,610

*Total customer numbers increased due to merger with King Country Energy Ltd.

Reliability Performance Measures (Regulation 22)**1 Total number of Interruptions according to class**

	2001	2000	1999	1998	1997
Planned (Transpower)	1	0	0	0	0
Planned (TLC)	435	309	271	343	511
Unplanned (TLC)	447	357	273	257	385
Unplanned (Transpower)	5	7	6	4	10
Generation (Others)	2				
Total	890	673	550	604	906

2 Interruption targets for the following year**3 and for the subsequent four financial years**

	2002	2003	2004	2005	2006	Average 2002/06
Planned (TLC)	450	450	450	450	450	450
Unplanned (TLC)	384	346	311	280	252	315

4 Percentage of total number for faults not restored in 3 or 24 hours**Unplanned (TLC) faults for 2000/01**

	Number	% of Outages
Not Restored in 3 hours	91	27.66%
Not Restored in 24 hours	3	0.91%

5a Total number of faults per 100km of lines for :

Faults per 100km

	2001	2000	1999	1998
33kV	9.9	8.7	11.1	15.7
11kV	7.8	8.2	9.4	9.5
Total	8.0	8.2	9.6	10

5b Target for the following year**5c and the subsequent 4 financial years**

Faults per 100km

	2002	2003	2004	2005	2006	Average 2002/06
33kV	7.4	5.6	4.2	3.1	2.3	4.5
11kV	7.0	6.3	5.7	5.1	4.6	5.8
Total	7.1	6.3	5.5	4.9	4.4	5.6

6a Total number of faults per 100km of underground lines for :

Faults per 100km

	2001	2000	1999	1998
33kV	0	0	0	0
11kV	3.3	8.3	16.7	0
Total	3.2	8.3	16.7	0

6b Target for the following year**6c and the subsequent 4 financial years**

Faults per 100km

	2002	2003	2004	2005	2006	Average 2002/06
33kV	0.0	0.0	0.0	0.0	0.0	0.0
11kV	4.0	3.6	3.3	2.9	2.6	3.3
Total	4.0	3.6	3.2	2.9	2.6	3.3

7a Total number of faults per 100km of overhead lines for :

Faults per 100km

	2001	2000	1999	1998
33kV	9.9	8.7	11.1	15.7
11kV	7.9	8.2	9.4	9.5
Total	8.1	8.2	9.6	10

7b Target for the following year**7c and the subsequent 4 financial years**

Faults per 100km

	2002	2003	2004	2005	2006	Average 2002/06
33kV	7.4	5.6	4.2	3.1	2.3	4.5
11kV	7.1	6.4	5.8	5.2	4.7	5.8
Total	7.1	6.3	5.6	5.0	4.4	5.7

8 SAIDI for total of interruptions during :

	2001	2000	1999	1998
SAIDI	528.9	472.8	588.9	662.2

9 SAIDI targets for the following year**10 and for the subsequent four financial years**

	2002	2003	2004	2005	2006	Average 2002/06
Planned (TLC)	156.5	140.9	126.8	114.1	102.7	121.1
Unplanned (TLC)	160.3	144.3	129.8	116.9	105.2	124.0

11 SAIDI according to class

	2001	2000	1999	1998
Planned (Transpower)	13.3	0	0	0
Planned (TLC)	207.7	203.4	239.5	334.5
Unplanned (TLC)	321.2	242.4	329.7	303.8
Unplanned (Transpower)	28.0	27.0	19.7	23.9
Generation (Others)	3.4	0	0	0

12 SAIFI for total of interruptions during :

	2001	2000	1999	1998
SAIFI	5.5	7.34	8.8	9.3

13 SAIFI targets for the following year**14 and for the subsequent four financial years**

	2002	2003	2004	2005	2006	Average 2002/06
Planned (TLC)	0.9	0.7	0.6	0.5	0.4	0.6
Unplanned (TLC)	4.0	3.2	2.5	2.0	1.8	2.4

15 SAIFI according to class

	2001	2000	1999	1998
Planned (Transpower)	0.06	0	0	0
Planned (TLC)	1.12	0.91	1.25	1.79
Unplanned (TLC)	4.42	5.25	6.43	6.98
Unplanned (Transpower)	0.78	1.18	1.20	0.54
Generation (Others)	0.13	0	0	0

16 CAIDI for total of interruptions during :

	2001	2000	1999	1998
CAIDI	96.2	64.4	66.3	71.18

17 CAIDI targets for the following year**18 and for the subsequent four financial years**

	2002	2003	2004	2005	2006	Average 2002/06
Planned (TLC)	173.9	201.3	211.3	228.2	256.8	201.8
Unplanned (TLC)	40.1	45.1	51.9	58.5	58.4	51.7

19 CAIDI according to class

	2001	2000	1999	1998
Planned (Transpower)	240.0	0	0	0
Planned (TLC)	184.8	223.5	191.6	186.73
Unplanned (TLC)	72.7	46.2	51.3	43.55
Unplanned (Transpower)	35.8	22.9	16.4	44.54
Generation (Others)	25.5	0	0	0