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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 relay 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.

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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 2000.**

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

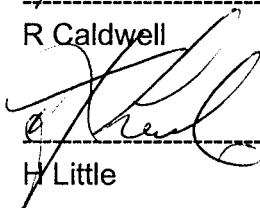
- (a) The attached audited financial statements of Westpower Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999 comply with the requirements of those regulations; and
- (b) The attached information, being the derivation table, financial performance 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 1999.

Signatures of Directors:



R Caldwell



H Little

14 / 8 / 00 .

Date

14 / 8 / 00

Date

WESTPOWER LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2000

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 2000.

(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 PricewaterhouseCoopers in conjunction with Worley Consultants, Registered Valuers, as at 31 March 1999.

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

The accounting treatment of decline in service potential has changed. The Company is now depreciating rather than using a pure renewals approach. Renewals expenditure which was previously expensed is now capitalised. The effect of this change was to reduce this year's expenses by \$740,264 and increase the value of distribution assets by the same amount. Renewals of \$1,304,534 were expensed last year. Depreciation has been recognised on distribution system assets. The effect of this was to increase expenses by \$1,487,642.

There have been no other changes in accounting policies. All other 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 2000

	Note	2000 \$ '000	1999 \$ '000
Revenue	1	11,084	10,903
Total Expenses	2	8,726	7,208
Net Surplus before Interest and Tax		2,358	3,695
Interest		1,103	955
Net Surplus before Income Tax		1,255	2,740
Less Taxation Expense	3	373	377
NET SURPLUS AFTER TAX		882	2,363

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2000

Equity as at 1 April 1999	39,548	31,412
Transfer of Meters to "Other Business"	-	(3,149)
Adjusted Opening Equity	39,548	28,263
Net Surplus for Year	882	2,363
Revaluation of Assets	-	15,300
Total Recognised Revenue and Expenses	882	17,663
Impact of Sale of Energy/Generation	-	(6,281)
Provision for Dividends	97	97
Equity as at 31 March 2000	40,333	39,548

The accompanying notes form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2000

	Note	2000 \$ '000	1999 \$ '000
EQUITY			
Share Capital		25,300	25,300
Reserves		22,245	22,245
Retained Earnings		(7,212)	(7,997)
TOTAL EQUITY	7	40,333	39,548
Represented By:			
CURRENT ASSETS			
Cash and Bank		245	2,687
Short Term Investments		-	-
Sundry Debtors	4	1,141	1,004
Tax refund due		170	93
Other Current Assets		19	-
		<u>1,575</u>	<u>3,784</u>
NON CURRENT ASSETS			
Fixed Assets	5	50,363	51,688
Investments		307	414
		<u>50,670</u>	<u>52,102</u>
TOTAL ASSETS		52,245	55,886
CURRENT LIABILITIES			
Sundry Creditors		1,843	3,316
Accrued Interest		70	107
Provision for dividend		97	97
		<u>2,010</u>	<u>3,520</u>
NON CURRENT LIABILITIES			
Employee Entitlements		-	66
Long - term Debt	6	9,902	12,752
		<u>9,902</u>	<u>12,818</u>
TOTAL LIABILITIES		11,912	16,338
NET ASSETS		40,333	39,548

The accompanying notes form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000 \$ '000	1999 \$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		10,927	11,864
Interest received		75	98
		<u>11,002</u>	<u>11,962</u>
Cash was applied to:			
Payments to suppliers & employees		7,279	6,122
Interest paid		1,140	848
Taxes paid		450	537
Net GST		225	(113)
		<u>9,094</u>	<u>7,394</u>
Net cash flows from operating activities	11	1,908	4,568
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from sale of assets		1,130	-
Sale of investments		106	-
		<u>1,236</u>	<u>-</u>
Cash was applied to:			
Purchase of fixed assets		2,639	1,399
Purchase of investments		-	9
		<u>2,639</u>	<u>1,408</u>
Net cash flows from investing activities		(1,403)	(1,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Term Loan		-	-
Cash was applied to:			
Repayment of Term Loan		2,850	1,742
Dividends paid		97	240
		<u>2,947</u>	<u>1,982</u>
Net cash flows from financing activities		(2,947)	(1,982)
Net increase in cash held		(2,442)	1,178
Add opening cash brought forward		2,687	(1,733)
Reallocation of cash from "other" business		-	3,242
Ending cash carried forward		<u>245</u>	<u>2,687</u>
CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION			
Cash and Bank		<u>245</u>	<u>2,687</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 2000

	2000 \$ '000	1999 \$ '000
Note 1. Revenue		
Line Charges *	10,842	11,520
Special Discount on Line Charges	(503)	(1,098)
Interest	75	98
AC loss-rental rebates	152	160
Sundry Income	518	223
	<u>11,084</u>	<u>10,903</u>

* 1999 Line Charges include revenue for Meters and Ripple Relays which were sold to Trustpower in March 1999.

Note 2. Expenses

Audit fees for Companies financial statements	27	56
Other services provided by Auditors	6	8
Directors' Fees	59	94
Depreciation	1,539	169
Loan Interest	1,103	955
Bad debts written off	-	64
Increase (decrease) in estimated doubtful debts	-	(7)
Loss (Profit) on Sale of Fixed Assets	803	9
Write Down in Valuation of Buildings and Land	463	-

Note 3. Taxation

Net Surplus before taxation	1,255	2,740
Prima facie taxation at 33%	414	904
Plus Tax effect of permanent differences	657	35
Taxation adjustment previous year	11	(2)
Timing differences not Recognised	(709)	(560)

Total Taxation Expense	<u>373</u>	<u>377</u>
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The Taxation charge comprises

- current taxation	373	379
- deferred taxation	-	(2)
	<u>373</u>	<u>377</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 2000 such timing differences amount to \$17,002,945 (1999 \$10,936,224) deferred taxation assessed at the current corporate taxation rate of 33 cents in the dollar is a liability of \$5,610,972 (1999 \$3,608,594).

	2000 \$ '000	1999 \$ '000
Note 4. Sundry Debtors		
Line Charge & Sundry Debtors	769	900
Unread Electricity Meters	268	-
Advance to ElectroNet Services Limited	104	104
	<u>1,141</u>	<u>1,004</u>

Note 5. Fixed Assets

	Cost/ Valuation \$ '000	Accumulated Depreciation \$ '000	Book Value 2000 \$ '000	Book Value 1999 \$ '000
At Cost:				
Distribution System	1,828	42	1,786	-
Other	55	9	46	1,356
Capital Work In Progress	467	0	467	-
	<u>2,350</u>	<u>51</u>	<u>2,299</u>	<u>1,356</u>
At Valuation:				
Distribution System	49,072	1,488	47,584	50,332
Land and Buildings	480	0	480	-
Total	<u>51,902</u>	<u>1,539</u>	<u>50,363</u>	<u>51,688</u>

Note 6. Borrowings

	2000 \$ '000	1999 \$ '000
Term Liabilities - Repayable 1-2 years	9,500	12,350
- Repayable 2-5 years	0	0
- Repayable later than 5 years	402	402
	<u>9,902</u>	<u>12,752</u>
Loans are secured as follows:		
Short Term Advance Facility \$13,000,000 *	9,500	12,350
Various (No Security)	402	402
	<u>9,902</u>	<u>12,752</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 Short Term Advance Facility have been hedged using interest rate swaps for varying terms at rates between 7.99% and 8.6% (includes margins).

	2000 \$ '000	1999 \$ '000
Note 7. Share Capital		
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	21,725	21,725
Retained Earnings	(7,212)	(7,997)
	<u>40,333</u>	<u>39,548</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 2000 is \$26,759 (1999 \$750,932).

The fair value of the shares in International Panel and Lumber (West Coast) Limited is \$48,900 (1999 \$43,720). This represents the value of the 30,000 shares based on the value of net assets as at 31 January 2000

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 minimal as borrowings have fixed interest rates except for the Short Term Advance Facility for \$9,500,000 (1999 \$12,500,000) for which interest rates are hedged. The contract amount of interest rates swaps held at 31 March 2000 is \$10,600,000 (1999 \$15,500,000).

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

	2000 \$ '000	1999 \$ '000
The total amount committed at balance date was	220	21

Operating Lease Commitments

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

Period	2000 \$ '000	1999 \$ '000
Not later than 1 year	7	2
1 - 2 years	7	2
2 - 5 years	22	6
Later than 5 years	72	15
	<u>108</u>	<u>25</u>

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 1999 to 31 March 2000

	2000 \$ '000	1999 \$ '000
Construction of subtransmission assets *	435	-
Construction of zone substations	221	-
Construction of distribution lines and cables	526	578
Construction of medium voltage switchgear	140	45
Construction of distribution transformers	82	9
Construction of substations	166	40
Construction of low voltage lines and cables	245	1,318
Construction of other fixed assets	118	-
Maintenance of assets	1,420	2,894
Consumer connections and reconnections	-	82
Asset Management Service	57	-
Other Services	536	-

ElectroNet Services provided \$34,000 of consumer connection and reconnection services to Westpower's "other" business which is not included in the above.

* Subtransmission assets now disclosed separately

At year end there was an outstanding balance of \$976,592(1999 \$632,213) 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**

	2000 \$ '000	1999 \$ '000
Net surplus After Income Tax	882	2,363
Plus Non Cash Items:		
Depreciation	1,539	169
Writedown of Buildings	463	0
	<u>2,002</u>	<u>169</u>
Movements in Working Capital:		
Decrease in Debtors	(155)	(31)
Increase in Creditors, Accrued Interest	(1,510)	2,303
Increase in Income Tax Refund	(79)	(160)
	<u>(1,744)</u>	<u>2,112</u>
Other		
Decrease in Gratuities Provision	(66)	(76)
Gain (Loss) on Disposal of Assets	834	0
	<u>768</u>	<u>(76)</u>
Operating Cashflow	<u>1,908</u>	<u>4,568</u>

Note 12. ODV Reconciliation Report

	2000 \$ '000
System fixed assets at ODV at beginning of year	50,332
Add revaluations of system fixed assets	-
Adjusted system fixed assets at ODV at beginning of year	50,332
Add system fixed assets acquired during the year at ODV	1,852
Less system fixed assets disposed of during the year at ODV	1,302
Less depreciation system fixed assets at ODV	1,512
System fixed assets at ODV at end of year	<u><u>49,370</u></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.

	2000 \$ '000	1999 \$ '000
Statement of Financial Position Disclosure (Schedule 1, Part 2)		
1 Current Assets		
(a) Cash and Bank Balances	245	2,687
(b) Short-term Investments	-	-
(c) Inventories	-	-
(d) Accounts receivable	1,141	1,004
(e) Other current assets not listed in (a) to (d)	189	93
(f) Total current assets	1,575	3,784
2 Fixed Assets		
(a) System fixed assets	49,370	50,332
(b) Customer billing and information system assets	-	182
(c) Motor Vehicles	-	57
(d) Office Equipment	46	165
(e) Land & Buildings	480	952
(f) Capital works under construction	467	-
(g) Other fixed assets not listed in (a) to (f)	-	-
(h) Total fixed assets	50,363	51,688
3 Other tangible assets not listed above	307	414
4 Total tangible assets	52,245	55,886
5 Intangible assets		
(a) Goodwill	-	-
(b) Other intangible not listed in (a)	-	-
(c) Total intangible assets	-	-
6 Total Assets	52,245	55,886
7 Current Liabilities		
(a) Bank Overdraft	-	-
(b) Short-term borrowings	-	-
(c) Payables and accruals	1,913	3,423
(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	2,010	3,520
8 Non-current Liabilities		
(a) Payables and accruals	-	-
(b) Borrowings	9,902	12,752
(c) Deferred tax	-	-
(d) Other Non-current Liabilities not listed in (a) to (c)	-	66
(e) Total Non-current Liabilities	9,902	12,818

WESTPOWER LIMITED - LINES BUSINESS

	2000 \$ '000	1999 \$ '000
9 Equity		
(a) Shareholders equity		
(i) Share Capital	25,300	25,300
(ii) Retained Earnings	(7,212)	(7,997)
(iii) Reserves	22,245	22,245
(iv) Total Shareholders equity	40,333	39,548
(b) Minority interests in subsidiaries	-	-
(c) Total Equity	40,333	39,548
(d) Capital notes;		
(e) Total capital funds	40,333	39,548
10 Total equity and liabilities	52,245	55,886
Statement of Financial Performance Disclosure (Schedule 1, Part 2)		
11 Operating Revenue		
(a) Revenue from line/access charges	10,842	11,520
(b) Revenue from "Other" business (transfer payment)	-	-
(c) Income from interest on bank and short-term investments	75	98
(d) AC loss-rental rebates	152	160
(e) Other operating revenue not listed in (a) to (d)	518	223
(f) Total operating revenue	11,587	12,001
12 Operating expenditure		
(a) Transmission Charges	2,969	1,872
(b) Transfer payments to "Other" business		
(i) Asset maintenance	1,420	2,894
(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	-	900
(vii) Other goods & services not listed in (i) to (vi) above	593	-
(viii) Total transfer payment to the "Other" business	2,013	3,794
(c) Payments to non-related entities		
(i) Asset maintenance	247	64
(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	247	64
(d) Employee salaries, wages and redundancies	148	487
(e) Consumer billing and information system expense	15	25
(f) Depreciation on		
(i) System fixed assets	1,512	33
(ii) Other assets not listed in (i)	27	136
(iii) Total depreciation expense	1,539	169
(g) Amortisation of		
(i) Goodwill	-	-
(ii) Other intangibles	-	-
(iii) Total amortisation of intangibles	-	-

WESTPOWER LIMITED - LINES BUSINESS

	2000 \$ '000	1999 \$ '000
(h) Corporate and administration	241	187
(i) Human resource expenses	11	57
(j) Marketing and advertising	3	1
(k) Merger and acquisition expenses	-	-
(l) Takeover defence expenses	-	-
(m) Research and development expenses	-	-
(n) Consultancy and legal expenses	133	156
(o) Donations	-	-
(p) Directors fees	59	94
(q) Audit fees		
(i) Audit fees paid to principal auditors	27	56
(ii) Audit fees paid to other auditors	-	-
(iii) Fees paid for other services provided by auditors	6	8
(iv) Total auditors fees	33	64
(r) Costs of offering credit		
(i) Bad debts written off	-	64
(ii) Increase in estimated doubtful debts	-	7
(iii) Total costs of offering credit	-	57
(s) Local authority rates	17	17
(t) AC loss-rental (distribution of) expense	-	-
(u) Rebates to customers due to ownership interest	503	1,098
(v) Subvention payments	-	-
(w) Unusual expenses	1,266	-
(x) Other expenditure not listed in (a) to (w)	32	164
13 Total operating expenditure	9,229	8,306
14 Operating surplus before interest and income tax	2,358	3,695
15 Interest		
(a) Interest expense on borrowings	1,103	955
(b) Financing charges related to finance leases	-	-
(c) Other interest expense	-	-
(d) Total interest expense	1,103	955
16 Operating surplus before income tax	1,255	2,740
17 Income Tax	373	377
18 Net Surplus after tax	882	2,363

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.

	2000	1999	1998	1997
1 Financial performance measures				
(a) Return on funds	4.64%	8.46%	8.54%	4.90%
(b) Return on equity	2.22%	7.94%	6.94%	4.39%
(c) Return on investment	3.19%	51.83%	7.77%	4.32%

2 Efficiency performance measures:

(a) Direct lines costs per kilometre	\$ 1,185.66	\$ 1,737.14	\$ 1,976.32	\$ 2,404.54
Direct Expenditure *	2,277,659	3,328,367	3,729,316	4,385,875
System Length **	1,921	1,916	1,887	1,824

* Direct expenditure has reduced significantly this year as renewals expenditure is no longer included in maintenance costs. Refer to the Statement of Accounting Policies for details.

** System Length restated for previous years based on circuit length rather than route length

(b) Indirect lines costs per electricity customer *	\$ 165.36	\$ 78.42	\$ 106.39	\$ 148.62
Indirect Expenditure	1,939,469	937,475	1,272,891	1,780,329
Total consumers **	11,729	11,954	11,964	11,979

* Indirect expenditure for 2000 includes \$1,266,000 of unusual expenses. If these were removed the Indirect lines cost per customer would be \$57.36.

** 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 ($a/b \times 100$)	66%	68%	66%	66%
a = kWh of electricity entering system	196,242,053	201,971,261	202,292,402	212,086,433
b = Maximum demand	34,174	33,906	34,989	36,683
c = Total number of hours in year	8,760	8,760	8,760	8,760
(b) Loss ratio ($=a/b \times 100$)	6%	6%	7%	7%
a = losses in electricity in kWh	10,808,165	11,761,856	14,160,468	15,070,990
b = kWh of electricity entering system	196,242,053	201,971,261	202,292,402	212,086,433
(c) Capacity utilisation ($=a/b \times 100$)	34%	35%	37%	39%
a = Maximum demand	34,174	33,906	34,989	36,683
b = Transformer Capacity	99,705	97,483	93,927	93,925

WESTPOWER LIMITED - LINES BUSINESS

2 Statistics

	2000	1999	1998	1997
(a) System Length *				
Circuit Kilometres 66kV	47	47	47	24
Circuit Kilometres 33kV	190	190	172	92
Circuit Kilometres 11kV	1,482	1,478	1,467	1,536
Circuit Kilometres 230/400V	202	201	201	172
Total	1,921	1,916	1,887	1,824
* System Length restated for previous years based on circuit length rather than route length				
(b) System Length - Overhead				
Circuit Kilometres 66kV	47	47	47	24
Circuit Kilometres 33kV	190	190	172	92
Circuit Kilometres 11kV	1,452	1,451	1,440	1,508
Circuit Kilometres 230/400V	142	142	142	113
Total Overhead	1,831	1,830	1,801	1,737
(c) System Length - Underground				
Circuit Kilometres 66kV	-	-	-	-
Circuit Kilometres 33kV	-	-	-	-
Circuit Kilometres 11kV	29	27	27	28
Circuit Kilometres 230/400V	60	59	59	59
Total Underground	89	86	86	87
(d) Transformer Capacity (In Kilovolt Amperes)				
District (zone) Substations	76,000	71,000	71,000	71,000
Distribution Substations	99,705	97,483	93,927	93,925
Total Substations	175,705	168,483	164,927	164,925
(e) Maximum Demand	34,174	33,906	34,989	36,683
(f) Total electricity supplied from the system after losses (in Kilowatt Hours)	185,433,888	185,657,664	188,888,451	195,620,912
(g) Electricity conveyed for each retailer including losses				
Retailer 1	681,511	544,409		
Retailer 2	3,131,378			
Retailer 3	7,156,793	7,573,494		10,478,172
Retailer 4	15,384,446			
Retailer 5	7,744,937	20,430,182		
Retailer 6	162,070,008			
Retailer 7	-	168,960,068	203,105,861	199,866,894
	196,169,073	197,508,153	203,105,861	210,345,066
(h) Total Customers *	11,729	11,954	11,964	11,979

* 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.

	2000	1999	1998	1997
1 Total number of interruptions				
Class A - Planned - by Transpower	0	0	3	1
Class B - Planned - by Line Owners	80	120	126	88
Class C - Unplanned - by Line Owners	83	70	91	89
Class D - Unplanned - by Transpower	0	3	4	5
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	3	0	1	0
Class G - Any other loss of supply	0	0	1	0
Total	166	193	226	183
2 Interruption targets for 2000 / 2001				
Class B - Planned - by Line Owners	60			
Class C - Unplanned - by Line Owners	60			
3 Average interruption targets for 2000/2001 to 2004/2005 years				
Class B - Planned - by Line Owners	50			
Class C - Unplanned - by Line Owners	50			
4 Proportion of Class C interruptions not restored within: ($=a/b*100$)				
3 Hours	25.3%			
a = number of interruptions restored within 3	21			
b = total number of Class C interruptions	83			
24 Hours	0			
a = number of interruptions restored within 24	0			
b = total number of Class C interruptions	83			

	2000	1999	1998	1997
5 (a) The total number of faults per 100 circuit kilometres of prescribed voltage electric line				
66kV	2	4	6	13
33kV	4	4	6	5
11kV	5	4	5	5
Total	4	4	6	11
(b) Target for 2000 / 2001 year				
66kV	2			
33kV	4			
11kV	4			
Total	4			
(c) Average Target for 2000 / 2001 to 2004 / 2005 years				
66kV	2			
33kV	4			
11kV	4			
Total	4			
6 The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line				
33kV	0	0	0	0
11kV	28	4	0	4
Total	28	4	0	4
7 The total number faults per 100 circuit kilometres of overhead prescribed voltage electric line				
66kV	0	0	6	13
33kV	4	4	6	5
11kV	5	4	5	5
Total	4	4	6	10
8 The SAIDI for the total number of interruption				
	156.47	244.4	384.23	435.9
9 SAIDI targets for 2000 / 2001				
Class B - Planned - by Line Owners	80			
Class C - Unplanned - by Line Owners	100			
10 Average SAIDI target for 2000 / 2001 to 2004 / 2005 years				
Class B - Planned - by Line Owners	70			
Class C - Unplanned - by Line Owners	90			
11 The SAIDI for the total number of interruptions within each interruption class				
Class A - Planned - by Transpower	0.64	0	13.13	0.1
Class B - Planned - by Line Owners	66.27	138	211.48	158.9
Class C - Unplanned - by Line Owners	86.94	103	133.29	240.2
Class D - Unplanned - by Transpower	0	3.4	25.19	36.7
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	2.62	0	1.07	0
Class G - Any other loss of supply	0	0	0.07	0
	156.47	244.4	384.23	435.9

WESTPOWER LIMITED - LINES BUSINESS

	2000	1999	1998	1997
12 The SAIFI for the total number of interruption	1.43	2.14	3.96	3.38
13 SAIFI target for 2000 / 2001				
Class B - Planned - by Line Owners	0.35			
Class C - Unplanned - by Line Owners	1.01			
14 Average SAIFI target for 2000 / 2001 to 2004 / 2005 years				
Class B - Planned - by Line Owners	0.3			
Class C - Unplanned - by Line Owners	0.91			
15 The SAIFI for the total number of interruptions within each interruption class				
Class A - Planned - by Transpower	0.02	0	0.01	0
Class B - Planned - by Line Owners	0.35	0.61	0.96	0.68
Class C - Unplanned - by Line Owners	0.97	1.45	1.99	1.84
Class D - Unplanned - by Transpower	0	0.08	0.97	0.86
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0.09	0	0.03	0
Class G - Any other loss of supply	0	0	0	0
	1.43	2.14	3.96	3.38
16 The CAIDI for the total number of interruption	117	113	95	129
17 CAIDI targets for 2000 / 2001				
Class B - Planned - by Line Owners	220			
Class C - Unplanned - by Line Owners	75			
18 Average CAIDI target for 2000 / 2001 to 2004 / 2005 years				
Class B - Planned - by Line Owners	200			
Class C - Unplanned - by Line Owners	65			
19 The CAIDI for the total number of interruptions within each interruption class				
Class A - Planned - by Transpower	32	0	130.25	40
Class B - Planned - by Line Owners	230	221	220.82	235.27
Class C - Unplanned - by Line Owners	67	84	66.85	130.35
Class D - Unplanned - by Transpower	27	41.75	26.03	42.67
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	35.67	0
Class G - Any other loss of supply	340	0	0	0

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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	2,358				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	2,358				
Interest on cash, bank balances, and short-term investments (IST)	75				
OSBIT minus IST	2,283	a	2,283		2,283
Net Surplus after tax from financial statements	882				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	882	n		882	
Amortisation of goodwill and amortisation of other intangibles	-	g	add	add	add
Subvention payment	-	s	add	add	add
Depreciation of SFA at BV (x)	1,512				
Depreciation of SFA at ODV (y)	1,512				
ODV depreciation adjustment	-	d	add	add	add
Subvention payment tax adjustment	-	s ^t	deduct	deduct	deduct
Interest tax shield	339	q			339
Revaluations	-	r			-
Income tax	373	p			(373)
Numerator			OSBIT ^a +g ^g +s ^s +d ^d	NSAT ⁿ +g ^g +s ^s +d ^d	BIT ⁿ +g ^g +s ^s +d ^d +q ^q -r ^r -p ^p
Fixed asset at end of previous year (FA ₀)	51,888				
Fixed assets at end of current financial year (FA ₁)	50,363				
Adjusted net working capital at end of previous financial year (ANWC ₀)	(2,419)				
Adjusted net working capital at end of current financial year (ANWC ₁)	(753)				
Average total funds employed (ATFE)	49,440	c	49,440		49,440

FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

t = maximum statutory income tax rate applying to corporate entities
bv = book value ave = average
odv = optimised deprival valuation
subscript '0' = end of previous financial year
subscript '1' = end of current financial year
ROF = return on funds
ROI = return on investment
ROE = return on equity



Audit New Zealand

REPORT OF THE AUDIT OFFICE TO THE READERS OF THE FINANCIAL STATEMENTS OF WESTPOWER LIMITED FOR THE YEAR ENDED 31 MARCH 2000

We have audited the accompanying financial statements of Westpower Limited on pages 1 to 14. The financial statements provide information about the past financial performance of Westpower Limited and its financial position as at 31 March 2000. This information is stated in accordance with the accounting policies set out on pages 1 to 3.

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 2000 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 1 to 14:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of Westpower Limited as at 31 March 2000 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 17 August 2000 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 20 and 21; and
- (b) the annual ODV reconciliation report in regulation 16A on page 11; and
- (c) the financial performance measures specified in clause 1 of Part 3 of the Schedule 1 on page 15; and
- (d) the financial components of the efficiency performance measures specified in clause 2 of Part 3 of that schedule 1 on page 15, -

that were prepared by Westpower Limited and dated 14 August 2000 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
17 August 2000