



New Zealand Gazette

OF THURSDAY, 17 AUGUST 2000

WELLINGTON: WEDNESDAY, 23 AUGUST 2000 — ISSUE NO. 105

NELSON ELECTRICITY LIMITED

INFORMATION FOR DISCLOSURE

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

NELSON ELECTRICITY LIMITED**Statement of Financial Performance for the 12 Months Ended 31 March 2000**

	Notes	2000 \$000	1999 \$000
<u>INCOME</u>			
Interest received		375	191
Network revenue		7,392	1,467
Other income		157	-
		<u>7,924</u>	<u>1,658</u>
<u>EXPENDITURE</u>			
Operations and maintenance		518	-
Transmission charges		2,795	-
Directors fees		35	16
Audit fees		27	9
Other administration		246	110
Interest expense		166	158
Depreciation		417	411
Amortisation of lease buy-out	7,11	919	-
		<u>5,123</u>	<u>704</u>
<u>SURPLUS BEFORE TAXATION</u>			
		2,801	954
Provision for Taxation	3	1,253	337
<u>SURPLUS AFTER TAXATION</u>			
		<u>1,548</u>	<u>617</u>

Statement of Movements in Equity for the Year Ended 31 March 2000

	2000 \$000	1999 \$000
<u>Equity at Beginning of Year</u>	4,532	6,163
<u>Surplus and Revaluations</u>		
Net Surplus for Period	1,548	617
Total Recognised Revenues and Expenses	<u>1,548</u>	<u>617</u>
<u>Other Movements</u>		
Distributions to Owners	(1,000)	(950)
Equity Adjustment for Removal of Metering Assets	-	(1,298)
Total Other Movements	<u>(1,000)</u>	<u>(2,248)</u>
<u>Equity at End of Year</u>	<u>5,080</u>	<u>4,532</u>

The Accompanying Notes form an Integral part of These Financial Statements

NELSON ELECTRICITY LIMITED**Statement of Financial Position as at 31 March 2000****EQUITY**

		2000 \$000	1999 \$000
Share Capital	5	3,702	3,702
Retained Earnings	6	1,378	830
		<u>5,080</u>	<u>4,532</u>

Represented by**CURRENT ASSETS**

Bank and Cash		1,754	2,001
Accounts Receivable		745	780
Tax Refund Due		-	476
Inventories		76	-
		<u>2,575</u>	<u>3,257</u>

CURRENT LIABILITIES

Creditors and accruals		498	129
Taxation payable		44	-
Current portion term debt	8	1,798	-
		<u>2,340</u>	<u>129</u>

Working Capital

235 3,128

NON CURRENT ASSETS

Lease buy-out	7	1,530	-
Fixed Assets	7	3,374	3,543
		<u>4,904</u>	<u>3,543</u>

NON CURRENT LIABILITIES

Deferred Taxation	4	59	344
Term Loans	8	-	1,795
		<u>59</u>	<u>2,139</u>
		<u>5,080</u>	<u>4,532</u>

NET ASSETS***The Accompanying Notes form an Integral part of These Financial Statements***

NELSON ELECTRICITY LIMITED**Statement of Cash Flows for the Year Ended 31 March 2000****CASH FLOWS FROM OPERATING ACTIVITIES**

	2000 \$000	1999 \$000
Cash was Provided From		
Receipts from Customers	7,433	1,238
Interest Received	302	168
	<u>7,735</u>	<u>1,406</u>
Cash was Applied to		
Payments to Suppliers	(3,208)	(89)
Interest Paid	(163)	(157)
Net GST Paid	28	(14)
Taxation Paid	(946)	(483)
	<u>(4,289)</u>	<u>(743)</u>
Net Cash Flow From Operating Activities	<u>3,446</u>	<u>663</u>

CASH FLOW FROM INVESTING ACTIVITIES

Cash was Provided From		
Proceeds From Sale of Fixed Assets	13	-
Cash was Applied to		
Buy-Out of Network Lease	(2,449)	-
Purchase of Fixed Assets	(257)	(151)
Net Cash Flow From Investing Activities	<u>(2,693)</u>	<u>(151)</u>

CASH FLOW FROM FINANCING ACTIVITIES

Cash was Applied to		
Payment of Dividends	(1,000)	(950)
Net Cash Flow From Financing Activities	<u>(1,000)</u>	<u>(950)</u>
Net Increase in Cash Held	<u>(247)</u>	<u>(438)</u>
Opening Cash Brought Forward	<u>2,001</u>	<u>2,439</u>
Cash Balance at End of Year	<u>1,754</u>	<u>2,001</u>

Reconciliation of Surplus After Taxation With Cash Flow From Operating Activities

Net Surplus After Taxation	1,548	617
Add/(Less) Non Cash Items		
Depreciation	417	411
Amortisation of Loan Interest	3	1
Amortisation of Lease Buy-out	919	-
Movement in Deferred Taxation	(285)	257
	<u>1,054</u>	<u>669</u>
Add/(Less) Movements in Working Capital		
(Increase)/Decrease in Receivables	35	(182)
(Increase)/Decrease in Inventories	(76)	-
Increase/(Decrease) in Creditors and Accruals	369	(3)
Increase/(Decrease) in Taxation	520	(476)
	<u>848</u>	<u>(661)</u>
Add Capital Expenditure in Creditors	(4)	38
Net cash Flow from Operating Activities	<u>3,446</u>	<u>663</u>

NELSON ELECTRICITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year to 31 March 2000**Statement of Accounting Policies****1. Entity Statement**

Nelson Electricity Limited is a public company registered under the Companies Act 1993 and a reporting entity for the purposes of the Financial reporting Act 1993.

Nelson Electricity owns the electricity distribution network which serves the central Nelson City area. The distribution network assets were leased to Citipower Ltd between December 1991 and March 1999. As a result of restructuring required in accord with the Energy Industry Reform Act the lease was terminated on 1 April 1999.

2. Accounting Policies**2.1 Authority**

These financial statements have been prepared for the sole purpose of complying with the requirements of Regulation 6 of the Electricity (Information Disclosure) Regulations 1999 and amendments to those regulations. The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historic cost basis have been followed in the preparation of these financial statements.

2.2 Measurement Base

Reliance has been placed on the fact that Nelson Electricity Limited remains a going concern and that its funds will continue to be available to maintain operations. The measurement base adopted is that of historical cost.

2.3 Matching of Expenses and Revenue

Accrual accounting has been employed in matching expenses and related revenue.

2.4 Depreciation

depreciation has been provided on all major assets, excluding land, at the following rates.

Buildings	2% SL
Distribution System	4% SL
Plant and Equipment	14.4% - 48% SL

2.5 Taxation

The Company follows the liability method of accounting for deferred taxation and applies this on the comprehensive basis. A debit balance in the deferred taxation account arising from timing differences is recognised only where there is virtual certainty of realisation.

2.6 Financial Instruments

The company is party to financial instruments as part of its every day operations. These financial instruments include cash and bank deposits, accounts receivable and payable, and loans which have been recognised in the financial statements.

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

The following methods and assumptions are used to value each class of financial instrument.

- Debtors are recorded at expected realisable value.
- Investments are recorded at the lower of cost or market value.
- All other financial instruments are recognised at their fair value.

2.7 Fixed Assets

Land is stated at cost, all other assets are stated at cost less accumulated depreciation.

2.8 Lease Buy-out Amortisation

The cost of buying out the unexpired portion of the network lease held by Citipower Ltd has been capitalised in Nelson Electricity's financial records. This cost will be amortised over the period which the lease would have run.

2.9 Network Revenue

The Company's principal source of revenue arises from the supply of network services to electricity traders who trade across the network. Terms and conditions for supply of these services are provided for in "use of system" agreements signed with the electricity retailers.

2.10 Employee Entitlements

Employee entitlements to salary and wages and leave are recognised when they accrue to employees.

2.11 Changes in Accounting Policies

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

Revenue and expenditure streams and asset values relating to metering have been removed from these accounts in accord with the requirements of the Disclosure Regulations.

NELSON ELECTRICITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2000****3. Taxation**

	2000 \$000	1999 \$000
Surplus Before Taxation	2,801	954
Taxation @ 33 %	924	315
Under Provision from Prior Year	10	-
Timing Differences	319	22
Tax Expense as per Statement of financial Performance	1,253	337
<i>Comprising:</i>		
Current Taxation	968	80
Deferred Taxation	285	257
	1,253	337

4. Deferred Taxation

Balance 1 April	344	87
Deferred Tax Prior Period	-	190
Deferred Tax Current Period	(285)	67
Balance 31 March	59	344

5. Share Capital

Authorised Issued and Paid up Share Capital	3,702	3,702
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6. Retained Earnings

Opening Balance 1 April	830	1,163
Net Surplus for Year	1,548	617
Dividends Paid	(1,000)	(950)
Closing Balance 31 March	1,378	830

7. Fixed Assets

	2000 \$000	1999 \$000
Land (at cost)	15	15
Buildings (at cost)	175	144
Accumulated Depreciation	65	62
Book Value	110	82
Distribution System	9,352	9,298
Accumulated Depreciation	6,225	5,852
Book Value	3,127	3,446
Plant and Equipment	103	-
Accumulated Depreciation	41	-
Book Value	62	-
Capital Work in Progress	60	-
Total Fixed Assets	3,374	3,543

The most recent Optimised Deprival Valuation undertaken in respect of the Nelson Electricity Ltd network system assets was dated 31 March 1999 and the total value recorded was \$14.541m.

The following Government valuations for land and buildings as at 30 Sept 1997 are considered by the Directors to be an indication of fair value.

Land	\$428,000
Buildings	\$105,000

Investment in Lease Buy-Out

Cost (see note 11)	\$2,448,888
Less amortisation	\$918,998
Capitalised Lease Buy-out Costs as at 31 March 2000	\$1,529,890

NELSON ELECTRICITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2000**

8. Term Loans	2000	1999
	\$000	\$000
Reserve Bank Loan (Interest Rate 8.7 %)	1,798	1,795
Unsecured		
Repayable 15 February 2001	1,798	1,795

9. Related Party Transactions

Network Tasman Limited owns 50% of the shares in Nelson Electricity Limited and has in the past year provided management and administrative services at fair consideration to Nelson Electricity Limited. Marlborough Lines Limited owns 50% of the shares in Nelson Electricity Limited and has in the past year provided management and administrative services at fair consideration to Nelson Electricity Limited.

As at 31 March 2000 provision had been made to pay the following amounts to the shareholding companies.

	\$
Marlborough Lines Ltd	15,000
Network Tasman Ltd	5,000

There are no other related party disclosures required under Regulation 9 of the Electricity (Information Disclosure) Regulations 1999.

10. Events Subsequent to Balance Date

There were no events subsequent to balance date requiring notification in these financial statements.

11. Industry Restructuring

As a result of agreement reached on 1 April 1999 between Nelson Electricity Ltd, Trans Alta Ltd and Citipower Ltd the Nelson Electricity Network lease in favour of Citipower was terminated on that date.

The initial payments to buy out the lease were made on Nelson Electricity's behalf by its two shareholders, Marlborough Lines Ltd and Network Tasman Ltd. The two shareholding companies were required to make these payments in order that the payments could be offset against an early lease termination clawback in favour of the Nelson City Council. The clawback arrangement was further offset by other consulting and legal costs incurred in the buy-out negotiation process.

On 1 April 1999 Nelson Electricity Ltd entered into a Deed of Indemnity with its two shareholding companies to provide for the reimbursement of sums expended by the shareholding companies in effecting the buy-out of the network lease. This resulted in payments to the shareholders (net of GST) as follows:

	\$
Marlborough Lines Ltd	1,234,096
Network Tasman Ltd	1,214,792
Total	<u>2,448,888</u>

Further to the Deed of Arrangement entered into between Nelson Electricity Ltd, Citipower Ltd and Trans Alta Ltd on 1 April 1999, the electricity supply (retail) business was sold on 31 May 1999 to Trustpower Ltd thus completing compliance requirements with the Electricity Industry Reform Act.

Schedule 4 Part 8**Annual Valuation Reconciliation Report for Year ending 31 March 2000**

	\$000
System Fixed Assets at ODV at 31 March 1999	14,541
<i>Add</i> System Fixed Acquired During the Year at ODV	208
<i>Less</i> System Fixed Assets Disposed off During the Year at ODV	-
<i>Less</i> Depreciation on System Fixed Assets	(534)
<i>Add</i> Revaluations of System Fixed Assets	-
<i>Equals</i> System Fixed Assets at ODV at 31 March 2000	14,215

Statement of Financial Position Disclosure (Schedule 1, Part 2)

para		2000 \$000	1999 \$000
1	Current assets		
(a)	Cash and bank balances:	46	53
(b)	Short-term investments:	1,708	1,948
(c)	Inventories:	76	-
(d)	Accounts receivable:	745	780
(e)	Other current assets not listed in (a) to (d):	-	476
(f)	Total current assets	2,575	3,257
2	Fixed assets		
(a)	System fixed assets:	3,127	3,446
(b)	Consumer billing and information system assets:	-	-
(c)	Motor Vehicles	-	-
(d)	Office Equipment	62	-
(e)	Land and buildings:	125	97
(f)	Capital works under construction:	60	-
(g)	Other fixed assets not listed in (a) to (f):	1,530	-
(h)	Total fixed assets	4,904	3,543
3	Other tangible assets not listed above	-	-
4	Total tangible assets	7,479	6,800
5	Intangible assets		
(a)	Goodwill:	-	-
(b)	Other intangibles not listed in (a) above:	-	-
(c)	Total intangible assets	-	-
6	Total assets	7,479	6,800
7	Current liabilities		
(a)	Bank overdraft:	-	-
(b)	Short-term borrowings:	1,798	-
(c)	Payables and accruals:	481	129
(d)	Provision for dividends payable:	-	-
(e)	Provision for income tax:	44	-
(f)	Other current liabilities not listed in (a) to (e) above:	17	344
(g)	Total current liabilities	2,340	473
8	Non-current liabilities		
(a)	Payables and accruals:	-	-
(b)	Borrowings:	-	1,795
(c)	Deferred tax:	59	-
(d)	Other non-current liabilities not listed in (a) to (c) above:	-	-
(e)	Total non-current liabilities	59	1,795
9	Equity		
(a)	Shareholders' equity:		
(i)	Share capital:	3,702	3,702
(ii)	Retained earnings:	88	830
(iii)	Reserves:	1,290	-
(iv)	Total Shareholders' equity:	5,080	4,532
(b)	Minority interests in subsidiaries:	-	-
(c)	Total equity:	5,080	4,532
(d)	Capital notes:	-	-
(e)	Total capital funds:	5,080	4,532
10	Total equity and liabilities	7,479	6,800

Operating Revenue (Schedule 1, Part 2)		2000 \$000	1999 \$000
para 11	11 Operating revenue		
(a)	(a) Revenue from line/access charges:	7,392	1,467
(b)	(b) Revenue from "Other" business for services carried out by the line business (transfer payment):	-	-
(c)	(c) Interest on cash, bank balances and short term investments:	375	191
(e)	(d) AC loss-rental rebates:	152	-
(f)	(e) Other revenue not listed in (a) to (d):	5	-
(g)	Total operating revenue	7,924	1,658
Expenditure (Schedule 1, Part 2)		2000 \$000	1999 \$000
para 12	12 Operating expenditure		
(a)	Payment for transmission charges	2,795	-
(b)	Transfer payments to the "Other" business for:		
(i)	Asset maintenance:	-	-
(ii)	Consumer disconnection/reconnection services:	-	-
(iii)	Meter data:	-	-
(iv)	Consumer-based load control services:	-	-
(v)	Royalty and patent expenses:	-	-
(vi)	Avoided transmission charges on account of own generation	-	-
(vii)	Other goods and services not listed in (i) to (vi) above	-	-
(viii)	Total transfer payment to the "Other" business	-	-
(c)	Expense to entities that are not related parties for:		
(i)	Asset maintenance:	336	-
(ii)	Consumer disconnection/reconnection services	-	-
(iii)	Meter data	-	-
(iv)	Consumer-based load control services	-	-
(v)	Royalty and patent expenses	-	-
(vi)	Total of specified expenses to non-related parties (sum of (i) to (v))	336	-
(d)	Employee salaries, wages and redundancies	182	-
(e)	Consumer billing and information system expense	-	-
(f)	Depreciation on:		
(i)	System fixed assets:	375	411
(ii)	Other assets not listed in (i)	42	-
(iii)	Total depreciation	417	411
(g)	Amortisation of:		
(i)	Goodwill:	-	-
(ii)	Other intangibles:	919	-
(iii)	Total amortisation of intangibles	919	-
(h)	Corporate and administration:	199	54
(i)	Human resource expenses:	-	-
(j)	Marketing/advertising:	-	-
(k)	Merger and acquisition expenses:	-	-
(l)	Takeover defence expenses:	-	-
(m)	Research and development expenses:	-	-
(n)	Consultancy and legal expenses:	39	81
(o)	Donations:	-	-
(p)	Directors' fees:	35	-
(q)	Auditors' fees:		
(i)	Audit fees paid to principal auditors:	15	-
(ii)	Audit fees paid to other auditors:	-	-
(iii)	Fees paid for other services provided by principal and other auditors:	12	-
(iv)	Total auditors' fees:	27	-
(r)	Costs of offering credit:		
(i)	Bad debts written off:	-	-
(ii)	Increase in estimated doubtful debts:	-	-
(iii)	Total cost of offering credit:	-	-
(s)	Local authority rates expense:	8	-
(t)	AC loss-rentals (distribution to retailers/customers) expense:	-	-
(u)	Rebates to consumers due to ownership interest:	-	-
(v)	Subvention payments:	-	-
(w)	Unusual expenses:	-	-
(x)	Other expenditure not listed in (a) to (w)	-	-
13	Total operating expenditure	4,957	546
14	Operating surplus before interest and income tax	2,967	1,112
15	Interest expense		
(a)	Interest expense on borrowings	166	158
(b)	Financing charges related to finance leases	-	-
(c)	Other interest expense	-	-
(d)	Total interest expense	166	158
16	Operating surplus before income tax	2,801	954
17	Income tax	1,253	337
18	Net surplus after tax	1,548	617

NELSON ELECTRICITY LIMITED
PERFORMANCE MEASURES
PREPARED IN ACCORDANCE WITH THE
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999
and AMENDMENT REGULATIONS 2000

1 Financial Performance Measures

note The Electricity conveyed through the system on behalf of retailers includes an estimate of usage due to lack of reliable data from retailers, the statistics including loss factors relating to this information should be read with caution.

	2000	1999	1998	1997
(a) Return on Funds	16.1%	5.1%	8.4%	9.4%
(b) Return on Equity	8.8%	3.2%	5.5%	6.2%
(c) Return on Investment	7.4%	3.3%	34.2%	8.4%

2 Efficiency Performance Measures

(a) Direct Line Costs per Kilometre	\$1,909	\$3,406	\$1,594	\$4,386
(b) Indirect line costs per Consumer	\$152	\$22	\$45	\$413

1 Energy Delivery Efficiency Performance Measures

(a) Load Factor	59.4%	58.9%	57.7%	58.1%
(b) Loss Ratio	4.6%	5.0%	5.0%	5.0%
(c) Capacity Utilisation	39.1%	39.0%	40.0%	38.3%

2 Statistics

(a) System Length Break Down in Kilometres

33kV	21	21	23	23
11kV	74	75	79	79
LV	144	142	116	115
Total	239	238	218	217

(b) Circuit Length of Overhead System in Kilometres

33kV	11	11	13	13
11kV	8	10	11	11
LV	25	22	27	27
Total	44	43	50	51

(c) Circuit Length of Underground System in Kilometres

33kV	10	10	10	10
11kV	66	65	68	68
LV	119	121	89	88
Total	195	196	167	166

(d) Transformer Capacity in kVA

72,270	72,270	70,470	72,520
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(e) Maximum demand in kW

28,225	28,185	28,185	28,095
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(f) Total Electricity supplied from the System in kWh

147,146,156	145,416,396	142,458,214	142,529,169
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(g) Total Electricity Conveyed through the System on behalf of each generator and retailer in kWh

Retailer A	109,650,064	145,416,396	142,458,214	142,529,169
Retailer B	4,363,289			
Retailer C	1,750,965			
Retailer D	416,420			
Retailer E	24,197,830			

(h) Total Consumers

8,476	8,461	8,341	8,359
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Reliability Performance Measures

1 Number of interruption by class

Class Description	2000	1999	1998	1997
	number of interruptions			
A Transpower Planned	0	0	0	0
B Nelson Electricity Planned	22	41	35	16
C Nelson Electricity Unplanned	8	4	8	7
D Transpower Unplanned	0	1	2	0
E ECNZ Unplanned	0	0	0	0
F Other Generation	0	0	0	0
G Unplanned	0	0	0	0
Total	30	46	45	23

2 Interruption Targets for the following financial year

Class Description	2001
	number of interruptions
(a) B Nelson Electricity Planned	25
(b) C Nelson Electricity Unplanned	8

3 Average interruption targets for the subsequent four years

Class Description	2002	2003	2004	2005
	number of interruptions			
(a) B Nelson Electricity Planned	25	25	25	25
(b) C Nelson Electricity Unplanned	8	8	8	8

4 Percentage of Class C interruptions not restored within-

	2000
	% of total class interruptions
(a) Three hours	12.5%
(b) 24 hours	0.0%

5 Faults (Class C) per 100 kilometres

Voltage	2000	1999	1998	1997
(a) Total number of faults per 100 km				
33 kV	9.7	4.8	8.7	4.4
11kV	8.1	4.0	10.1	7.6
Total	8.4	1.7	3.7	3.2

(b) Total number of faults per 100 km following year

Voltage	2001
33 kV	4.0
11kV	4.0
Total	3.8

(c) Total number of faults per 100 km following years

Voltage	2002	2003	2004	2005
33 kV	4.0	4.0	4.0	4.0
11kV	4.0	4.0	4.0	4.0
Total	3.8	3.8	3.8	3.8

6 Faults (Class C) per 100 kilometres underground

Voltage	2000	1999	1998	1997
33 kV	10.3	4.6	10.0	0.0
11kV	6.1	0.0	7.4	5.9
Total	6.6	4.0	7.7	5.1

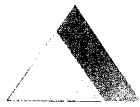
7 Faults (Class C) per 100 kilometres overhead

Voltage	2000	1999	1998	1997
33 kV	9.1	0.0	7.7	10.1
11kV	24.5	9.1	27.3	17.9
Total	15.6	4.8	16.7	14.2

8	SAIDI	2000	1999	1998	1997
	Customer Minutes	77	56	94	28
9	SAIDI target				2001
(a)	Class B				15
(b)	Class C				25
10	SAIDI target	2002	2003	2004	2005
(a)	Class B	15	15	10	10
(b)	Class C	25	25	20	20
11	SAIDI per interruption class	2000	1999	1998	1997
	Class Description		customer minutes		
	A Transpower Planned	0	0	0	0
	B Nelson Electricity Planned	16	29	29	3
	C Nelson Electricity Unplanned	60	22	22	25
	D Transpower Unplanned	0	6	43	0
	E ECNZ Unplanned	0	0	0	0
	F Other Generation	0	0	0	0
	G Other	0	0	0	0
	Total	77	57	94	28
12	SAIFI	2000	1999	1998	1997
	Total Interruptions	1.30	1.33	1.93	0.82
13	SAIFI target				2001
(a)	Class B Planned				0.30
(b)	Class C Unplanned				0.60
14	SAIFI target	2002	2003	2004	2005
(a)	Class B Planned	0.30	0.30	0.30	0.3
(b)	Class C Unplanned	0.60	0.60	0.60	0.6
15	SAIFI per interruption class	2000	1999	1998	1997
	Class Description		customer minutes		
	A Transpower Planned	0.00	0.00	0.00	0.00
	B Nelson Electricity Planned	0.09	0.19	0.20	0.01
	C Nelson Electricity Unplanned	1.21	0.74	0.33	0.81
	D Transpower Unplanned	0.00	0.41	1.40	0.00
	E ECNZ Unplanned	0.00	0.00	0.00	0.00
	F Other Generation	0.00	0.00	0.00	0.00
	G Other	0.00	0.00	0.00	0.00
	Total	1.30	1.34	1.93	0.82
16	CAIDI	2000	1999	1998	1997
	Customer minutes	58.7	41.9	49.1	273.5
17	CAIDI target				2001
(a)	Class B Planned				50.0
(b)	Class C Unplanned				41.7
18	CAIDI target	2002	2003	2004	2005
(a)	Class B Planned	50.0	50.0	33.3	33.3
(b)	Class C Unplanned	41.7	41.7	33.3	33.3
19	CAIDI per interruption class	2000	1999	1998	1997
	Class Description		customer minutes		
	A Transpower Planned	0.0	0.0	0.0	0.0
	B Nelson Electricity Planned	173.2	152.8	146.9	192.5
	C Nelson Electricity Unplanned	49.8	29.1	68.0	31.0
	D Transpower Unplanned	0.0	14.0	80.9	0.0
	E ECNZ Unplanned	0.0	0.0	0.0	0.0
	F Other Generation	0.0	0.0	0.0	0.0
	G Other	0.0	0.0	0.0	0.0

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	2,967				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	2,967				
Interest on cash, bank balances, and short-term investments (ISTI)	375				
OSBIT minus ISTI	2,592	a	2,592		2,592
Net surplus after tax from financial statements	1,548				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	1,548	n		1,548	
Amortisation of goodwill and amortisation of other intangibles	-	g	add 0	add 0	add 0
Subvention payment	-	s	add 0	add 0	add 0
Depreciation of SFA at BV (x)	375				
Depreciation of SFA at ODV (y)	534				
ODV depreciation adjustment	(159)	d	add -159	add -159	add -159
Subvention payment tax adjustment	-	s*t		deduct 0	deduct 0
Interest tax shield	55	q			deduct 55
Revaluations	-	r			add 0
Income tax	1,253	p			deduct 1,253
Numerator			2,433	1,389	1,125
			OSBIT ^{ADJ} = a + g + s + d NSAT ^{ADJ} = n + g + s - s*t + d TFE ^{ADJ} = a + g - q + r + s + d - p - s*t		
Fixed assets at end of previous financial year (FA ₀)	3,543				
Fixed assets at end of current financial year (FA ₁)	4,904				
Adjusted net working capital at end of previous financial year (ANWC ₀)	1,127				
Adjusted net working capital at end of current financial year (ANWC ₁)	(1,475)				
Average total funds employed (ATFE)	4,050 (or regulation 33 time-weighted average)	c	4,050		4,050
Total equity at end of previous financial year (TE ₀)	4,532				
Total equity at end of current financial year (TE ₁)	5,080				
Average total equity	4,806 (or regulation 33 time-weighted average)	k		4,806	
WUC at end of previous financial year (WUC ₀)	-				
WUC at end of current financial year (WUC ₁)	60				
Average total works under construction	30 (or regulation 33 time-weighted average)	e	deduct 30	deduct 30	deduct 30
Revaluations	-	r			
Half of revaluations	-	r/2			deduct 0
Intangible assets at end of previous financial year (IA ₀)	-				
Intangible assets at end of current financial year (IA ₁)	-				
Average total intangible asset	- (or regulation 33 time-weighted average)	m		add 0	
Subvention payment at end of previous financial year (S ₀)	-				
Subvention payment at end of current financial year (S ₁)	-				
Subvention payment tax adjustment at end of previous financial year	-				
Subvention payment tax adjustment at end of current financial year	-				
Average subvention payment & related tax adjustment	-	v		add 0	
System fixed assets at end of previous financial year at book value (SFA _{bv0})	3,446				
System fixed assets at end of current financial year at book value (SFA _{bv1})	3,127				
Average value of system fixed assets at book value	3,287 (or regulation 33 time-weighted average)	f	deduct 3,287	deduct 3,287	deduct 3,287
System Fixed assets at year beginning at ODV value (SFA _{odv0})	14,541				
System Fixed assets at end of current financial year at ODV value (SFA _{odv1})	14,215				
Average value of system fixed assets at ODV value	14,378 (or regulation 33 time-weighted average)	h	add 14,378	add 14,378	add 14,378
Denominator			15,111	15,867	15,111
			ATFE ^{ADJ} = c - e - f + h TFE ^{ADJ} = k - e - m + v - f + h TFE ^{ADJ} = c - e - ½r - f + h		
Financial Performance Measure:			16.1	8.8	7.4
			ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100 ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100 ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100		



Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF NELSON ELECTRICITY LIMITED FOR THE YEAR ENDED 31 MARCH 2000

We have audited the financial statements of Nelson Electricity Limited on pages 1 to 8. The financial statements provide information about the past financial performance of Nelson Electricity Limited and its financial position as at 31 March 2000. This information is stated in accordance with the accounting policies set out on page 4.

Directors' Responsibilities

The Electricity (Information Disclosure) Regulations 1999 require the Directors to prepare financial statements which give a true and fair view of the financial position of Nelson Electricity 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 K J Boddy of Audit New Zealand to undertake the audit.

Basis of Opinion

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

- the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Nelson Electricity Limited's circumstances, consistently applied and adequately disclosed.

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

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

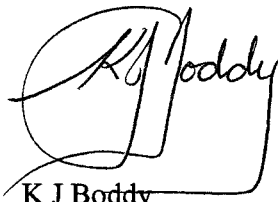
Unqualified Opinion

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

In our opinion:

- proper accounting records have been maintained by Nelson Electricity Limited as far as appears from our examination of those records; and
- the financial statements on pages 1 to 8 -
 - a) comply with generally accepted accounting practice; and
 - b) give a true and fair view of the financial position of Nelson Electricity Limited as at 31 March 2000 and the results of its operations and cash flows for the year then ended; and
 - c) comply with the Electricity (Information Disclosure) Regulations 1999.

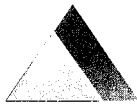
Our audit was completed on 8 August 2000 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'K J Boddy', enclosed within a large, stylized circular loop.

K J Boddy

Audit New Zealand

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



Audit New Zealand

AUDIT OFFICE OPINION
ON THE PERFORMANCE MEASURES OF NELSON ELECTRICITY LIMITED

We have examined the information on pages 6, 9 and 10, 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 Nelson Electricity Limited and dated 7 August 2000 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.

K J Boddy
Audit New Zealand
On behalf of the Controller & Auditor-General
Christchurch, New Zealand
8 August 2000

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

We, Kenneth John Forrest and Geoffrey John Hoare, principals of Nelson Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-

- (a) The attached audited financial statements of Nelson Electricity Limited prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999 and Amendment Regulations 2000 comply with the requirements of those regulations; and
- (b) The attached information, being from the derivation table, financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Nelson Electricity Limited, and having been prepared for the purposes of regulations 15, 16, 21, and 22 of the Electricity (Information Disclosure) Regulations 1999 and Amendment Regulations 2000, comply with the requirements of those regulations.

The valuations on which those financial performance figures are based as at 31 March 2000.

Dated this 7 August 2000.



Director



Company Secretary