



New Zealand Gazette

OF THURSDAY, 17 AUGUST 2000

WELLINGTON: WEDNESDAY, 23 AUGUST 2000 — ISSUE NO. 103

CENTRALINES LIMITED

INFORMATION FOR DISCLOSURE

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



CENTRALINES

LIMITED

P.O. Box 59, Waipukurau
Telephone 06 858 7770
Facsimile 06 858 6601
<http://www.centralines.co.nz>
email centralines@centralines.co.nz

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

**WE, George Anthony John Knobloch, of Kippo, R D 1 Waipawa
AND
John Rutledge Kyle, of Rapaki, R D Waipukurau**

being directors of Centralines Limited certify that, having made all reasonable enquiry, to the best of our knowledge,

- (a) The attached audited financial statements of Centralines Limited prepared for the purposes Of Regulation 6 of the Electricity (Information Disclosure) Amendment Regulations 2000 and subsequent amendments 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 Centralines Limited and having been prepared for the purposes of Regulations 15, 16, 21 and 22 of the Electricity (Information Disclosure) Regulations 1999 and subsequent amendments, comply with the requirements of those Regulations.

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


.....
G A J Knobloch
Director


.....
Date


.....
J R Kyle
Director


.....
Date



Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF CENTRALINES LIMITED (CENTRALINES) FOR THE YEAR ENDED 31 MARCH 2000

We have audited the financial statements of Centralines on pages 7 to 22. The financial statements provide information about the past financial performance of Centralines and its financial position as at 31 March 2000. This information is stated in accordance with the accounting policies set out on pages 11 to 13.

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 Centralines as at 31 March 2000, 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 V F Sears, 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 Centralines 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 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 Centralines.

Unqualified opinion

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

In our opinion:

- ▲ proper accounting records have been kept by Centralines as far as appears from our examination of those records *and*
- ▲ the financial statements on pages 7 to 22:
 - comply with generally accepted accounting practice *and*
 - give a true and fair view of the financial position of Centralines as at 31 March 2000 and the results of its operations and cash flows for the year ended on that date; *and*
 - comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 2 August 2000 and our unqualified opinion is expressed as at that date.



V F Sears
Audit New Zealand
On behalf of the Controller and Auditor-General
Palmerston North, New Zealand



**FINANCIAL STATEMENTS
PERFORMANCE MEASURES AND STATISTICS**

FOR THE PERIOD ENDING 31 MARCH 2000

IMPORTANT NOTE:

The Electricity (Information Disclosure) Amendment Regulations 2000 forms part of the “lighthanded” regulatory regime introduced following deregulation of the Electricity Industry.

The Regulations required a Network Business to publicly disclose in the Gazette and have available on Request a variety of information. Included in this disclosure are the Financial, Reliability and Efficiency Performance Measures and Statistics.

The information has been prepared solely for the purpose of complying with the Electricity (Information Disclosure) Amendment Regulations 2000 and is not intended for any other purpose.

Pricing and terms are as at the date of disclosure indicated, and are not a quote or estimate for rates or terms that may apply in the future.

The Regulations require the information to be disclosed in the manner it is presented.

Centralines Limited - Line Business**Statement of Financial Position
As at 31 March 2000**

As required under the Electricity (Information Disclosure) Regulations 1999
And subsequent amendments

Clause 6

	Note	2000 \$000	1999 \$000
Equity	4	32,949	31,181
Current Liabilities:			
ANZ Banking Group			-
Creditors	5	538	1,223
Long Term Debt		-	-
Total Liabilities		538	1,223
Total Shareholder's Funds and Liabilities		33,487	32,404
Current Assets			
Cash and Bank		930	211
Debtors and Prepayments	6	1,099	34
Inventories	7	447	392
Investments – Short Term	9	232	2,990
Provision for Taxation		-	-
Total Current Assets		2,708	3,627
Fixed Assets	8	28,590	27,950
Investments	9	1,890	91
Future Tax Benefits – deferred taxation	3	299	736
Total Non-Current Assets		30,779	28,777
Total Tangible Assets		33,487	32,404
Goodwill		-	-
Total Tangible Assets		-	-
Total Assets		33,487	32,404

The accompanying notes and accounting policies form part of these financial statements

Centralines Limited - Line Business**Statement of Movements in Equity
For the year ended 31 March 2000**

As required under the Electricity (Information Disclosure) Regulations 1999
And subsequent amendments

	2000 \$000	1999 \$000
Equity as at 1 April 1999	31,181	29,531
Net Surplus for Period	1,151	1,185
Total Recognised Revenue and Expenditure	32,332	30,716
Dividends Paid to Trust	(50)	(50)
Re-allocation of Equity (Note)	667	515
Equity as at 31 March 2000	32,949	31,181

Note:

Previous equity was allocated between the Line Business and Energy and other Activities. As a consequence of the Electricity (Information Disclosure) Regulations 1999 equity is now recognised 100% in the Line Business

The accompanying notes and accounting policies form part of these financial statements

Centralines Limited – Line Business**Statement of Financial Performance
For the period ending 31 March 2000**

As required under the Electricity (Information Disclosure) Regulations 1999
And subsequent amendments

	Note	2000 \$000	1999 \$000
Total Operating Revenue	1	5,723	4,813
Operating Surplus Before Tax	2	1,588	217
Taxation Expense	3	(437)	968
Net Surplus/(Deficit) After Tax		1,151	1,185

The accompanying notes and accounting policies form part of these financial statements

Centralines Limited – Line Business**Statement of Cash Flows
For the year ended 31 March 2000**

As required under the Electricity (Information Disclosure) Regulations 1999
And subsequent amendments

	Note	2000 \$000	1999 \$000
Cash Flows from Operating Activities			
Cash was Provided From:			
Receipts from Customers		4,658	6,096
Tax Refund Received		75	90
Interest		4,733	6,186
Cash was Applied to:			
Payments to Suppliers		3,744	2,630
Payments to Employees		403	434
Interest Paid		36	23
GST Paid		4,183	3,087
Net Cash Flow from Operating Activities	10	550	3,099
Cash Flows from Investing Activities			
Cash was Provided from:			
Realisation of Assets		667	
Sale of Term Assets		2,990	224
Investments Withdrawn			7,964
		3,657	8,188
Cash was Applied to:			
Purchase of Term Assets		1,408	486
Investment Established		2,030	10,540
		3,438	11,026
Net Cash Flows from Investing Activities		219	(2,838)
Cash Flows from Financial Activities			
Cash was Applied to			
Dividends Paid/Advances		50	50
Net Cash Flows from Financing Activities		(50)	(50)
Cash Surplus (Deficit) for Period		719	211
Opening Cash Balance		211	(-)
Closing Cash Balance		930	211

The accompanying notes and accounting policies form part of these financial statements.

Centralines Limited – Line Business**Notes to Financial Statements****Statement of Accounting Policies
For the period ended 31 March 2000****Entity Statement***Electricity Distribution*

The Company's core business is the conveying of electricity from the national power grid throughout Central Hawke's Bay by its electricity network. It includes the ownership and operation of the electricity network and its associated assets. It charges energy retailers for this service.

The Company will undertake this activity in a manner consistent with:

- The safe and effective utilisation of our physical assets and human resources.
- The prudent management of our business risks.

Statutory Base

The Company is a limited liability company registered under the provisions of the Companies Act 1993 and the Energy Companies Act 1992. The Company has 8,000,000 shares vested in the CHB Consumer's Power Trust on 1 June 1993.

The Financial Statements are prepared in accordance with Regulations 6 (2) of the Electricity (Information Disclosure) Regulations 1999.

Measurement Base

Accounting policies used in the preparation of these financial statements are set out below. The historical cost method, as modified by the revaluation of certain assets, has been followed.

The principles of going concern, accrual and periodic reporting have been used as the underlying basis of the reports, as defined by the Statement of Concepts issued by the Institute of Chartered Accountants of New Zealand.

Employee Entitlements

Provision is made in respect of the Company's liability for annual leave, standby leave, long service leave, retiring gratuities and redundancies. All have been calculated on the actual entitlement at balance date at the applicable rate stated in individual contracts, except for retiring gratuities which have been calculated on the basis of entitlement likely to be paid which is based on historical data at balance date.

Inventories

Inventories are stated at the lower of cost (calculated on an average cost basis) or estimated realisable value. This valuation includes an adjustment for slow moving and obsolete inventories. Work in Progress has been valued at cost.

Financial Instruments

The Company was party to financial instrument arrangements as part of its every day operations, including instruments which have been recognised in these financial reports. Revenues and Expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

All financial instruments, including cash and bank, and accounts payable are recognised at their fair values. The Company has not entered into any off-balance sheet instruments. The following methods and assumptions were used to value each class of financial instrument.

Centralines Limited – Line Business

Investments:	The basis of valuing investments is cost apart from fixed interest investments which are adjusted for loss or gain on maturity over the life of the investments.
Accounts Receivable:	Accounts receivable are stated at expected realisable value after providing for doubtful and uncollectable debts.

Fixed Assets

Land & Buildings

Land is valued at cost. Buildings are valued at cost less depreciation.

Vehicles, Plant, Furniture and Fittings

The value of motor vehicles, plant, furniture and fittings are at cost less depreciation.

Distribution Assets

Distribution assets are stated at Optimised Deprival Value (ODV) as valued by KPMG on 31 March 1999, plus subsequent additions at cost.

Depreciation

Depreciation is charged on a straight line basis so as to work off the cost or valuation of the fixed assets in their estimated residual value over their expected useful lives. The useful lives of major classes of assets have been estimated as follows:

Buildings	50 – 100 years	(1.2%)
Globo Distribution Assets	40 years	(2.5%)
Motor Vehicles	5 years	(20%)
Plant & Equipment	5 years	(20%)
Tools	5 years	(20%)
Office Furniture & Fittings	5 – 15 years	(6.5%-20%)

Taxation

The income tax expense charged against the profit for the period 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 tax.

The Company uses the liability method of accounting for deferred taxation. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation. Future tax benefits have been allocated to the Lines Business.

Goods and Services Taxation

The Financial Statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

Cash Flow Statement

The following definitions have been used for the preparation of the Statement of Cash Flow:

Cash

Cash and investments which are at call.

Operating Activities

Transactions and other events that are not investing or financing activities.

Centralines Limited – Line Business*Investing Activities*

Activities relating to the acquisition, holding and disposal of fixed assets and of investments such as securities, not falling within the definition of cash.

Financing Activities

Activities which result in changes in the size and composition of the capital structure of the Company, both equity and debt not falling within the definition of cash.

Changes in Accounting Policies

Centralines Limited has generally followed the Electricity Guidelines as issued by the Ministry of Commerce, March 2000.

There has been one change in accounting policies from those adopted in the last audited financial statements. The basis of valuing the investments has changed to cost apart from fixed interest investments which are adjusted for loss or gain on maturity over the life of the investment. There have been no other changes in accounting policies from those adopted in the last audited financial statements. The policies have been applied on a basis consistent with other years.

Centralines Limited – Line Business**Note 1 Statement of Financial Performance Operating Revenue**

The following items are disclosed in accordance with FRS 9 issued by the Institute of Chartered Accountants of New Zealand. The calculation of Total Operating Revenue includes:

	2000 \$000	1999 \$000
Revenue		
Services to Other	-	-
Services to Line	-	-
AC Rental Rebates	158	213
Line Charges to Retailer	5,462	4,510
Energy Sales	-	-
Commercial	-	-
Rent	-	-
Interest Short term Investments	7	90
Interest/Dividends on Long Term Investments	96	-
Gain on Sale of Assets	-	-
Discontinued Activity	-	-
Total Operating Revenue:	5,723	4,813

Centralines Limited – Line Business**Note 2 Statement of Financial Performance Expenses**

Operating Surplus was arrived at after charging the following Expenses:	2000	1999
	\$000	\$000
Depreciation Other	90	82
Depreciation – System fixed assets	726	380
Depreciation – Capital works under construction	-	-
Total Depreciation	816	462
Auditors Fees		
Principal Auditors	36	30
Other Auditors	-	-
Other Audit Services	-	-
Total Audit Fees	36	36
Directors Fees & Expenses	68	72
Rent	-	-
Interest	-	-
Loss on Sale of Assets	107	-
Donations	1	2
Bad Debts Written Off	-	-
Other Corporate Costs	-	-
Increase in Doubtful Debts	-	-
Total Corporate Expenses	176	74
Total Human Resources	-	-
Other Expenses required to be detailed:		
Marketing/advertising	16	21
Merger & Acquisition Expenses	-	-
Takeover defence expenses	-	-
Research & Development expenses	-	-
Consultancy & Legal expenses	14	12
Amortised goodwill	-	-
Subvention Payments	-	-
Rebates to consumers due to ownership interest	-	-
AC loss rental rebate	-	-
Total Other Expenses required to be detailed	30	33
Payment by Line Business to “Other”		
Meter Data	-	-
Consumer-based load control	-	-
Disconnection/reconnection services	-	-
Asset Maintenance services	355	1,003
Avoided transmission charges on		
Account of own generation	-	-
Other goods and services provided to		
Line Business	-	-
Royalty & Patent	-	-
Total Payment by Line business to “Other”	355	1,003

Centralines Limited – Line Business

Note 2 Statement of Financial Performance Expenses cont....

	2000 \$000	1999 \$000
Expenses to non-related entities for:		
Meter Data	-	-
Consumer-based load control	-	-
Disconnection/reconnection services	-	-
Asset Maintenance services	22	366
Avoided transmission charges	-	-
Royalty & Patent	-	-
Total Expenses to non-related entities:	22	366
Transmission charges	1,940	1,902
Employee salaries and redundancies	455	434
Customer billing and information system expense	-	-
Rates	-	-
Other Costs not detailed above	305	292
Amortisation of Intangibles		
Goodwill	-	-
Other	-	-
Total Amortisation of Intangibles	-	-
Total Expenditure	4,135	4,596

Centralines Limited – Line Business**Note 3 Taxation**

	2000 \$000	1999 \$000
Company Imputation Credit Account		
Balance 1 April 1999	324	348
Plus: Taxation Paid Resident Withholding Tax	-	-
Less: Imputation Credits attached to: Dividends Paid Taxation Refund	22	24
Balance as at 31 March 2000	302	324
Deferred Taxation Account		
Opening Balance	736	75
Movement	(437)	661
Closing Balance	299	736

A deferred tax liability of \$2,631,073 has not been recognised. A tax loss benefit of \$298,977 has been recognised. Subsequent realisation is subject to the requirements of income tax legislation being met.

Taxation Calculation

	2000 \$000	1999 \$000
Net Surplus before Taxation	1,588	217
Tax @ 33 cents on Assessable Income	524	72
Plus/(Less) Tax effect of Permanent Differences	242	(1,047)
Less Tax effect of Timing Differences	(329)	
Deferred Tax Adjustment	-	7
Deferred Taxation/Taxation Expense	437	(968)

Centralines Limited – Line Business**Note 4 Equity & Reserves:**

	2000	1999
	\$000	\$000
Equity & Reserves comprise of:		
Share Capital	8,000	8,000
Capital Gains Reserve	22	22
Revaluation to ODV	22,250	22,250
Other Reserves	2,677	909
	32,949	31,181

Note 5 Current Liabilities

The Accounts payable and accrued Expenses total includes the following:

Accrued Expenses	21	17
Line Charges in Advance	-	-
Sundry Creditors	484	1,175
Accrued Payroll	33	31
Dividend Provision	-	-
	538	1,223

Note 6 Debtors Prepayments

Trade Debtors	1,085	0
Sundry Debtors	0	20
Prepayments	14	14
	1,099	34

Note 7 Inventories

Network Stock	-	-
Retail & Contracting Stock	447	392
Work in Progress	-	-
	447	392

Centralines Limited – Line Business**Note 8 Assets**

Directors approved the revaluation of Network Assets to \$27,846,929 as at 31 March 1999 to the Optimised Deprival Value as valued by KPMG on 31 March 1999. The Network Assets are valued at this amount plus additions at cost for the period under review.

	2000 \$000	1999 \$000
System Fixed Assets		
Cost/Valuation	29,035	
Less Accumulated Depreciation	<u>726</u>	
Net Book Value	28,309	27,847
Centralised Load Control Equipment	-	-
Customer Billing and Information System Assets	-	-
Motor Vehicles		
Cost	65	
Less Accumulated Depreciation	<u>31</u>	
Net Book Value	34	46
Office Equipment		
Cost	528	
Less Accumulated Depreciation	<u>299</u>	
Net Book Value	229	39
Land at Cost	18	18
Capital Works under Construction:		
- subtransmission assets	-	-
- zone substations	-	-
- distribution lines and cables	-	-
- medium voltage switchgear	-	-
- distribution transformers	-	-
- distribution substations	-	-
- low voltage lines and cables	-	-
- other System Fixed Assets (as per ODV Handbook)	-	-
Other Fixed Assets	-	-
	28,590	27,950

Centralines Limited – Line Business**Note 9 Statement of Financial Position Investments**

	2000 \$000	1999 \$000
Network Disaster Fund		
Investments in Financial Institutions maturing 15 October 2001 to 15 November 2006	442	181
Interest rates applicable are 6.72% to 9.49%		
Short term investments held maturing 10 April 2000 to 6 June 2000	232	
Investments in Equities	223	
Other Investments		
Investments in Financial Institutions maturing 15 October 2001 to 15 November 2006	922	2,900
Interest rates applicable 5.57% to 6.13%		
Equities	303	
Total Investments as at 31 March 2000	2,122	3,081

*The Disaster Relief Fund has been established to contribute towards the cost of a catastrophe on the Network Assets.

*The market value of the above investments total \$2,097,112

Centralines Limited – Line Business

Note 10 Statement of Cash Flows Reconciliation to Reported Operating Surplus

	2000 \$000	1999 \$000
Net Surplus after Tax	1,151	1,185
Depreciation	816	462
Other Expense – non cash	40	1,003
	2,007	2,650
Movements in Related Working Capital:		
Increase in Accounts Payable	(667)	994
Decrease in Work in Progress	-	-
Decrease in Accounts Receivable and Prepayments	(1,065)	508
Decrease in Inventory	(55)	(385)
Decrease in Taxation Payable	-	-
Increase in Future Tax Benefit – Deferred Taxation	437	(660)
	657	457
Adjusted for Movements in Investing Items:		
Less: Loss on Sale	107	7
Net Cash Flow from Operating Activities	550	3,099

Note 11 Contingent Liabilities

As at 31 March 2000 there are Contingent Liabilities of \$44,865 (1999 \$21,000).

Note 12 Capital Commitments

As at 31 March 2000 there are no Capital Commitments (1999 nil)

Centralines Limited – Line Business

Note 13 Operating Leases

Lease commitments in aggregate as at 31 March 2000 are classified in the following period:

	2000 \$000	1999 \$000
Up to one year	28	99
Up to two years	28	98
Two to five years	45	74
Five years and over	-	-

Note 14 Financial Instruments

The Company has no off-balance sheet financing. The Company has no foreign exchange exposure. The Company is not exposed to any concentrations of credit risk.

Note 15 Related Party Transactions

Company Directors

The following transactions were entered into with Company Directors:

During the year Mr J L Armstrong, a Director, who is a partner of the legal firm Davidson, Armstrong and Campbell provided legal services of \$2,510 (1999 \$7,518) to the Company.

During the year Mr G A J Knobloch, a Director, who is a Director of Knobloch Chartered Accountants Limited provided accounting services of \$1,890 (1999 \$1,397) to the Company.

The Company allows the Electra Gallery Inc, of whom Mr A van Saarloos is Chairman, the use of some of its leased premises in Ruataniwha Street, Waipukurau for less than market value.

Centralines Contracting Division

During the year Centralines Limited Line Business purchased Maintenance Services and Capital Items from its internal Contracting Business classified under "Other".

All Line Maintenance other than substations was carried out by the Internal Contracting Business Unit to a value of \$344,337 during 2000

Settlement of balances was monthly through intra-business transfers. No debts were outstanding at 31/3/00 and no debts were written off. Transactions were made at normal commercial terms for maintenance including normal commercial profit.

Capital was transferred at cost plus overheads without profit.

Capital Transactions were:	Value
Distribution Lines and Cables	\$1,067,000
Transformers	\$121,000

Centralines Limited – Line Business

Schedule 4
New Part 8 added to Schedule 1 of
Principal regulations
Part 8
Annual Valuation Reconciliation Report

Fixed assets at ODV – end of the previous financial year
Add Fixed assets acquired during the year at ODV
Less Fixed assets disposed of during the year at ODV
Less Depreciation on system fixed assets at ODV
Add Revaluations of system fixed assets
Fixed assets at ODV – as at 31 March 2000

\$000

27,847
1,295
107
1,111
-
27,924

Centralines Limited – Line Business

Financial and Efficiency Performance Measures

For the year ended 31 March 2000

As required under the Electricity (Information Disclosure) Amendment Regulations 2000

Clause 15
Comprising Part 3 of Schedule 1

1. Financial Performance Measures

	1999/00	1998/9	1997/8	1996/7
Return on Funds	3.6%	-0.04%	3.72%	1.72%
Accounting Return on Equity	2.4%	3.15%	3.75%	1.97%
Return on Investment	2.1%	3.28%	14.13%	4.66%

2. Efficiency Performance Measures

	1999/00	1998/9	1997/8	1996/7
Direct Line Cost per kilometre of Line	\$551	\$889	\$479	\$497
Indirect Line Cost per Consumer	\$71	\$114	\$79	\$150

Clause 16

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	1,588				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	1,588				
Interest on cash, bank balances, and short-term investments (ISTI)	110				
OSBIT minus ISTI	1,478	a	1,478		1,478
Net surplus after tax from financial statements	1,151				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	1,151	n		1,151	
Amortisation of goodwill and amortisation of other	0	g	add 0	add 0	add 0
Subvention payment	0	s	add 0	add 0	add 0
Depreciation of SFA at BV (x)	726				
Depreciation of SFA at ODV (y)	1,111				
ODV depreciation adjustment	-385	d	add -385	add -385	add -385
Subvention payment tax adjustment	0	s ^t		deduct 0	deduct 0
Interest tax shield	0	q			deduct 0
Revaluations	0	r			add 0
Income tax	437	p			deduct 437
Numerator			1,093 OSBIT ^{ADJ} = a + g + s + d	766 NSAT ^{ADJ} = n + g + s - s ^t + d	656 OSBIT ^{ADJ} = a + g - q + r + s + d - p - s ^t
Fixed assets at end of previous financial year (FA ₀)	28,686				
Fixed assets at end of current financial year (FA ₁)	28,590				
Adjusted net working capital at end of previous financial year (ANWC ₀)	2,405				
Adjusted net working capital at end of current financial year (ANWC ₁)	2,170				
Average total funds employed (ATFE)	30,926 (or regulation 33 time-weighted average)	c	30,926		30,926
Total equity at end of previous financial year (TE ₀)	31,181				
Total equity at end of current financial year (TE ₁)	32,949				
Average total equity	32,065 (or regulation 33 time-weighted average)	k		32,065	
WUC at end of previous financial year (WUC ₀)	0				
WUC at end of current financial year (WUC ₁)	0				
Average total works under construction	0 (or regulation 33 time-weighted average)	e	deduct 0	deduct 0	deduct 0
Revaluations	0	r			
Half of revaluations	0	r/2			deduct 0
Intangible assets at end of previous financial year (IA ₀)	0				
Intangible assets at end of current financial year (IA ₁)	0				
Average total intangible asset	0 (or regulation 33 time-weighted average)	m		add 0	
Subvention payment at end of previous financial year	0				
Subvention payment at end of current financial year	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
Average subvention payment & related tax adjustment	0	v		add 0	
System fixed assets at end of previous financial year at book value (SFA _{book,0})	27,847				
System fixed assets at end of current financial year at book value (SFA _{book,1})	28,309				
Average value of system fixed assets at book value	28,078 (or regulation 33 time-weighted average)	f	deduct 28,078	deduct 28,078	deduct 28,078
System Fixed assets at year beginning at ODV value (SFA _{odv,0})	27,847				
System Fixed assets at end of current financial year at ODV value (SFA _{odv,1})	27,924				
Average value of system fixed assets at ODV value	27,885 (or regulation 33 time-weighted average)	h	add 27,885	add 27,885	add 27,885
Denominator			30,733 ATFE ^{ADJ} = c - e - f + h	31,072 Ave TE ^{ADJ} = k - e - m + v - f + h	30,733 ATFE ^{ADJ} = c - e - ½r - f + h
Financial Performance Measure:			3.6 ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100	2.4 ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	2.1 ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100



CENTRALINES

LIMITED

P.O. Box 59, Waipukurau
Telephone 06 858 7770
Facsimile 06 858 6601
<http://www.centralines.co.nz>
email centralines@centralines.co.nz

CERTIFICATION OF VALUATION REPORT OF LINE OWNERS

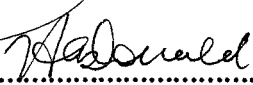
WE, J W Berry "South Yarra" R D 1 Waipukurau, AND H A Donald, 8 Petersen Place, Waipukurau being Directors of Centralines Limited, certify that, having made all reasonable enquiry, to the best of our knowledge –

- (a) The attached valuation report of Centralines Limited, prepared for the purposes of the Electricity (Information Disclosure) Amendment Regulations 2000, complies with the requirements of those Regulations;
AND
- (b) The Replacement Cost of the line business system fixed assets of Centralines Limited is \$53.570M
AND
- (c) The Depreciated Replacement Cost of the line business system fixed assets of Centralines Limited is \$27.924M
AND
- (d) The Optimised Depreciated Replacement Cost of the line business system fixed assets of Centralines Limited is \$27.924M
AND
- (e) The Optimised Deprival Valuation of the line business system fixed assets of Centralines Limited is \$27.924M
AND
- (f) The valuation of the line business assets of Centralines Limited, including system and non-system fixed assets and net working capital, is \$ 28.590M
AND
- (g) The values in (b) and (c) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 2000


.....
J W Berry
Director

11/08/00
.....
Date


.....
H Donald
Director

11-8-00
.....
Date



Office address
KPMG Centre
135 Victoria Street
Wellington
New Zealand

Mail address
P.O. Box 996
Wellington
New Zealand
Telephone: (04) 382-8800

Fax: (All Depts)	(04) 802-1224
Fax: Assurance	(04) 802-1233
Fax: BAS	(04) 802-1238
Fax: Tax	(04) 802-1263
Fax: Consulting	(04) 802-1225
Fax: FAS	(04) 802-1710

CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION

CHB POWER HOLDINGS LIMITED TRADING AS CHB POWER

I have examined the valuation report of CHB Power Holdings Limited, initially prepared by KPMG and updated as at June 1999, which contains valuations of system fixed assets as at 31 March 1998 amounting to \$28,891,701 and a subsequent removal of customer related assets valued at \$1,380,193.

I hereby certify that, having made reasonable enquiry, to the best of my knowledge, the ODV valuations contained in the report, including total valuation of system fixed assets of \$27,511,508 have been made in accordance with the ODV handbook.

A handwritten signature in cursive script that reads 'Ross Buckley'.

Ross Buckley
Partner

8 June 1999



Audit New Zealand

**AUDIT OFFICE OPINION
ON THE PERFORMANCE MEASURES OF
CENTRALINES LIMITED**

We have examined the information on pages 23, 25, and 26 being –

- (a) the derivation table in regulation 16; and
- (b) the annual ODV reconciliation report in regulations 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 Centralines Limited and dated 31 March 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.

A handwritten signature in dark ink, appearing to read 'V F Sears', with a long, sweeping horizontal stroke extending to the right.

V F Sears
Audit New Zealand
On behalf of the Controller and Auditor-General
Palmerston North, New Zealand

2 August 2000

Centralines Limited – Line Business

Energy Delivered Efficiency Performance Measures and Statistics

For the year ended 31 March 2000

As required under the Electricity (Information Disclosure) Amendment Regulations 2000

Clause 21
Comprising Part 4 of Schedule 1

1. Energy Delivery Efficiency Performance Measures

	1999/00	1998/9	1997/8	1996/7
Load Factor	68%	65%	65%	61%
Loss Ratio	8.5%	7.8%	9.7%	9.1%
Capacity Utilisation	26%	27%	28%	29%

2. Statistics

		1999/00	1998/9	1997/8	1996/7
		Km	km	Km	km
System Length	33kV	91	91	91	91
	11kV	1366	1364	1362	1356
	400V	86	85.6	84.8	84.8
	Total	1543	1540	1538	1532
Total Length Overhead	33kV	90	90	90	90
	11kV	1359	1357	1355	1349
	400V	66.6	66.6	66.6	66.9
	Total	1515	1513	1512	1506

		1999/00	1998/9	1997/8	1996/7
		Km	km	km	km
Total Length Underground	33kV	0.5	0.5	0.5	0.5
	11kV	7.3	7.2	7.2	7.0
	400V	19.5	19.1	18.2	17.9
	Total	27.3	26.8	25.90	25.40
Transformer Capacity	KVA	64,635	63,993	63,178	61,785
Maximum Demand	KW	17,000	17,000	17,420	17,973
Total Electricity Supply from the System	KWh	93,369,416	89,547,354	89,343,000	86,680,000
Total Electricity Supply from the System on behalf of Others	Retailer 1	90,546,442	76,200,117		
	Retailer 2	1,853,841	13,174,033		
	Retailer 3	665,073	173,204		
	Retailer 4	199,947			
	Retailer 5	104,114			
Total Number of Consumers		7,454	7,432	7,769	7,745

Centralines Limited – Line Business

Reliability Performance Measures

For the year ended 31 March 2000

As required under the Electricity (Disclosure Information) Regulations 1999

Clause 22

Comprising Part 5 of Schedule 1

1. Total number of interruptions

	1999/00	1998/9	1997/8	1996/7
Planned Transpower	2	1	0	1
Planned Centralines	140	68	21	41
Unplanned Centralines	144	155	116	121
Unplanned Transpower	0	0	1	0
Other	0	0	0	0
Total Interruptions	286	224	138	163

2. Interruption Targets

Centralines	2000/2001
Planned Interruptions	115
Unplanned Interruptions	125
Total Interruptions	240

3. Future Interruption Targets (Average for the next 5 years)

	2000/2005
Planned Interruptions	77
Unplanned Interruptions	113
Total Interruptions	190

Centralines Limited – Line Business**4. Fault Restoration Times**

	Within 3 hours	Within 24 hours
Percentage Not Restored	2.1%	0%

5. Faults per 100 km of Line

	1999/00	2000/01	<i>Future Average</i>	1998/9	1997/8	1996/7
Total Number	9.332	8.101	8.02	9.717	8.966	7.059
No. of 33 kV	10.00	0	0.00	0	0	0
No. of 11 kV	9.934	8.101	8.02	9.717	8.966	7.059

6. Underground Faults per 100 km of Line

	1999/00	1998/9	1997/8	1996/7
Total Number	0	0	0	0
No. of 33 kV	0	0	0	0
No. of 11 kV	0	0	0	0

7. Overhead Faults per 100 km of Line

	1999/00	1998/9	1997/8	1996/7
Total Number	9.332	9.717	8.966	7.059
No. of 33 kV	10.00	0	0	0
No. of 11 kV	9.934	9.717	8.966	7.059

8. System Average Interruption Duration Index (SAIDI)

	1999/00	1998/99	1997/8	1996/7
Total Interruptions	746	493	176	400

Centralines Limited – Line Business**9. SAIDI Targets for 2000/01**

	2000/01
Planned Interruptions	95
Unplanned Interruptions	130
<u>Total Interruptions</u>	<u>225</u>

10. SAIDI Future Targets (Average for the next 5 years)

	2000/2005
Planned Interruptions	78
Unplanned Interruptions	106
<u>Total Interruptions</u>	<u>184</u>

11. SAIDI per Interruption Class

	1999/00	1998/9	1997/8	1996/7
Planned Transpower	420	240	0	240
Planned Centralines	163	65	16	36
Unplanned Centralines	163	188	85	124
Unplanned Transpower	0	0	75	0
Unplanned Centralines Generation	0	0	0	0
Unplanned Other Generators	0	0	0	0
Unplanned Other Line Owner	0	0	0	0
Planned Other Line Owner	0	NA	NA	NA
<u>Other Interruptions</u>	<u>0</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

12. System Average Interruption Frequency Index (SAIFI)

	1999/00	1998/99	1997/8	1996/7
<u>Total Interruptions</u>	<u>6.94</u>	<u>3.73</u>	<u>1.91</u>	<u>2.53</u>

Centralines Limited – Line Business**13. SAIFI Targets for 2000/01**

	2000/01
Planned Interruptions	0.60
Unplanned Interruptions	3.30
Total Interruptions	3.90

14. SAIFI Future Targets (Average for the next 5 years)

	2000/05
Planned Interruptions	0.55
Unplanned Interruptions	3.12
Total Interruptions	3.67

15. SAIFI per Interruption Class

	1999/00	1998/9	1997/8	1996/7
Planned Transpower	2.00	1.00	0.00	1.00
Planned Centralines	0.70	0.55	0.11	0.17
Unplanned Centralines	4.24	2.18	0.80	1.36
Unplanned Transpower	0	0	1.00	0
Unplanned Centralines Generation	0	0	0	0
Unplanned Other Generators	0	0	0	0
Unplanned Other Line Owner	0	0	0	0
Planned Other Line Owner	0	NA	NA	NA
Other Interruptions	0	NA	NA	NA

16. Consumer Average Interruption Duration Index (CAIDI)

	1999/00	1998/99	1997/8	1996/7
Total Interruptions	109	132	71.6	158

Centralines Limited – Line Business**17. CAIDI Targets for 2000/01**

	2000/01
Planned Interruptions	158
Unplanned Interruptions	39
Total Interruptions	58

18. CAIDI Future Targets (Average for the next 5 years)

	2000/05
Planned Interruptions	141
Unplanned Interruptions	34
Total Interruptions	50

19. CAIDI per Interruption Class

	1999/00	1998/9	1997/8	1996/7
Planned Transpower	210	240	0	240
Planned Centralines	242	116	144	208
Unplanned Centralines	38	86	106	91
Unplanned Transpower	0	0	75	0
Unplanned Centralines Generation	0	0	0	0
Unplanned Other Generators	0	0	0	0
Unplanned Other Line Owner	0	0	0	0
Planned Other Line Owner	0	NA	NA	NA
Other Interruptions	0	NA	NA	NA