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WESTPOWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

**Westpower Limited
146 Tainui Street
GREYMOUTH**

In accordance with the Electricity (Information Disclosure) Requirements 2004.

Certification of Financial Statements, Performance Measures, and Statistics Disclosed by Line Owners Other Than Transpower for the year ended 31 March 2007.

We, Suzanne Peta Merriman and Hugh Robert 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 requirement 6 of the Commerce Commissions Electricity Information Disclosure requirements 2004 comply with those requirements; 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 having been prepared for the purposes of regulations 14, 15, 20 and 21 of the Electricity Information Disclosure Requirements 2004, comply with the requirements of those Requirements.

The valuations on which those financial performance measures are based are as at 31 March 2007.



Hugh Robert Little
Director



Suzanne Peta Merriman
Director

Date: 11 February 2008

FORM 7

STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND
INFORMATION SUPPLIED TO COMMERCE COMMISSION

I, *Suzanne Peta Merriman*, of Greymouth, being a Director of Westpower Limited, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by Westpower Limited under the Commerce Commission's Electricity Information Disclosure Requirements 2004.


And I make this solemn declaration conscientiously believing the same to be true and by virtue of the oaths and Declarations Act 1957.

Declared at this day of 11th February 2008


(Suzanne Peta Merriman)

Signed in the presence of

~~Justice of Peace:~~ SOLICITOR


(Signature)

ANTHONY THOMAS SUCCIA
HANNAN + SEASON
GREYMOUTH.
(Name)

Being a ~~Justice of Peace~~ of Solicitor (or other person authorized to take a statutory declaration)

WESTPOWER LIMITED

STATEMENT OF ACCOUNTING POLICIES

For The Year Ended 31 March 2007

The financial statements presented are for the reporting entity Westpower Limited. Westpower Limited is a Lines Company registered under the Companies Act 1993.

The financial statements have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Requirements 2004.

The measurement base adopted is that of historical cost except for the revaluation of certain fixed assets.

(a) Sales

Sales shown in the Statement of Financial Performance comprise the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Lines Charges represent income charged to Energy Retailers based on their meter readings during the period. An allowance is made for unbilled Lines Charges from Energy Retailers to the end of the period.

(b) Investments

Sinking Fund Investments are shown at cost plus accumulated interest.

Other Investments are stated at cost.

Dividend income is accounted for on a cash basis. Interest income is accounted for as earned.

(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 have been revalued to Depreciated Replacement Cost as at 31 March 2007. The valuation was completed in house by Westpower's Asset Manager and reviewed by Kerslake and Partners, Registered Valuers.

Land and Buildings have been revalued to market value as at 31 March 2004. The valuation was conducted by Coast Valuations Limited, registered valuers.

All other fixed assets are valued at cost less accumulated depreciation where applicable.

Distribution system assets are 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

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% SL
Motor Vehicles	10% to 25% DV
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 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 is 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 exceptions of contingent liabilities and interest rate swaps which are disclosed by way of a note to the financial statements.

(h) 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.

WESTPOWER LIMITED - LINES BUSINESS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 \$000's	2006 \$000's
Revenue	1	23,633	14,130
Total Expenses	2	11,027	9,321
Net Surplus before Interest and Tax		12,606	4,809
Interest		855	612
Net Surplus before Income Tax		11,751	4,197
Less Taxation Expense	3	408	927
NET SURPLUS AFTER TAX		<u>11,343</u>	<u>3,270</u>

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2007

Equity as at 1 April 2006	66,598	63,484
Net Surplus for Year	11,343	3,270
Revaluation of Assets	<u>14,091</u>	<u>-</u>
Total Recognised Revenue and Expenses	25,434	3,270
Dividend Paid	(156)	(156)
Equity as at 31 March 2007	<u>91,876</u>	<u>66,598</u>

The accompanying notes and policies form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2007**

	Note	2007 \$000's	2006 \$000's
EQUITY			
Share Capital		30,300	30,300
Reserves		36,472	22,381
Retained Earnings		25,104	13,917
TOTAL EQUITY	7	<u>91,876</u>	<u>66,598</u>
Represented By:			
CURRENT ASSETS			
Cash and Bank		1,005	714
Sundry Debtors	4	2,231	1,817
Tax refund due		<u>519</u>	<u>338</u>
		3,755	2,869
NON CURRENT ASSETS			
Fixed Assets	5	99,538	76,216
Investments		<u>2,833</u>	<u>1,280</u>
		102,371	77,496
TOTAL ASSETS		106,126	80,365
CURRENT LIABILITIES			
Sundry Creditors		3,033	2,108
Accrued Interest		<u>324</u>	<u>185</u>
		3,357	2,293
NON CURRENT LIABILITIES			
Long - Term Debt	6	<u>10,893</u>	<u>11,474</u>
		10,893	11,474
TOTAL LIABILITIES		<u>14,250</u>	<u>13,767</u>
NET ASSETS		<u>91,876</u>	<u>66,598</u>

The accompanying notes and policies form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 \$000's	2006 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		21,986	12,956
Interest received		328	43
Dividend Received		9	9
		<u>22,323</u>	<u>13,008</u>
Cash was applied to:			
Payments to suppliers & employees		7,466	6,079
Interest paid		716	473
Taxes paid		589	1,178
Net GST		(57)	103
		<u>8,714</u>	<u>7,833</u>
Net cash flows from operating activities	11	13,609	5,175
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from sale of assets		-	29
Loan payment received		579	-
		<u>579</u>	<u>29</u>
Cash was applied to:			
Purchase of fixed assets		11,028	11,365
Purchase of investments		2,132	36
		<u>13,160</u>	<u>11,401</u>
Net cash flows from investing activities		(12,581)	(11,372)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Term Loan		6,750	11,250
Contributions from Owners		-	-
		<u>6,750</u>	<u>11,250</u>
Cash was applied to:			
Repayment of Term Loan		7,331	4,428
Dividends paid		156	78
		<u>7,487</u>	<u>4,506</u>
Net cash flows from financing activities		(737)	6,744
Net increase (decrease) in cash held		291	547
Add opening cash brought forward		714	167
Ending cash carried forward		<u><u>1,005</u></u>	<u><u>714</u></u>
CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION			
Cash and Bank		<u><u>1,005</u></u>	<u><u>714</u></u>

The accompanying notes and policies 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 2007**

	2007 \$000's	2006 \$000's
Note 1. Revenue		
Line Charges	14,004	12,643
Special Discount on Line Charges	(970)	(981)
Interest	328	43
AC loss-rental rebates	289	321
Sundry Income	9,982	2,104
	<hr/>	<hr/>
	23,633	14,130
 Note 2. Expenses		
Audit fees for Companies financial statements	31	29
Other services provided by Auditors	10	9
Directors' Fees	62	51
Depreciation	2,334	2,117
Loan Interest	855	612
Loss on Sale of Fixed Assets	301	323
 Note 3. Taxation		
Net Surplus before taxation	11,751	4,197
Prima facie taxation at 33%	3,878	1,385
Plus Tax effect of permanent differences		
Imputation Credits	(16)	(5)
Taxation adjustment previous year	(5)	0
Tax effect of Permanent Differences and Timing differences not Recognised	(3,449)	(453)
 Total Taxation Expense	<hr/>	<hr/>
	408	927
 The Taxation charge comprises		
- current taxation	413	927
- prior period adjustments	(5)	-
	<hr/>	<hr/>
	408	927

The company has not recognised a deferred taxation liability of \$7,360,000 (2006 \$8,700,000)

	2007 \$000's	2006 \$000's
Note 4. Sundry Debtors		
Line Charge & Sundry Debtors	2,231	1,817
	<u>2,231</u>	<u>1,817</u>

Note 5. Fixed Assets

	Cost/ Valuation \$000's	Accumulated Depreciation \$000's	Book Value 2007 \$000's	Book Value 2006 \$000's
At Cost:				
Distribution System				17,434
Land and Buildings	3,246	44	3,202	1,531
Other	1,000	269	731	534
	<u>4,246</u>	<u>313</u>	<u>3,933</u>	<u>19,499</u>
At Valuation:				
Distribution System	94,090		94,090	55,177
Land and Buildings	1,599	84	1,515	1,540
Total	<u>99,935</u>	<u>397</u>	<u>99,538</u>	<u>76,216</u>

The fair value of land and buildings is equivalent to the net book value as at 31 March 2007.
Carrying value is considered an accurate reflection of fair value.

Note 6. Borrowings

	2007 \$000's	2006 \$000's
Term Liabilities - Repayable 1-2 years	10,659	11,072
- Repayable 2-5 years	234	402
- Repayable later than 5 years	-	-
	<u>10,893</u>	<u>11,474</u>
Loans are secured as follows:		
Short Term Advance Facility \$16,000,000*	10,659	11,072
Various (No Security)	234	402
	<u>10,893</u>	<u>11,474</u>

* The National Bank Short Term Advance facility is used to fund the Company's long term debt requirements. The facility is reviewed annually. The roll over of this facility is at the discretion of the bank. The Company has no reason not to expect the facility will continue to be rolled over.

The interest rates payable on these loans are:

Floating Rate - based on 90 day bill rate

Fixed Rates 6.95% - 10.5%

	2007 \$000's	2006 \$000's
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
- 5,000,000 Preference Shares	5,000	5,000
Capital Reserve	102	102
Transition Reserve	418	418
Asset Revaluation Reserve	35,952	21,861
Retained Earnings	25,104	13,917
	91,876	66,598

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 run to maturity.

The fair value of the interest rate swaps at 31 March 2007 is \$98,078 (2006 \$0)

The fair value of the shares in International Panel and Lumber (West Coast) Limited is \$102,810 (2006 \$95,400). This represents the value of the 30,000 shares based on the value of net assets as at 31 January 2007.

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.

At balance date the contract amount of foreign currency forward exchange contracts outstanding was \$667,902 (2006 \$0).

Interest Rate Risk

Interest rate risk is low as borrowings have fixed interest rates except for the Short Term Advance Facility for \$16,000,000 (2006 \$15,000,000).

The contract amount of interest rates swaps held at 31 March 2007 is \$4,000,000 (2006 \$0).

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

	2007 \$000's	2006 \$000's
The total amount committed at balance date was	1,827	2,670

Operating Lease Commitments

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

Period	2007 \$000's	2006 \$000's
Not later than 1 year	21	21
1 - 2 years	21	21
2 - 5 years	42	63
Later than 5 years	-	-
	84	105

Contingent Liabilities

There are no contingent liabilities at 31 March 2007 (2006 \$0)

Note 10. Related Parties

At balance date the West Coast Electric Power Trust held 100 per cent of the shares in Westpower Limited.

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 2006 to 31 March 2007.

	2007 \$000's	2006 \$000's
Construction of subtransmission assets	2,058	1,670
Construction of zone substations	5,404	5,231
Construction of distribution lines and cables	1,580	835
Construction of medium voltage switchgear	308	509
Construction of distribution transformers	428	354
Construction of substations	109	83
Construction of low voltage lines and cables	116	283
Construction of other fixed assets	1,311	970
Maintenance of assets	3,074	2,517
Consumer connections and reconnections	-	-
Asset Management Service	583	588
Other Services	349	398
Services provided to ElectroNet Services Ltd	25	75
Amounts receivable from ElectroNet Services Ltd	14	7

At year end there was an outstanding balance of \$1,267,131 (2006 \$1,484,923) for such services. No related party debts have been written off or forgiven during the year.

Other Related Parties**West Coast Electric Power Trust**

The Trust holds 100% of the shares in Westpower.
The following transactions occurred between Westpower and the Trust:

	2007	2006
	\$000's	\$000's
Amounts receivable from WCEPT	0	0
Dividends paid to the Trust	156	156

Directors Interests

	2007	2006
	\$000's	\$000's
Hugh Little - Operations Manager - Westland Milk Products Ltd - Owner/Director - Stations Restaurant, Bar & Accommodation		
Services received from the group.	62	590
Services provided to the group.	0	0
Sue Merriman - Managing Director - Marshall and Heaphy Ltd		
Services received from the group.	3	7
Services provided to the group.	0	0
Richard Cornelius - Director - CMP Kokiri Ltd		
Services received from the group.	75	25
Services provided to the group.	0	0

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**

	2007	2006
	\$000's	\$000's
Net surplus After Income Tax	11,343	3,270
Plus Non Cash Items:		
Depreciation	2,334	2,117
Vested Assets	(942)	(1,054)
	<u>1,392</u>	<u>1,063</u>
Movements in Working Capital:		
Increase in Debtors	(414)	(77)
Decrease in Creditors, Accrued Interest	1,168	847
Increase in Income Tax Refund	(181)	(251)
	<u>573</u>	<u>519</u>
Other		
Decrease in Gratuities Provision		
(Gain) Loss on Disposal of Assets	301	323
	<u>301</u>	<u>323</u>
Operating Cashflow	<u>13,609</u>	<u>5,175</u>

Note 12. ODV Reconciliation Report

	2007 \$000's	2006 \$000's
System fixed assets at ODV at beginning of year	76,808	69,770
Add system fixed assets acquired during the year at ODV	2,451	9,393
Less system fixed assets disposed of during the year at ODV	(301)	(299)
Less depreciation system fixed assets at ODV	(2,203)	(2,056)
Add revaluations of system fixed assets	-	-
System fixed assets at ODV at end of year	76,755	76,808

WESTPOWER LIMITED - LINES BUSINESS

Disclosure of Information to be Disclosed in Financial Statements under requirement 6 of the Electricity (Information Disclosure) Requirements 2004 Schedule 1 Part 2.

	2007 \$ '000	2006 \$ '000
Statement of Financial Position Disclosure (Schedule 1, Part 2)		
1 Current Assets		
(a) Cash and Bank Balances	1,005	714
(b) Short-term Investments		
(c) Inventories		
(d) Accounts receivable	2,231	1,817
(e) Other current assets not listed in (a) to (d)	519	338
(f) Total current assets	3,755	2,869
2 Fixed Assets		
(a) System fixed assets	86,329	72,611
(b) Consumer billing and information system assets		
(c) Motor Vehicles		
(d) Office Equipment	731	534
(e) Land & Buildings	4,717	3,071
(f) Capital works under construction	7,761	
(g) Other fixed assets not listed in (a) to (f)		
(h) Total fixed assets	99,538	76,216
3 Other tangible assets not listed above	2,833	1,280
4 Total tangible assets	106,126	80,365
5 Intangible assets		
(a) Goodwill		
(b) Other intangible not listed in (a)		
(c) Total intangible assets		
6 Total Assets	106,126	80,365
7 Current Liabilities		
(a) Bank Overdraft		
(b) Short-term borrowings		
(c) Payables and accruals	3,357	2,293
(d) Provision for dividends payable		
(e) Provision for income tax		
(f) Other Current Liabilities not listed in (a) to (e)		
(g) Total Current Liabilities	3,357	2,293
8 Non-current Liabilities		
(a) Payables and accruals		
(b) Borrowings	10,893	11,474
(c) Deferred tax		
(d) Other Non-current Liabilities not listed in (a) to (c)		
(e) Total Non-current Liabilities	10,893	11,474

WESTPOWER LIMITED - LINES BUSINESS

	2007 \$ '000	2006 \$ '000
9 Equity		
(a) Shareholders equity		
(i) Share Capital	30,300	30,300
(ii) Retained Earnings	25,104	13,917
(iii) Reserves	36,472	22,381
(iv) Total Shareholders equity	91,876	66,598
(b) Minority interests in subsidiaries		
(c) Total Equity	91,876	66,598
(d) Capital notes;		
(e) Total capital funds	91,876	66,598
10 Total equity and liabilities	106,126	80,365
Statement of Financial Performance Disclosure (Schedule 1, Part 2)		
11 Operating Revenue		
(a) Revenue from line/access charges	13,034	11,662
(b) Revenue from "Other" business (transfer payment)	25	75
(c) Interest on cash, bank balances and short-term investments	328	43
(d) AC loss-rental rebates	289	321
(e) Other operating revenue not listed in (a) to (d)	9,957	2,029
(f) Total operating revenue	23,633	14,130
12 Operating expenditure		
(a) payment for transmission charges	2,990	2,327
(b) Transfer payments to the "Other" business for -		
(i) Asset maintenance	3,074	2,517
(ii) Consumer disconnections and reconnections		
(iii) Meter data		
(iv) Consumer-based load control		
(v) Royalty and patent expenses		
(vi) Avoided transmission charges on account of own generation		
(vii) Other goods & services not listed in (i) to (vi) above	611	542
(viii) Total transfer payment to the "Other" business	3,685	3,059
(c) Payments to non-related entities		
(i) Asset maintenance	242	63
(ii) Consumer disconnection/reconnection services		
(iii) Meter data		
(iv) Consumer-based load control		
(v) Royalty and patent expenses		
(vi) Total of specified expenses to non-related parties	242	63
(d) Employee salaries, wages and redundancies		
(e) Consumer billing and information system expense		
(f) Depreciation on		
(i) System fixed assets	2,203	2,056
(ii) Other assets not listed in (i)	131	61
(iii) Total depreciation expense	2,334	2,117
(g) Amortisation of		
(i) Goodwill		
(ii) Other intangibles		
(iii) Total amortisation of intangibles		

WESTPOWER LIMITED - LINES BUSINESS

	2007 \$ '000	2006 \$ '000
(h) Corporate and administration	778	657
(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	252	309
(o) Donations		
(p) Directors fees	62	51
(q) Audit fees		
(i) Audit fees paid to principal auditors	31	38
(ii) Audit fees paid to other auditors	10	
(iii) Fees paid for other services provided by auditors		
(iv) Total auditors fees	41	38
(r) Costs of offering credit		
(i) Bad debts written off		
(ii) Increase in estimated doubtful debts		
(iii) Total costs of offering credit		
(s) Local authority rates	53	56
(t) AC loss-rental (distribution of) expense	289	321
(u) Rebates to Consumers due to ownership interest		
(v) Subvention payments		
(w) Unusual expenses		
(x) Other expenditure not listed in (a) to (w)	301	323
13 Total operating expenditure	11,027	9,321
14 Operating surplus before interest and income tax	12,606	4,809
15 Interest		
(a) Interest expense on borrowings	855	612
(b) Financing charges related to finance leases		
(c) Other interest expense		
(d) Total interest expense	855	612
16 Operating surplus before income tax	11,751	4,197
17 Income Tax	408	927
18 Net Surplus after tax	11,343	3,270

PERFORMANCE MEASURES

Disclosure of financial performance measures and efficiency performance measures under Requirement 14 of the Electricity (Information Disclosure) Requirements 2004 Schedule 1 Part 3.

	2007	2006	2005	2004
1 Financial performance measures				
(a) Return on funds	15.40%	6.41%	6.51%	6.34%
(b) Return on equity	15.88%	4.81%	4.54%	4.47%
(c) Return on investment	14.67%	4.91%	4.59%	16.36%

WESTPOWER LIMITED - LINES BUSINESS**2 Efficiency performance measures:**

	2007	2006	2005	2004
(a) Direct lines costs per kilometre	\$ 1,960.18	\$ 1,581.81	\$ 1,555.77	\$ 1,681.46
Direct Expenditure	4,086,972	3,196,830	3,114,661	3,325,936
System Length	2,085	2,021	2,002	1,978
(b) Indirect lines costs per electricity Consumer *	\$ 107.86	\$ 113.00	\$ 106.75	\$ 104.77
Indirect Expenditure	1,315,028	1,357,170	1,284,339	1,250,064
Total consumers *	12,192	12,010	12,031	11,931

* Number of consumers based on ICP connections

Disclosure of energy delivery efficiency performance measures under requirement 20 of the Electricity (Information Disclosure) Requirements 2004 Schedule 1 Part 4.

1 Energy Delivery efficiency performance measures:

(a) Load factor (a/b*c*100)	62.1%	65.0%	64.2%	65.6%
a = kWh of electricity entering system	228,891,837	223,809,000	209,115,825	207,165,465
b = Maximum demand	42,103	39,292	37,172	36,024
c = Total number of hours in year	8,760	8,760	8,760	8,760
(b) Loss ratio (=a/b*100)	5.8%	5.7%	5.9%	7.0%
a = losses in electricity in kWh	13,225,046	12,825,000	12,298,050	14,434,000
b = kWh of electricity entering system	228,891,837	223,809,000	209,115,825	207,165,465
(c) Capacity utilisation (=a/b*100)	31%	31%	31%	31%
a = Maximum demand	42,103	39,292	37,172	36,024
b = Transformer Capacity	136,189	127,000	119,309	116,726

2 Statistics**(a) System Length**

Circuit Kilometres 110kV	-	-	-	-
Circuit Kilometres 66kV	60	60	60	60
Circuit Kilometres 33kV	261	246	246	246
Circuit Kilometres 11kV	1,508	1,459	1,440	1,416
Circuit Kilometres 230/400V	256	256	256	256
Total	2,085	2,021	2,002	1,978

(b) System Length - Overhead

Circuit Kilometres 110kV	-	-	-	-
Circuit Kilometres 66kV	60	60	60	60
Circuit Kilometres 33kV	259	244	244	244
Circuit Kilometres 11kV	1,449	1,419	1,403	1,383
Circuit Kilometres 230/400V	169	169	169	169
Total Overhead	1,937	1,892	1,876	1,856

WESTPOWER LIMITED - LINES BUSINESS

(c) System Length - Underground	2007	2006	2005	2004
Circuit Kilometres 66kV	0	0	0	0
Circuit Kilometres 33kV	2	2	2	2
Circuit Kilometres 11kV	59	40	37	33
Circuit Kilometres 230/400V	87	87	87	87
Total Underground	148	129	126	122
(d) Transformer Capacity (In Kilovolt Amperes)				
District (zone) Substations	209,000	151,000	107,000	107,000
Distribution Substations	136,189	127,000	119,309	116,726
Total Substations	345,189	278,000	226,309	223,726
(e) Maximum Demand	42,103	39,292	37,172	36,024
(f) Total electricity supplied from the system before losses (in Kilowatt Hours)	228,891,837	223,809,000	209,115,825	207,165,465
(g) Electricity conveyed for each retailer after losses				
Retailer 1	-	-	-	-
Retailer 2	21,364,815	14,576,000	3,153,752	-
Retailer 3	1,126,227	2,750,000	3,887,007	9,791,672
Retailer 4	21,144,387	16,651,000	15,742,067	14,192,942
Retailer 5	20,360,347	23,734,000	12,988,446	9,920,251
Retailer 6	151,671,015	153,273,000	161,046,503	158,826,600
Retailer 7				
	215,666,791	210,984,000	196,817,775	192,731,465
(h) Total Consumers *	12,192	12,010	12,010	11,931

* Number of consumers based on ICP connections

Disclosure of reliability performance measures under requirement 21 of the Electricity (Information Disclosure) Requirements 2004
Schedule 1 Part 5.

1 Total number of interruptions

Class A - Planned - by Transpower	1	0	2	4
Class B - Planned - by Line Owners	121	63	140	50
Class C - Unplanned - by Line Owners	135	122	136	171
Class D - Unplanned - by Transpower	8	2	6	1
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	0
Class G - Unplanned - by other line owner	0	0	0	0
Class H - Planned - by other line owner	0	0	0	0
Class I - Any other loss of supply	0	0	0	0
Total	265	187	284	226

2 Interruption targets for 2007/2008

Class B - Planned - by Line Owners	60
Class C - Unplanned - by Line Owners	60

WESTPOWER LIMITED - LINES BUSINESS

3 Average interruption targets for 2007/2008 to 2011/2012 years

Class B - Planned - by Line Owners	60
Class C - Unplanned - by Line Owners	60

4 Proportion of Class C interruptions not restored within: (=a/b*100)

3 Hours	39.3%
a = number of interruptions not restored within 3 hours	53
b = total number of Class C interruptions	135
24 Hours	0.7%
a = number of interruptions not restored within 24 hours	1
b = total number of Class C interruptions	135

2007 2006 2005 2004

5 (a) The total number of faults per 100 circuit kilometres of prescribed voltage electric line

66kV	10	-	-	-
33kV	10	1	7	10
11kV	15	6	17	13
Total	<hr/> 12.3	<hr/> 4.8	<hr/> 12.9	<hr/> 11

(b) Target for 2007/2008 year

66kV	1
33kV	3
11kV	7
Total	<hr/> 5.3

(c) Average Target for 2007/2008 to 2011/2012 years

66kV	1
33kV	3
11kV	7
Total	<hr/> 5.3

6 The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line

33kV	50	50	50	50
11kV	7	13	14	39
Total	<hr/> 3	<hr/> 5	<hr/> 5	<hr/> 9

7 The total number faults per 100 circuit kilometres of overhead prescribed voltage electric line

66kV	10	0	0	0
33kV	9	1	7	9
11kV	15	6	17	12
Total	<hr/> 13	<hr/> 5	<hr/> 13	<hr/> 10

8 The SAIDI for the total number of interruption	309.87	151.12	372.06	205.49
---------------------------------------------------------	--------	--------	--------	--------

9 SAIDI targets for 2007/2008

Class B - Planned - by Line Owners	40
Class C - Unplanned - by Line Owners	70

WESTPOWER LIMITED - LINES BUSINESS**10 Average SAIDI target for 2007/2008 to 2010/2011 years**

Class B - Planned - by Line Owners	40
Class C - Unplanned - by Line Owners	70

11 The SAIDI for the total number of interruptions within each interruption class

	2007	2006	2005	2004
Class A - Planned - by Transpower	2.09	0	3.07	5.47
Class B - Planned - by Line Owners	55.65	76.39	71.31	42.11
Class C - Unplanned - by Line Owners	110.49	69.49	188.54	145.64
Class D - Unplanned - by Transpower	141.64	5.24	109.14	12.27
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	0
Class G - Any other loss of supply	0	0	0	0
	309.87	151.12	372.06	205.49

12 The SAIFI for the total number of interruption	7.88	2.04	4.23	2.40
----------------------------------------------------------	------	------	------	------

13 SAIFI target for 2007/2008

Class B - Planned - by Line Owners	0.25
Class C - Unplanned - by Line Owners	1

14 Average SAIFI target for 2007/2008 to 2011/2012 years

Class B - Planned - by Line Owners	0.25
Class C - Unplanned - by Line Owners	1

15 The SAIFI for the total number of interruptions within each interruption class

Class A - Planned - by Transpower	0.00	0.00	0.01	0.02
Class B - Planned - by Line Owners	0.33	0.28	0.35	0.22
Class C - Unplanned - by Line Owners	2.64	1.50	2.89	2.75
Class D - Unplanned - by Transpower	4.91	0.66	0.99	0.17
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	0
Class G - Any other loss of supply	0	0	0	0
	7.88	2.04	4.23	2.4

Comparative figures for 2004 to 2006 have been restated in line with Westpower's 2007 Price Path and Quality Threshold Disclosure due to an error that was detected in the way the SAIFI statistic had been derived in the past. In prior periods an 'average number of network connection points affected' was used in the numerator of the calculation, rather than 'the number of network connection points affected' as required in the Regulations.

16 The CAIDI for the total number of interruption	40.23	73.90	88.03	85.62
----------------------------------------------------------	-------	-------	-------	-------

17 CAIDI targets for 2007/2008

Class B - Planned - by Line Owners	160
Class C - Unplanned - by Line Owners	70

18 Average CAIDI target for 2007/2008 to 2011/2012 years

Class B - Planned - by Line Owners	160
Class C - Unplanned - by Line Owners	70

WESTPOWER LIMITED - LINES BUSINESS

	2007	2006	2005	2004
19 The CAIDI for the total number of interruptions within each interruption class				
Class A - Planned - by Transpower	706.36	0.00	477.79	274
Class B - Planned - by Line Owners	176.80	272.82	207.00	221
Class C - Unplanned - by Line Owners	44.56	63.17	65.00	72
Class D - Unplanned - by Transpower	28.88	7.94	110.61	72
Class E - Unplanned - by ECNZ	0	0	0	0
Class F - Unplanned - by other generation	0	0	0	0
Class G - Any other loss of supply	0	0	0	0
	<hr/> 40.23	<hr/> 73.90	<hr/> 88.03	<hr/> 85.62

WESTPOWER LIMITED - LINES BUSINESS

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	12,606				
Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIT)	12,606				
Interest on cash, bank balances, and short-term investments (ISTI)	328				
OSBIT minus ISTI	12,278	a	12,278		12,278
Net Surplus after tax from financial statements	11,343				
Net surplus after tax adjusted pursuant to requirement 18 (NSAT)	11,343	n		11,343	
Amortisation of goodwill and amortisation of other intangibles					
Subvention payment					
Depreciation of SFA at BV (x)		g	add	add	add
Depreciation of SFA at ODV (y)	2,203	s	add	add	add
ODV depreciation adjustment	2,203				
Subvention payment tax adjustment		d	add	add	add
Interest tax shield		s [†]		deduct	deduct
Revaluations	174	q			174
Income tax		r			
Numerator	408	p			408
Fixed asset at end of previous year (FA ₀)					
Fixed assets at end of current financial year (FA ₁)	76,216				
Adjusted net working capital at end of previous financial year (ANWC ₀)	99,538				
Adjusted net working capital at end of current financial year (ANWC ₁)	(138)				
Average total funds employed (ATFE)	(607)				
	87,505	c	87,505	87,505	87,505
Total equity at end of previous financial year (TE ₀)	66,598				
Total equity at end of current financial year (TE ₁)	91,876				
Average total equity	79,237	k		79,237	
WUC at end of previous financial year (WUC ₀)					

WESTPOWER LIMITED - LINES BUSINESS

SCHEDULE 1 - PART 7
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

WUC at end of current financial year (WUC _t)	7,761					
Average total works under construction	3,881	e	deduct	3,881	deduct	3,881
Revaluations		r				
Half of revaluations		r/2			deduct	
Intangible assets at end of previous financial year (IA ₀)	-					
Intangible assets of end of current financial year (IA _t)	-					
Average total intangible asset	-	m			deduct	
Subvention payment at end of previous financial year (S ₀)	-					
Subvention payment at end of current financial year (S _t)	-					
Subvention payment tax adjustment at end of previous financial year	-					
Subvention payment tax adjustment at end of current financial year	-					
Average subvention payment and related tax adjustment	-	v			add	
System fixed assets at end of previous year at book value (SFA _{bv0})	73,830					
System fixed assets at end of current financial year at book value (SFA _{bv,t})	87,571					
Average value of system fixed assets at book value (SFA _{bv0})	80,701	f	deduct	80,701	deduct	80,701
System fixed assets at year beginning at ODV value (SFA _{odv0})	76,808					
System fixed assets at end of current financial year at ODV value (SFA _{odv,t})	76,755					
Average value of system fixed assets at ODV value	76,782	h	add	76,782	add	76,782
Denominator			ATFE ^{odv} _{ec} e ^{fh}	79,705	ATFE ^{odv} _{ec} e ^{fh}	79,705
Financial performance measure			ROF = OSBIT ^{odv} /ATFE ^{odv} x 100	15.40%	ROE = NSAT ^{odv} /ATE ^{odv} x 100	15.88%
					ROI = OSBIT ^{odv} /ATFE ^{odv} x 100	14.67%

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 't' = end of current financial year ROF = return on funds ROE = return on equity ROI = return on investment

**REPORT OF THE AUDITOR-GENERAL
TO THE READERS OF THE FINANCIAL STATEMENTS OF
WESTPOWER LIMITED
FOR THE YEAR ENDED 31 MARCH 2007**

We have audited the financial statements of Westpower Limited on pages 1 to 16. The financial statements provide information about the past financial performance of Westpower Limited and its financial position as at 31 March 2007. This information is stated in accordance with the accounting policies set out on pages 1 to 4.

Directors' responsibilities

The Commerce Commission's Electricity Information Disclosure Requirements 2004 made under section 57T of the Commerce Act 1986 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 2007, and the results of its operations and cash flows for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and Requirement 30 of the Electricity Information Disclosure Requirements 2004 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Scott Tobin 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 Westpower Limited circumstances, consistently applied and adequately disclosed.

We conducted the audit in accordance with 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 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 maintained by Westpower Limited as far as appears from our examination of those records; and
- the financial statements of Westpower Limited on pages 1 to 16:
 - (a) comply with generally accepted accounting practice in New Zealand; and
 - (b) give a true and fair view of Westpower Limited's financial position as at 31 March 2007 and the results of its operations and cash flows for the year ended on that date; and
 - (c) comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 14 February 2008 and our unqualified opinion is expressed as at that date.



S M Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

MATTERS RELATING TO THE PUBLICATION OF THE AUDITED FINANCIAL STATEMENTS IN THE NEW ZEALAND GAZETTE

This audit report relates to the financial statements of Westpower Limited for the year ended 31 March 2007 that have been published in the *New Zealand Gazette*. The *New Zealand Gazette* is required to publish hard copies of audited financial statements and the related audit report of Westpower Limited for the year ended 31 March 2007, and to include an electronic version of the published *New Zealand Gazette* on the *New Zealand Gazette's* website.

We have not been engaged to report on the integrity of the financial statements of Westpower Limited that have been published on the *New Zealand Gazette's* website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially signed and published.

This audit report refers only to the financial statements named above. If readers of this audit report are concerned with the inherent risks arising from electronic data communication, they should refer to the original signed and published hard copy of the audited financial statements and related audit report dated 14 February 2008 to confirm the information included in the audited financial statements published in the *New Zealand Gazette* or on the *New Zealand Gazette's* website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

**AUDITOR-GENERAL'S OPINION ON THE
PERFORMANCE MEASURES OF WESTPOWER LIMITED**

We have examined the information on pages 13, 16, 17, 22 and 23 being –

- (a) the derivation table in requirement 15;
- (b) the annual ODV reconciliation report in requirement 16;
- (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 Westpower Limited and dated 11 February 2008 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

In our opinion, having made all reasonable enquiry, and to the best of our knowledge, that information has been prepared in accordance with those Electricity Information Disclosure Requirements 2004.



S M Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
14 February 2008

**MATTERS RELATING TO THE PUBLICATION OF THE AUDITED PERFORMANCE MEASURES
IN THE NEW ZEALAND GAZETTE**

This audit report relates to the performance measures of Westpower Limited for the year ended 31 March 2007 that have been published in the *New Zealand Gazette*. The *New Zealand Gazette* is required to publish hard copies of audited performance measures and the related audit report of Westpower Limited for the year ended 31 March 2007, and to include an electronic version of the published *New Zealand Gazette* on the *New Zealand Gazette's* website.

We have not been engaged to report on the integrity of the performance information of Westpower Limited that have been published on the *New Zealand Gazette's* website. We accept no responsibility for any changes that may have occurred to the performance information since they were initially signed and published.

This audit report refers only to the performance information named above. If readers of this audit report are concerned with the inherent risks arising from electronic data communication, they should refer to the original signed and published hard copy of the audited performance information and related audit report dated 14 February 2008 to confirm the information included in the audited performance information published in the *New Zealand Gazette* or on the *New Zealand Gazette's* website.

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