

**UnitedNetworks Limited**

**Gas Information Disclosure Number 7  
31 May 2002**

**Financial Statements Disclosure  
Performance Measures & Statistics Disclosure**

**For the period 1 January 2001 to 31 December 2001  
Comparatives for the period 1 April 2000 to 31 December 2000**

***pursuant to***

**The Gas (Information Disclosure) Regulations 1997**

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**FORM 5: STATUTORY DECLARATION IN RESPECT OF STATEMENTS  
AND INFORMATION SUPPLIED TO SECRETARY OF  
COMMERCE**

I, [Daniel Wayne Warnock](#), of [Auckland](#), being a [Director](#) of [UnitedNetworks 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 under the Gas (Information Disclosure) Regulations 1997.

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

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Declared at [Takapuna](#) this 16<sup>th</sup> day of May 2002.

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[\[Solicitor\]](#)

**FORM 1: CERTIFICATION BY AUDITORS IN RELATION TO  
FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by UnitedNetworks Limited and dated 31 December 2001 for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997.

We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

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Ernst & Young,  
Chartered Accountants,  
Auckland,  
New Zealand

16<sup>th</sup> May 2002

<b>FORM 2: CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS</b>
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We have examined the attached information, being -

- a) Financial performance measures specified in clause 1 of Part 2 of Schedule 1 of the Gas (Information Disclosure) Regulations 1997; and
- b) Financial components of the efficiency performance measures specified in clause 2 of Part 2 of that Schedule, -

and having been prepared by UnitedNetworks Limited and dated [31 December 2001](#) for the purposes of regulation 15 and 16 of those Regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

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Ernst & Young,  
Chartered Accountants,  
Auckland,  
New Zealand

[16<sup>th</sup> MAY 2002](#)

**FORM 4: CERTIFICATION OF FINANCIAL STATEMENTS,  
PERFORMANCE MEASURES, AND STATISTICS  
DISCLOSED BY PIPE OWNERS OTHER THAN THE  
CORPORATION**

We, [Philip Michael Smith](#) and [Daniel Wayne Warnock](#), directors of UnitedNetworks Limited, certify that, having made all reasonable enquiry, to the best of our knowledge, -

a) The attached audited financial statements of UnitedNetworks Limited, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation; and

b) The attached information, being the financial performance measures, efficiency performance measures, energy delivery performance measures and statistics, and reliability performance measures in relation to UnitedNetworks Limited, and having been prepared for the purposes of regulations 15 to 19 of the Gas (Information Disclosure) Regulations 1997, complies with the requirements of those regulations.

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[Director](#)

[16<sup>th</sup> May 2002](#)

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[Director](#)

[16<sup>th</sup> May 2002](#)

## **1. INTRODUCTION AND INTERPRETATION**

- 1.1 This document contains certain material required to be disclosed by UnitedNetworks Limited under Regulations 6 to 7, 15 to 19 and 22 of the Gas (Information Disclosure) Regulations 1997.
- 1.2 The information in this document was prepared by UnitedNetworks Limited after making all reasonable enquiry and to the best of its knowledge, the information complies with all relevant requirements of the Gas (Information Disclosure) Regulations 1997.
- 1.3 The information in this document is not intended by UnitedNetworks Limited to constitute an offer of services to the public.
- 1.4 The information is available on request at: -
- 44 Taharoto Road  
Takapuna  
Auckland
- And on the Internet at: -  
<http://www.unitednetworks.co.nz>
- 1.5 In this document, words and expressions have the meaning given to them in the Regulations or the Act, unless otherwise specified.
- 1.6 For the purpose of this disclosure:
- "Disclosure Date"* means 31 December 2001  
*"UnitedNetworks"* means UnitedNetworks Limited  
*"Electricity Lines"* means the electricity lines business of UnitedNetworks  
*"Gas Lines"* means the gas lines business of UnitedNetworks  
*"Lines"* means the electricity and gas lines business of UnitedNetworks  
*"Other"* means any part of UnitedNetworks, which is not the electricity or the gas lines business  
*"The company"* means UnitedNetworks  
*"Financial Year"* means from 1 January 2001 to 31 December 2001.
- 1.7 The gas lines business was purchased from Orion New Zealand Limited as at 1 April 2000. UnitedNetworks year-end is at 31 December 2001. The following disclosure comparatives cover the 9 month period from 1 April 2000 to 31 December 2000.

<b>2. FINANCIAL STATEMENTS: Regulations 6 - 7</b>
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**2.1 STATEMENT OF FINANCIAL PERFORMANCE**  
**For the 12 months ended 31 December 2001**

		<b>12 months 2001</b>	<b>9 months 2000</b>
	<b>Notes</b>	<b>(\$000)</b>	<b>(\$000)</b>
Revenue	2	<b>61,280</b>	51,282
<b>Loss before taxation</b>	3	<b>(4,489)</b>	(346)
Taxation	4	<b>(1,546)</b>	(114)
<b>Net loss for period</b>		<b>(2,943)</b>	(232)

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

## 2.2 STATEMENT OF FINANCIAL POSITION

### As at 31 December 2001

	Notes	2001 (\$'000)	2000 (\$'000)
<b>EQUITY</b>			
Share capital	5	-	-
Reserves	6	(3,175)	(232)
<b>Total equity</b>		<b>(3,175)</b>	<b>(232)</b>
<b>CURRENT ASSETS</b>			
Cash and bank balances		1,158	612
Accounts receivable	7	4,286	275
<b>Total current assets</b>		<b>5,444</b>	<b>887</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	8	14,718	9,665
Provision for dividend	13	-	-
<b>Total current liabilities</b>		<b>14,718</b>	<b>9,665</b>
<b>NON-CURRENT ASSETS</b>			
Term prepayments		5,488	-
Advance – employee share ownership plans		711	-
Fixed assets	9	263,633	265,004
Intangible assets	10,11	274,133	280,848
Future income tax asset	4	1,660	114
<b>Total non-current assets</b>		<b>545,625</b>	<b>545,966</b>
<b>NON- CURRENT LIABILITIES</b>			
Borrowings	12	539,526	537,420
<b>Total non-current liabilities</b>		<b>539,526</b>	<b>537,420</b>
<b>Net assets</b>		<b>(3,175)</b>	<b>(232)</b>

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

## **2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the 12 months ended 31 December 2001**

### **1 Statement of accounting policies**

#### ***Special purpose financial statements***

These financial statements are made pursuant to UnitedNetworks' obligations under the Gas (Information Disclosure) Regulations 1997. They are in addition to the company's financial statements published pursuant to the company's obligations under the Companies Act 1993 and the Financial Reporting Act 1993.

In these statements UnitedNetworks has adopted the avoidable cost allocation methodology stipulated in the Electricity Information Disclosure Handbook issued on 30<sup>th</sup> June 2000. The Electricity Lines business is treated as the core business activity and other activities are accounted for through the Gas Lines and Other business unit financial statements.

#### ***General accounting policies***

The general accounting principles as recommended by the Institute of Chartered Accountants of New Zealand for the measurement and reporting of operating surplus on a historical cost basis have been followed by the company.

#### ***Particular accounting policies***

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

#### ***Income tax***

These financial statements adopt the liability method of accounting whereby the income tax expense shown in the statement of financial performance is the estimated total liability relating to the income for the period. Deferred taxation is accounted for in respect of items relating to the statement of financial performance, following the liability method, on the comprehensive basis.

#### ***Fixed assets***

All fixed assets are recorded at cost or the most recent valuation. The gas reticulation assets are currently carried at cost.

#### ***Financial instruments***

The company has financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to fluctuations in interest rates and foreign exchange rates.

Financial instruments entered into as hedges of an underlying exposure are accounted for on the same basis as the underlying exposure. Accordingly hedge gains and losses are included in the Statement of Financial Performance when the gains or losses arising on the related physical exposures are recognised in the Statement of Financial Performance.

## 2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (con't)

### **Depreciation**

Depreciation of fixed assets, other than freehold land, has been charged at rates calculated to allocate on a straight-line basis either the assets' cost, or the valuation, less estimated residual value, over their estimated useful lives as follows:

(i)	Freehold Buildings	50- 100 years
(ii)	Reticulation System	15 - 70 years
(iii)	Plant, Vehicles and Equipment	3 - 10 years

### **Goodwill**

Goodwill on acquisition of businesses is amortised on a straight-line basis over the period of expected benefit or 20 years, whichever is the lesser.

### **Identifiable intangibles**

Identifiable intangibles arising from acquisition of reticulation assets are amortised on a straight-line basis over the period of expected benefit, which has been assessed as 40 years.

### **Accounts receivable**

Accounts Receivable are stated at their estimated net realisable value.

### **Revenue recognition**

Income from gas lines charges includes an estimated amount for accrued sales for charges not billed at balance date.

### **Reclassification of prior year balances**

Certain prior year balances have been reclassified to conform with changes in presentation.

### **Comparative information**

On 1 April 2000, UnitedNetworks purchased the gas lines from Orion New Zealand Limited. This disclosure covers the 12 months to 31 December 2001 with comparative information covering the 9 months to 31 December 2000. Refer to Orion New Zealand Limited's previous disclosures for past data.

	<b>12 months</b>	<b>9 months</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>2 Revenue includes</b>		
Interest income	<b>94</b>	-
<b>3 Expenses include</b>		
Audit Fees	<b>53</b>	49
Other fees paid to auditors	-	-
Net interest and financing fees on loans	<b>41,409</b>	31,335
Depreciation	<b>8,074</b>	7,115
Directors' Fees	-	-
Donations	-	-
Bad debts written off	<b>16</b>	-
Increase in doubtful debts provision	<b>48</b>	138
Lease and rental	<b>36</b>	62
Amortisation of goodwill	<b>75</b>	56
Amortisation of identifiable intangibles	<b>7,117</b>	5,315

## 2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (con't)

	12 months 2001 (\$000)	9 months 2000 (\$000)
<b>4 Taxation</b>		
<b>Current period taxation charge</b>		
Operating loss before taxation	(4,489)	(346)
Taxation at 33%	(1,481)	(114)
Permanent differences	(65)	-
Net benefit of tax losses transferred from group companies purchased via subvention payments	-	-
Timing differences not recognised	-	-
	<b>(1,546)</b>	<b>(114)</b>
<b>The taxation charge is represented by:</b>		
Current taxation	(12,119)	(10,949)
Deferred taxation	10,573	10,835
	<b>(1,546)</b>	<b>(114)</b>
<b>Deferred tax asset reconciliation</b>		
Opening balance	(10,949)	-
Current year tax charge movement	(12,119)	(10,949)
<b>Closing balance 31 December</b>	<b>(23,068)</b>	<b>(10,949)</b>
<b>Deferred tax liability reconciliation</b>		
Opening balance	10,835	-
Current year tax charge movement	10,573	10,835
<b>Closing balance 31 December</b>	<b>21,408</b>	<b>10,835</b>
<b>Net deferred tax asset</b>	<b>1,660</b>	<b>114</b>
The subsequent realisation of the future income tax benefit is subject to the necessary shareholder continuity and other requirements of income tax legislation being met.		
<b>5 Share capital</b>	-	-
<b>6 Reserves</b>		
<b>Other reserves</b>		
Opening balance	-	-
<b>Closing balance 31 December</b>	-	-
<b>Retained earnings</b>		
Opening balance	(232)	-
Transferred from statement of financial performance	(2,943)	(232)
<b>Closing balance 31 December</b>	<b>(3,175)</b>	<b>(232)</b>
<b>Total reserves</b>	<b>(3,175)</b>	<b>(232)</b>

## 2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (con't)

	<b>2001</b>	<b>2000</b>		
	<b>(\$000)</b>	<b>(\$000)</b>		
<b>7 Accounts receivable</b>				
Trade receivables	<b>4,026</b>	80		
Associate company loans	-	-		
Other receivables and prepayments	<b>260</b>	195		
	<b>4,286</b>	275		
<b>8 Accounts payable</b>				
Trade and other creditors	<b>9,301</b>	7,365		
Employee entitlements	<b>43</b>	-		
Interest payable	<b>5,374</b>	2,300		
	<b>14,718</b>	9,665		
	<b>At cost</b>	<b>At valuation</b>	<b>Accum</b>	<b>Carrying</b>
	<b>(\$000)</b>	<b>(\$000)</b>	<b>deprn</b>	<b>value</b>
			<b>(\$000)</b>	<b>(\$000)</b>
<b>9 Fixed assets 2001</b>				
Freehold land	<b>350</b>	-	-	<b>350</b>
Freehold buildings	<b>25</b>	-	<b>1</b>	<b>24</b>
Distribution system	<b>269,438</b>	-	<b>14,669</b>	<b>254,769</b>
Plant, vehicles and equipment	<b>1,155</b>	-	<b>491</b>	<b>664</b>
Capital work in progress	<b>7,826</b>	-	-	<b>7,826</b>
	<b>278,794</b>	-	<b>15,161</b>	<b>263,633</b>
<b>Fixed assets 2000</b>				
Freehold land	478	-	-	478
Freehold buildings	75	-	1	74
Distribution system	265,856	-	6,941	258,915
Plant, vehicles and equipment	993	-	145	848
Capital work in progress	4,689	-	-	4,689
	272,091	-	7,087	265,004
			<b>2001</b>	<b>2000</b>
			<b>(\$000)</b>	<b>(\$000)</b>
<b>10 Goodwill</b>				
Opening balance			<b>1,441</b>	-
Goodwill purchased in the period			-	1,497
Amortised during the period			<b>75</b>	56
<b>Closing balance 31 December</b>			<b>1,366</b>	1,441
<b>11 Identifiable intangibles</b>				
Opening balance			<b>279,407</b>	-
Identifiable intangibles purchased in the period			<b>477</b>	284,722
Amortised during the period			<b>7,117</b>	5,315
<b>Closing balance 31 December</b>			<b>272,767</b>	279,407

## 2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (con't)

	<b>2001</b>	<b>2000</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>12 Borrowings</b>		
The company had borrowings which support the requirements of the group and are not specific to a business line. The following profile is indicative of borrowings applicable to the gas lines.		
Borrowings are made up as follows:		
Bank loans	<b>68,373</b>	458,965
Commercial paper	<b>143,155</b>	78,455
Medium term notes – fixed rate NZ\$	<b>84,840</b>	-
Medium term notes – floating rate A\$	<b>243,158</b>	-
	<b>539,526</b>	537,420
The borrowing repayment terms are:		
Payable within 1 year	<b>8,547</b>	77,220
Payable between 1 and 2 years	<b>202,981</b>	-
Payable between 2 and 3 years	-	460,200
Payable between 3 and 5 years	-	-
Payable after 5 years	<b>327,998</b>	-
	<b>539,526</b>	537,420

All borrowings are unsecured with all bank loans being subject to negative pledge arrangements. Commercial paper is supported by a 2 year standby facility made available by a syndicate of banks and is issued for various terms up to 90 days.

Interest rates for all bank loans are floating based on the bank bill rate plus a margin. Medium term notes – fixed rate NZ\$ mature April 2007 and are shown at the value of proceeds received after deducting the discount on issue and adjusted for the amount amortised.

Medium term notes – fixed rate A\$ mature April 2008 and April 2011.

The weighted average interest rate is 5.3%.

	<b>2001</b>	<b>2000</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>13 Dividend</b>		
Dividend paid	-	-
Dividend proposed	-	-

## 2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (con't)

### 14 Financial instruments

The company has a comprehensive treasury policy to manage the risks of financial instruments which is approved by the board of directors.

#### **Interest rate risk**

The company has long term borrowings, which are used to fund ongoing activities. The company actively manages interest rate exposures in accordance with treasury policy. In this respect, at least 60% of all term debt must be at fixed interest rates or effectively fixed using interest rate swaps, forward rate agreements, options and similar derivative instruments.

Indicative weighted average rates of borrowings are as follows:

	2001		2000	
	Weighted ave interest rate	Face value (\$000)	Weighted ave interest rate	Face value (\$000)
Bank loans	5.68%	68,373	7.19%	458,965
Commercial paper	5.10%	143,155	6.73%	78,455
Medium term notes – fixed rate NZ\$	6.50%	85,466	-	-
Medium term notes – floating rate A\$	4.88%	243,158	-	-
	5.30%	540,152	7.12%	537,420

Indicative weighted average rates of interest rate swaps are as follows:

	2001		2000	
	Weighted ave interest rate	Face value (\$000)	Weighted ave interest rate	Face value (\$000)
Interest rate swaps				
Maturing in less than 1 year	5.91%	79,056	6.20%	48,750
Maturing between 1 and 2 years	6.20%	47,006	6.05%	44,850
Maturing between 2 and 5 years	7.11%	190,161	6.81%	167,700
Maturing after 5 years	7.01%	106,832	7.13%	142,350
	6.76%	423,055	6.76%	403,650

#### **Foreign exchange risk**

The company has, in this reporting period, conducted transactions in foreign currencies for the purposes of protecting the NZ \$ value of capital expenditure and for the issuance of A\$ bonds which have been hedged with cross currency swaps. Of the interest rate swaps, \$243,158,000 relates to cross currency swaps.

At balance date the group has no significant exposure to foreign currency risk.

## 2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (con't)

### 14 Financial instruments (con't)

#### **Credit risk**

In the normal course of its business, the company incurs credit risk from energy retailers, financial institutions and trade debtors. The company has a credit policy, which is used to manage this exposure to credit risk.

As part of this policy, the company can only have exposures to financial institutions having at least a credit rating of A- long term and A- short term from Standard & Poors (or equivalent rating). In addition, limits on exposures to financial institutions have been set by the board of directors and are monitored on a regular basis. In this respect, the company minimises their credit risk by spreading such exposures across a range of institutions. The company does not anticipate non-performance by any of these financial institutions.

The company has some concentration of credit exposures to a few large energy retailers. To minimise this risk, the company performs credit evaluations on all energy retailers and other electricity customers and requires a bond or other form of security where deemed necessary.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

#### **Fair values**

The estimated fair value of financial instruments as applicable to the gas lines at 31 December is:

	2001		2000	
	Carrying Amount (\$000)	Fair Value (\$000)	Carrying Amount (\$000)	Fair Value (\$000)
Cash and bank	1,158	1,158	612	612
Bank loans	68,373	68,373	458,965	458,965
Commercial paper	143,155	143,155	78,455	78,455
Medium term notes – fixed rate NZ\$	84,840	83,381	-	-
Medium term notes – floating rate A\$	243,158	243,128	-	-
Interest rate swaps	-	(6,464)	-	(5,332)
Cross currency swaps	-	345	-	-

The following methods and assumptions were used to estimate the fair value of each class of financial instrument where it is practical to estimate that value:

#### **Cash and short-term deposits, short term loans**

The carrying amount of these items is equivalent to the fair value. Bank overdrafts are set off against cash balances pursuant to right of set off.

#### **Commercial paper**

The carrying amount of these items is equivalent to their fair value

#### **Medium term notes**

The fair value of NZ\$ notes is based on quoted market prices.

The fair value of A\$ notes is based on the face value converted at the exchange rate prevailing at year end.

## 2.3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (con't)

### 14 Financial instruments (con't)

#### *Derivative instruments*

The fair value of interest rate swaps, forward rate agreements, interest rate options and other derivative instruments is estimated based on the quoted market prices for these instruments.

### 15 Segmental reporting

The predominant activity of UnitedNetworks is the ownership and operation of distribution networks. All operations are conducted in New Zealand.

### 16 Capital commitments

At balance date, estimated capital expenditure contracted for but not provided for was \$1.69 million (2000: zero).

### 17 Contingent liabilities

The company has no contingent liabilities at balance date.

### 18 Transactions with related parties

Deutsche Bank AG is a shareholder in the parent company of UtiliCorp NZ Limited and details of transactions apportioned to the Gas Lines have been disclosed as if Deutsche Bank AG were a related party.

	<b>2001</b>	<b>2000</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Success fees paid to Deutsche Bank Limited	338	5,000
Interest payments to Deutsche Bank AG	8,242	2,021
Borrowings owing to Deutsche Bank AG	9,572	251,706
Interest and other balances due to Deutsche Bank AG	56	1,807

The company is a subsidiary of UtiliCorp NZ Limited. The ultimate holding company is Aquila. Inc (previously UtiliCorp United Inc.), which is incorporated in the United States of America.

A New Zealand subsidiary of Deutsche Bank AG purchased a shareholding in a parent company of UtiliCorp NZ Limited on 30 June 2000. Deutsche Bank provides advisory and financing services to UnitedNetworks Limited. All transactions between UnitedNetworks Limited and Deutsche Bank are conducted on an arms length basis under normal market conditions.

### 19 Events occurring after balance date

The Directors are not aware of any significant event occurring subsequent to balance date which, if known at balance date, would have resulted in a different assessment of the amount attributable to an item in the financial statements.

**3. PERFORMANCE MEASURES AND STATISTICS: Regulations 15 - 19****3.1 FINANCIAL PERFORMANCE AND EFFICIENCY MEASURES  
For the 12 months ended 31 December 2001****Schedule 1 – PART 2**

		<b>2001</b>	<b>2000</b>
<b>1</b>	<b>Financial performance measures</b>		
a)	Accounting return on total assets	14.46%	11.94%
b)	Accounting return on equity**	172.77%	200.00%
c)	Accounting rate of profit	9.11%	7.96%
<b>2</b>	<b>Efficiency performance measures</b>	<b>12 months</b>	<b>9 months</b>
a)	Direct line costs per kilometre	\$802	\$684
b)	Indirect line costs per gas customer	\$28	\$26

\*\* Accounting return on equity is the result of a net loss after tax divided by negative equity.

**Additional Information**

The following financial performance measures result if the full book value of the line assets purchased (i.e. Cost plus identifiable intangibles) is included in the financial ratio calculations.

		<b>2001</b>	<b>2000</b>
<b>1</b>	<b>Financial performance measures</b>		
a)	Accounting return on total assets	6.94%	5.72%
c)	Accounting rate of profit	4.37%	3.81%

### 3.2 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS

#### For the 12 months ended 31 December 2001

#### Schedule 1 – PART 3

#### 1 Energy Delivery Efficiency Performance Measures

##### a) Load Factor

As calculated by the formula  $a/(12 \times b)^1$  expressed as a percentage, where:

a = the amount of gas entering the system or systems during the financial year; and

b = the maximum monthly amount of gas entering the system or systems.

System	Load Factor (%)	
	Jan01-Dec01	Apr00-Dec00 <sup>1</sup>
Alfriston	37.02	60.56
Ashhurst	56.27	75.39
Auckland Central	76.42	85.04
Bruce McLaren	78.52	81.59
Dannevirke	78.40	85.79
Drury	61.15	68.98
Feilding	66.16	76.65
Foxton	68.32	66.08
Hastings	77.66	87.81
Hunua	79.53	87.13
Kakariki	80.88	83.16
Kairanga	22.06	20.50
Kingseat	34.52	63.03
Levin	64.19	78.66
Longburn	48.91	52.73
Mangaroa	0.00	67.51
Mangatainoka	81.97	86.62
Oroua Downs	13.01	18.91
Pahiatua	74.22	68.15
Palmerston North	55.60	75.78
Pukekohe	68.74	78.23
Ramarama	48.11	71.80
Takapau	78.25	73.32
Tuakau	65.92	75.28
Waimauku	0.00	0.00
Waiuku	49.18	85.44
Wellington	57.20	76.02

<sup>1</sup> As there is only 9 months data (1Apr00-31Dec00) for the financial year comparative, the formula  $a/(9 \times b)$  is used.

### 3.2 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS (con't)

#### b) Unaccounted-for Gas Ratio (UFG)

As calculated by the formula  $a/b$  expressed as a percentage, where:

a = the amount of unaccounted-for gas during the financial year; and

b = the amount of gas entering the system or systems during the financial year.

System	UFG (%)	
	Jan01-Dec01	Jan00-Dec00
Alfriston	-14.44	-14.44
Ashhurst	-1.97	-1.97
Auckland Central	2.45	2.45
Bruce McLaren	0.31	0.31
Dannevirke	0.41	0.41
Drury	0.06	0.06
Feilding	0.04	0.04
Foxton	1.78	1.78
Hastings	0.75	0.75
Hunua	0.19	0.19
Kakariki	0.65	0.65
Kairanga	-1.54	-1.54
Kingseat	-17.67	-17.67
Levin	1.10	1.10
Longburn	-1.96	-1.96
Mangaroa	1.25	1.25
Mangatainoka	3.84	3.84
Oroua Downs	4.89	4.89
Pahiatua	-0.11	-0.11
Palmerston North	1.04	1.04
Pukekohe	1.94	1.94
Ramarama	-3.09	-3.09
Takapau	0.86	0.86
Tuakau	0.31	0.31
Waiuku	1.81	1.81
Wellington	2.50	2.50

#### UFG by UnitedNetworks Pricing Region

Pricing Region	UFG (%)	
	Jan01-Dec01	Jan00-Dec00
Auckland	2.31	2.31
Hawkes Bay	0.65	0.65
Palmerston North	0.42	0.42
Wellington	2.50	2.50

*The data presented above is estimated, based on historical data as we do not have sufficient consumption data to accurately calculate UFG%.*

### 3.2 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS (con't)

#### a) System Length

The system length of each system, in kilometres as calculated by the formula  $a+b/2$  where:

a = system length at the beginning of the financial year

b = system length at the end of the financial year

System	System Length (km)	
	Jan01-Dec01	Apr00-Dec00
Alfriston	0.143	0.254
Ashhurst	22.308	22.314
Auckland Central	4,457.733	4,280.361
Bruce McLaren	86.614	70.561
Dannevirke	18.267	16.560
Drury	9.004	8.916
Feilding	168.680	167.593
Foxton	33.512	33.389
Hastings	338.252	388.576
Hunua	2.210	2.053
Kakariki	1.901	1.712
Kairanga	7.345	7.342
Kingseat	6.439	6.450
Levin	207.558	207.716
Longburn	36.425	36.406
Mangaroa	0.003	0.003
Mangatainoka	1.174	1.173
Oroua Downs	3.660	3.687
Pahiatua	12.033	11.984
Palmerston North	733.717	741.363
Pukekohe	14.439	13.746
Ramarama	1.659	0.656
Takapau	4.000	4.001
Tuakau	4.075	4.076
Waiuku	0.145	0.145
Wellington	926.686	912.173

*As at the start of the prior financial year, UnitedNetworks did not own any gas lines. We have used the system length and total customers as at the purchase date of 1 April 2000 for 'a' in the formula.*

### 3.2 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS (con't)

#### b) Maximum monthly

The maximum monthly amount of gas (in gigajoules) entering the system or systems.

System	Max Month (GJ)	
	Jan01-Dec01	Apr00-Dec00
Alfriston	2,735	1,914
Ashhurst	1,393	1,210
Auckland Central	1,145,717	1,049,022
Bruce McLaren	25,007	23,626
Dannevirke	11,626	10,806
Drury	6,417	6,623
Feilding	41,209	39,141
Foxton	6,453	7,893
Hastings	214,498	173,225
Hunua	14,828	14,326
Kakariki	7,145	5,499
Kairanga	617	1,044
Kingseat	299	240
Levin	42,168	36,079
Longburn	60,137	58,402
Mangaroa	-	2,481
Mangatainoka	2,890	2,983
Oroua Downs	3,721	4,006
Pahiatua	46,444	46,480
Palmerston North	144,383	120,787
Pukekohe	4,090	3,994
Ramarama	3,002	2,183
Takapau	15,045	13,444
Tuakau	16,961	13,464
Waiuku	77	105
Wellington	253,006	214,513

### 3.2 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS (con't)

#### c) Total Amount of Gas Conveyed

The total amount of gas (in gigajoules) conveyed through the system or systems during the financial year.

System	Total Conveyed (GJ)	
	Jan01-Dec01	Apr00-Dec00
Alfriston	11,868	11,941
Ashhurst	9,365	8,371
Auckland Central	10,263,494	7,832,499
Bruce McLaren	230,168	172,939
Dannevirke	108,669	83,094
Drury	46,003	41,090
Feilding	325,790	269,891
Foxton	52,681	46,106
Hastings	1,986,068	1,358,758
Hunua	138,251	112,127
Kakariki	69,055	40,887
Kairanga	1,628	1,956
Kingseat	1,210	1,600
Levin	323,467	252,609
Longburn	351,472	282,595
Mangaroa	-	14,884
Mangatainoka	28,242	22,360
Oroua Downs	5,782	6,484
Pahiatua	410,973	285,419
Palmerston North	959,357	815,179
Pukekohe	32,958	27,572
Ramarama	16,930	14,544
Takapau	140,353	87,954
Tuakau	131,068	90,933
Waiuku	446	796
Wellington	1,693,222	1,431,055

### 3.2 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS (con't)

#### d) Total Amount of Gas Conveyed – on behalf of others

The total amount of gas (in gigajoules) conveyed through the system or systems during the financial year on behalf of other persons who are gas wholesalers or gas retailers, or both, not being persons who are in a prescribed business relationship with the pipeline owner.

System	Conveyed for Others (GJ)	
	Jan01-Dec01	Apr00-Dec00
Alfriston	11,868	11,941
Ashhurst	9,365	8,371
Auckland Central	10,263,494	7,832,499
Bruce McLaren	230,168	172,939
Dannevirke	108,669	83,094
Drury	46,003	41,090
Feilding	325,790	269,891
Foxton	52,681	46,106
Hastings	1,986,068	1,358,758
Hunua	138,251	112,127
Kakariki	69,055	40,887
Kairanga	1,628	1,956
Kingseat	1,210	1,600
Levin	323,467	252,609
Longburn	351,472	282,595
Mangaroa	-	14,884
Mangatainoka	28,242	22,360
Oroua Downs	5,782	6,484
Pahiatua	410,973	285,419
Palmerston North	959,357	815,179
Pukekohe	32,958	27,572
Ramarama	16,930	14,544
Takapau	140,353	87,954
Tuakau	131,068	90,933
Waiuku	446	796
Wellington	1,693,222	1,431,055

### 3.2 ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS (con't)

#### e) Total Customers

The total number of customers being supplied by means of a system as calculated by the formula  $a+b/2$  where:

a = total customers at the beginning of the financial year

b = total customers at the end of the financial year

System	Number of Customers	
	Jan01-Dec01	Apr00-Dec00
Alfriston	5	2
Ashhurst	259	256
Auckland Central	60,164	58,088
Bruce McLaren	590	453
Dannevirke	148	146
Drury	30	29
Feilding	2,361	2,305
Foxton	504	491
Hastings	4,895	4,828
Hunua	3	4
Kakariki	1	1
Kairanga	6	6
Kingseat	5	4
Levin	4,142	4,089
Longburn	491	486
Mangaroa	1	1
Mangatainoka	1	1
Oroua Downs	4	4
Pahiatua	122	122
Palmerston North	17,018	16,686
Pukekohe	3,744	3,741
Ramarama	3	3
Takapau	1	1
Tuakau	14	14
Waiuku	1	1
Wellington	28,040	27,309

*As at the start of the prior financial year, UnitedNetworks did not own any gas lines. We have used the system length and total customers as at the purchase date of 1 April 2000 for 'a' in the formula.*

### 3.3 RELIABILITY PERFORMANCE MEASURES For the 12 months ended 31 December 2001

#### Schedule 1 – PART 4

##### Unplanned Interruptions in Distribution Systems

a) The measure of unplanned interruptions (other than those directly resulting from unplanned interruptions of a transmission system) calculated by the formula  $a/b$  where:

a = the sum obtained by adding together the number of customer-hours lost during each interruption; and

b = the total number of customers being supplied by means of the system.

System	Unplanned interruption measure (within distribution system)	
	Jan01-Dec01	Apr00-Dec00
Alfriston	-	0.3333
Ashhurst	#	0.0078
Auckland Central	0.0013	0.0013
Bruce McLaren	-	-
Dannevirke	#	-
Drury	0.0167	-
Feilding	#	0.0009
Foxton	#	-
Hastings	#	0.0006
Hunua	-	-
Kakariki	#	-
Kairanga	#	-
Kingseat	-	-
Levin	#	0.0007
Longburn	#	-
Mangaroa	#	-
Mangatainoka	#	-
Oroua Downs	#	-
Pahiatua	#	-
Palmerston North	#	0.0022
Pukekohe	-	-
Ramarama	-	-
Takapau	-	-
Tuakau	-	-
Waiuku	-	-
Wellington	0.0105	0.0053

*On systems where the number of customers affected has been recorded, the duration of each interruption is not recorded and the local engineer has estimated the average length of the interruptions.  
Data indicated by # has been amalgamated into the Wellington system.*

**3.3 RELIABILITY PERFORMANCE MEASURES (con't)**

b) The measure of unplanned interruptions directly resulting from unplanned interruptions of a transmission system calculated by the formula  $a/b$  where:

a = the sum obtained by adding together the number of customer-hours lost during each interruption; and

b = the total number of customers being supplied by means of the system.

System	Unplanned interruption measure (resulting from transmission interruptions)	
	Jan01-Dec01	Apr00-Dec00
Alfriston	-	-
Ashhurst	-	-
Auckland Central	-	-
Bruce McLaren	-	-
Dannevirke	-	-
Drury	-	-
Feilding	-	-
Foxton	-	-
Hastings	-	-
Hunua	-	-
Kakariki	-	-
Kairanga	-	-
Kingseat	-	-
Levin	-	-
Longburn	-	-
Mangaroa	-	-
Mangatainoka	-	-
Oroua Downs	-	-
Pahiatua	-	-
Palmerston North	-	-
Pukekohe	-	-
Ramarama	-	-
Takapau	-	-
Tuakau	-	-
Waiuku	-	-
Wellington	-	-