

UnitedNetworks Limited

**Information Disclosure Number 29
31 August 1999**

pursuant to

**The Electricity (Information Disclosure) Regulations
1999**

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**FORM 8 : STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND
INFORMATION SUPPLIED TO SECRETARY**

I, [Donald George Bacon](#), 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 Electricity (Information Disclosure) Regulations 1999.

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 [Takapuna](#) this _____ day of [August](#) 1999

[Solicitor](#)

FORM 1 : AUDITORS' REPORT

To the readers of the financial statements of UnitedNetworks.

We have audited the accompanying financial statements of UnitedNetworks. The financial statements provide information about the past financial performance of UnitedNetworks and its financial position as at [31 March 1999](#). This information is stated in accordance with the accounting policies set out in section 2.5 (1).

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 UnitedNetworks as at [31 March 1999](#), and results of operations and cash flows for the year then ended.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

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 judgments made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to UnitedNetworks' circumstances, consistently applied and adequately disclosed.

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

In addition to our capacity as auditors and taxation advisors, our firm carries out consultancy assignments for UnitedNetworks Limited and principals and employees of our firm deal with UnitedNetworks Limited as domestic power consumers, on normal terms within the ordinary course of trading activities of UnitedNetworks Limited.

Qualified Opinion

Paragraph 2.18 of the Electricity Information Disclosure Handbook, issued by the Ministry of Commerce, permits line companies to exclude comparative figures where disclosures are made for the first time for the current disclosure year. UnitedNetworks Limited has taken advantage of this exemption and has not disclosed comparative figures in these circumstances. To this extent, the financial statements of UnitedNetworks do not comply with Financial Reporting Standard No. 2, *Presentation of Financial Reports*, or the Electricity (Information Disclosure) Regulations 1999.

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

In our opinion, proper accounting records have been kept by UnitedNetworks Limited as far as appears from our examination of those records.

In our opinion, except for the omission of comparative figures referred to above, the financial statements of UnitedNetworks in Section 2:

- comply with generally accepted accounting practice; and
- give a true and fair view of:
 - the financial position as at 31 March 1999; 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 27 August 1999 and our qualified opinion is expressed as at that date.

Deloitte Touche Tohmatsu, Chartered Accountants, Auckland, New Zealand

FORM 2 : CERTIFICATION OF PERFORMANCE MEASURES BY AUDITOR
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I have examined the attached information, being -

- a) The derivation table specified in regulation 16; and
- b) Financial performance measures specified in clause 1 of Part 3 of Schedule 1 of the Electricity (Information Disclosure) Regulations 1999; and
- c) Financial components of the efficiency performance measures specified in clause 2 of Part 3 of that schedule, -

and having been prepared by UnitedNetworks Limited and dated [31 March 1999](#) for the purposes of regulation 15 of those regulations and adjusted for the purposes of regulation 33.

I certify that, having made all reasonable enquiry, to the best of my knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1999.

Deloitte Touche Tohmatsu, Chartered Accountants, Auckland, New Zealand

27 August 1999

FORM 3 : CERTIFICATION OF AUDITOR IN RELATION TO VALUATION

We have examined the valuation report of UnitedNetworks Limited Waitemata, Valley and Kinleith networks dated 10 July 1998 (which is based on the Coopers & Lybrand valuation as at 31 March 1997, adjusted for changes in standard asset lives required by the second edition of the ODV Handbook dated 28 May 1998), which contains valuations of system fixed assets as at 31 March 1997.

We have examined the valuation report of the UnitedNetworks Limited Wellington network prepared by P. Hawkey of TransAlta Limited and Worley Consultants Limited on 14 August 1998 and certified by Ernst & Young on 26 August 1998, which contains valuations of system fixed assets as at 31 March 1997.

We have examined the valuation report of the UnitedNetworks Limited Tauranga, Taupo and Rotorua networks prepared by Worley Consultants Limited and certified by Price Waterhouse as at 31 March 1998, which contains valuations of systems fixed assets as at 31 March 1998.

We certify that, having made all reasonable enquiry, to the best of our knowledge, the valuations contained in the report, including the total valuation of system fixed assets of \$1,018.3 million, have been made in accordance with the ODV Handbook.

Deloitte Touche Tohmatsu, Chartered Accountants, Auckland, New Zealand

27 August 1999

FORM 5 : CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower

We, Philip Michael Smith and Donald George Bacon, 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, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999 comply with the requirements of those regulations; and

b) The attached information, being the derivation table, financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to UnitedNetworks, and having been prepared for the purposes of regulations 15, 16, 21, and 22 and adjusted for the purposes of regulation 33 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of those regulations.

The valuations on which those financial performance measures are based are as at [31 March 1999](#).

Director

Director

Date

Date

FORM 7 : CERTIFICATION OF VALUATION REPORT OF LINE OWNERS

We, Philip Michael Smith and Donald George Bacon, directors of UnitedNetworks Limited certify that, having made all reasonable enquiry, to the best of our knowledge -

(a) The attached valuation report of UnitedNetworks, prepared for the purposes of the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of those regulations; and

(b) The Optimised Depreciated Replacement Cost of the line business system fixed asset of UnitedNetworks Limited is [\\$1,018.8 million](#); and

(c) The Optimised Deprival Valuation of the line business system fixed assets of UnitedNetworks Limited is [\\$1,018.3 million](#); and

(d) The valuation of the line business assets of UnitedNetworks Limited, including system and non-system fixed assets and net working capital, is [\\$1,002.8 million](#); and

(e) The values in (b) and (c) have been prepared in accordance with the ODV Handbook.

These valuations are as at [31 March 1999](#).

Director

Director

Date

Date

1. INTRODUCTION AND INTERPRETATION

- 1.1 This document contains certain material required to be disclosed by UnitedNetworks under PART 2 (Regulations 6 to 9) and PART 4 (Regulations 15 to 22) of the Electricity (Information Disclosure) Regulations 1999.
- 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 Electricity (Information Disclosure) Regulations 1999.
- 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 March 1999
 - "Last financial year" means the year ending on 31 March 1998
 - "UnitedNetworks" means the line business of UnitedNetworks Limited
 - "Other" means any part of UnitedNetworks Limited which is not the line business
 - "The company" means UnitedNetworks

2. FINANCIAL STATEMENTS

For the year ended 31 March 1999: PART 2 (Regulations 6 to 9)

2.1 STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 1999

	Notes	1999 (\$000)	1998 (\$000)
Total revenue	2	232,081	187,092
Total expenditure	3	167,649	129,108
Earnings before interest and tax		64,432	57,984
Interest		17,911	589
Taxation	4	28,934	8,780
Net profit after tax		17,587	48,615

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 March 1999

	Notes	1999 (\$'000)	1998 (\$'000)
Current assets			
Bank, cash, short-term investments		38,510	69
Trade debtors		38,270	21,951
Other debtors		1,460	2,008
Taxation receivable		395	-
Prepayments		366	177
Electricity hedges		-	-
Lease	17	62	55
Inventory		1,062	1,054
Other current assets		6,353	3,460
Total current assets		86,478	28,774
Fixed assets			
System fixed assets	9	1,082,807	589,787
Non-reticulation assets	9	40,352	26,294
Total fixed assets		1,123,159	616,081
Other tangible assets			
Lease	17	1,670	1,785
Total tangible assets		1,211,307	646,640
Intangible assets			
Goodwill assets	18	1,731	-
Other intangibles	19	531,523	-
Total intangible assets		533,254	-
Total assets		1,744,561	646,640
Current liabilities			
Accounts payable	8	46,213	12,796
Bank loan - current	20	36,500	2,000
Provision for dividend	5	21,984	25,157
Provision for taxation		-	513
Electricity hedges		-	-
Sundry payables	8	4,727	376
Total current liabilities		109,424	40,842
Funding			
Shareholders' equity			
Share capital	6	129,351	129,359
Revaluation reserves	7	384,991	403,921
Other reserves	7	66,678	66,678
Retained earnings	7	16,580	31,825
Total shareholders' equity		597,600	631,783
Non-current liabilities			
Loans	20	989,500	8,500
Deferred taxation	4	10,768	7,280
Inter-business unit funding		37,269	(41,765)
Total non-current liabilities		1,037,537	(25,985)
Total funding		1,635,137	605,798
Total equity and liabilities		1,744,561	646,640

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

2.3 STATEMENT OF MOVEMENTS IN EQUITY
For the year ended 31 March 1999

	Notes	1999 (\$000)	1998 (\$000)
Equity at start of year		631,783	621,094
Net profit after tax		17,587	48,615
Movement in shares		(8)	90
Write-back of deferred tax provision to revaluation reserve		8,110	-
Distribution to owners during the year	5	(59,872)	(38,016)
Equity at end of year		597,600	631,783

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

2.4 STATEMENT OF CASH FLOWS
For the year ended 31 March 1999

	Notes	1999 (\$000)
Cash flows from operating activities		
<i>Cash was provided from:</i>		
Receipts from customers		213,774
Interest received		402
		214,176
<i>Cash was applied to:</i>		
Payments to suppliers & employees		(105,553)
Interest paid		(10,086)
Taxation paid		(18,284)
		(133,923)
Net cash flow from operating activities	16	80,253
Cash flows from investing activities		
<i>Cash was provided from:</i>		
Proceeds from sale of fixed assets		45,336
<i>Cash was applied to:</i>		
Purchase of investments		115
Purchase of fixed assets and identifiable intangibles		(1,078,865)
		(1,078,750)
Net cash flow from investing activities		(1,033,415)
Cash flows from financing activities		
<i>Cash was provided from:</i>		
Loans		1,017,500
Related party advances		39,156
		1,056,656
<i>Cash was applied to:</i>		
Settlement of loans		(2,000)
Dividends paid		(63,045)
Advance to subsidiaries		(8)
		(65,053)
Net cash flow from financing activities		991,603
Net increase (decrease) in cash held		38,441
Opening cash balances		69
Closing cash balances		38,510

Comparative information - refer to note 21.

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

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 1999

1) Statement of Accounting Policies

Special Purpose Financial Statements

These financial statements are made pursuant to UnitedNetworks' obligations under the Electricity (Information Disclosure) Regulations 1999. 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.

The Line business unit is treated as the core business activity and corporate activities are accounted for through the Line and Other business unit financial statements.

In these statements UnitedNetworks has adopted the avoidable cost allocation methodology stipulated in the Electricity Information Disclosure Handbook.

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 with the exception of Distribution Network System Assets, which have been revalued to their Optimised Deprival Value (ODV) in accordance with the treatment outlined in the Electricity Information Disclosure Handbook. This is more fully explained within the particular accounting policy for Fixed Assets.

Particular Accounting Policies

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

▪ ***Consolidation***

These financial statements include the results of Bay of Plenty Electricity Limited (renamed Horizon Energy Distribution Limited on 1 April 1999), a 52% owned subsidiary, as an aggregation of the line business components only. For the purpose of these disclosures minority interest has been classified as "other" in accordance with the Electricity Information Disclosure Handbook.

▪ ***Income Tax***

The company adopts 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. Where the revalued assets are intended to be held long term, the deferred taxation liability relating to the revaluation, arising from depreciation claimed for taxation purposes, is not expected to crystallise in the foreseeable future. Accordingly, the taxation liability which would arise if the revalued assets were disposed of at valuation has not been recognised. The taxation effect of the timing difference not recognised is disclosed in note 4.

▪ ***Fixed Assets Other Than Distribution Network System Assets***

All fixed assets are initially recorded at cost.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 1999

▪ *Distribution Network System Assets*

UnitedNetworks comprises the following reticulation assets:

- *Waitemata, Valley, Kinleith Networks*

Formerly Power New Zealand Ltd. The last revaluation carried was out by independent consultants, Coopers & Lybrand in March 1997.

- *Wellington Network*

Purchased from TransAlta Limited in January 1999. The last revaluation was carried out by independent consultants, Worley Consultants Limited and Ernst & Young in March 1997.

- *Tauranga, Rotorua, Taupo Networks*

Purchased from TrustPower Limited in February 1999. The last revaluation was carried out by independent consultants, Worley Consultants Limited and Price Waterhouse in March 1998.

- *Bay of Plenty Electricity Network*

The last revaluation was carried out by independent consultants, Coopers and Lybrand and Worley Consultants Limited in March 1997.

The Optimised Depreciated Replacement Cost (ODRC) valuations carried out for the Waitemata, Valley, Kinleith and Wellington networks in March 1997 were in accordance with the Handbook for Optimised Deprival Valuation of Electricity Line Businesses dated 23 June 1994. These valuations were revised in March 1998 to comply with the new standard lives in the Handbook dated 28 May 1998.

The Optimised Depreciated Replacement Cost (ODRC) valuations carried out for the Tauranga, Taupo and Rotorua networks in March 1998 were in accordance with the Handbook for Optimised Deprival Valuation of Electricity Line Businesses dated 28 May 1998.

UnitedNetworks has carried forward the balances of the last revaluations of the Waitemata, Valley, Kinleith, Wellington, Tauranga, Taupo and Rotorua networks and adjusted for additions, disposals and depreciation. The revised value as at 31 March 1999 is \$1,018.3 million.

Bay of Plenty Electricity Limited has carried forward the balance of the last revaluation of its network and adjusted for additions, disposals and depreciation. The revised value as at 31 March 1999 is \$64.5 million.

Total aggregated Distribution Network System Assets is \$1,082.8 million.

▪ *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. Financial instruments entered into with no underlying exposure are accounted for on a mark to market basis.

▪ *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	40 – 100 years
(ii)	Reticulation System	15 – 70 years
(iii)	Plant, Vehicles and Equipment	2 – 10 years

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 1999

▪ **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 is 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.

▪ **Inventory**

Inventory is stated at the lower of cost and net realisable value. In arriving at net realisable value an allowance is made for deterioration and obsolescence.

▪ **Distributions from Power New Zealand Shareholders Society Inc (PNZSS)**

Distributions received from PNZSS are treated as a distribution from a trust, being a return of dividends previously paid to the trust, of which the company is the beneficiary. Under the avoidable cost allocation methodology these distributions have been identified as dividends and classified as "other", which differs from earlier disclosures.

▪ **Changes in Accounting Policies**

All policies have been applied on bases consistent with those used in the previous year with the exception of deferred taxation, which is now recognised on the comprehensive basis.

The effect of this change in accounting policy is to decrease net profit for the year by \$15.8 million. Of this \$4.5 million relates to the current year and \$11.3 million relates to prior years.

	1999 (\$000)	1998 (\$000)
2) Revenue		
Line / access charges:		
i) invoiced to retailers	62,284	
ii) invoiced directly to consumers	155,051	
'OTHER' business for services carried out by UNL	-	
Interest received	402	138
AC loss-rental rebates	7,134	
Electricity hedges	-	
Other revenue	7,210	

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 1999

	1999 (\$000)	1998 (\$000)
3) Expenses		
Transmission charges	67,150	
Avoided transmission charges	3,746	
Asset maintenance		
- 'OTHER'	16,004	
-non related entities	3,692	
Consumer disconnections/reconnections		
- 'OTHER'	3	
-non related entities	-	
Meter data		
- 'OTHER'	-	
-non related entities	-	
Consumer-based load control services		
- 'OTHER'	-	
-non related entities	-	
Expense of other goods and services – 'OTHER'	21	
Employee salaries and redundancies	11,258	
Consumer billing and information system	1,931	
Total depreciation includes:	27,120	22,440
- depreciation on system fixed assets	21,599	
- depreciation on capital works under construction	38	
Corporate and administration includes:	7,845	
- Audit fees	166	122
- Other fees paid to auditors	388	310
- Directors fees	406	492
- Lease and rental	134	209
Total other human resources	274	
Marketing / advertising	2,001	
Merger and acquisition	17,226	
Takeover defence	-	
Research and development	195	
Consultancy and legal	3,097	
Electricity hedges	-	
Amortisation of goodwill	19	
Amortisation of identifiable intangibles	2,766	
Subvention payments	-	
Other expenditure includes:	3,301	
- Bad debts written off	972	202
- (Decrease) increase in doubtful debts provision	(402)	433

Comparative information has not been disclosed as The Electricity (Information Disclosure) Regulations 1999 Schedule 1 – Part 2 applies from the 1999 financial year onwards.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 1999

	1999 (\$000)	1998 (\$000)
4) Taxation		
Current year taxation charge:		
Operating surplus before taxation	46,521	57,395
Taxation at 33%	15,352	18,940
Permanent differences	2,248	230
Timing differences not recognised	-	-
Correction to prior year charge	-	(1,775)
Amount due to change in accounting policy	11,334	(8,615)
	28,934	8,780
The taxation charge is represented by:		
Current taxation	17,336	18,275
Deferred taxation	264	895
Correction to prior year charge	-	(1,775)
Change in accounting policy	11,334	(8,615)
	28,934	8,780
Deferred taxation reconciliation:		
Opening balance 1 April	7,280	11,123
Deferred tax relating to revaluation	(8,110)	-
Current year tax charge movement	264	895
Amount due to change in accounting policy	11,334	(8,615)
Correction to prior year balance	-	3,877
Closing balance 31 March	10,768	7,280
Imputation credit account:		
Opening balance 1 April	15,549	17,029
Imputation credits attached to -		
Dividends received	1,551	3,718
Taxation paid	18,284	10,657
Dividends paid	(33,129)	(15,855)
Imputation credits available to shareholders	2,255	15,549

In respect of the valuation, there is a deferred tax liability for tax depreciation recovered amounting to approximately \$41 million (1998: \$31 million), which would crystallise if all the revalued assets were disposed of for their carrying value. This liability has not been recognised in the financial statements.

A deferred tax liability of \$8.1 million, previously recognised in respect of the revaluation of a sub-network, has been written back, as this liability is not expected to crystallise in the foreseeable future.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 1999

	1999 (\$000)	1998 (\$000)
5) Dividend		
Dividend paid	37,888	12,859
Dividend proposed	21,984	25,157
	59,872	38,016
6) Share capital		
Opening balance 1 April	129,359	129,269
Movement in shares	(8)	90
Closing balance 31 March	129,351	129,359
159,617,660 ordinary shares fully paid		
7) Reserves		
Revaluation reserve:		
Opening balance 1 April	403,921	403,921
Transfer arising from disposal of fixed assets	(27,040)	-
Surplus on revaluation of additions in period	-	-
Net adjustment to ODV	-	-
Deferred tax in relation to revaluation of fixed assets	8,110	-
Closing balance 31 March	384,991	403,921
Other reserves:		
Opening balance 1 April	66,678	66,678
Closing balance 31 March	66,678	66,678
Retained earnings		
Opening balance 1 April	31,825	21,226
Transfer from revaluation reserve	27,040	-
Dividends	(59,872)	(38,016)
Transferred from statement of financial performance	17,587	48,615
Closing balance 31 March	16,580	31,825
8) Accounts payable		
Trade and other creditors	38,349	12,796
Interest payable	7,864	-
Closing balance 31 March	46,213	12,796
Sundry payables		
Accrued payroll	-	160
Other accruals	-	216
Provision for holiday pay	553	-
Expenditure provision	4,174	-
Closing balance 31 March	4,727	376

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 1999

	At cost (\$000)	At valuation (\$000)	Accumulated depreciation (\$000)	Net carrying value (\$000)
9) Fixed assets summary				
1999				
Freehold land	373	-	6	367
Freehold buildings	5,580	-	1,184	4,396
Distribution system	582,252	539,118	38,563	1,082,807
Plant, vehicles and equipment	30,936	-	17,587	13,349
Capital work in progress	22,240	-	-	22,240
	641,381	539,118	57,340	1,123,159
1998				
Freehold land	430	-	5	425
Freehold buildings	6,029	-	1,196	4,833
Distribution system	43,001	566,157	19,371	589,787
Plant, vehicles and equipment	19,867	-	13,159	6,708
Capital work in progress	14,328	-	-	14,328
	83,655	566,157	33,731	616,081
				1999
				(\$000)
<i>Included in distribution system assets is:</i>				
Centralised load control equipment				18,541
<i>Included in plant, vehicles and equipment is:</i>				
Consumer billing and information system assets				590
Motor vehicles				828
Office equipment				1,317
Other fixed assets				10,615
<i>Included in capital works under construction is:</i>				
i) Subtransmission assets (transfer payment)				1,595
ii) Zone substations (transfer payment)				1,487
iii) Distribution lines and cables (transfer payment)				5,987
iv) Medium voltage switchgear (transfer payment)				-
v) Distribution transformers (transfer payment)				57
vi) Distribution substations (transfer payment)				1,925
vii) Low voltage lines and cables (transfer payment)				5,021
viii) Other system fixed assets as per ODV Handbook (transfer payment)				5,532

10) 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 fixed using interest rate swaps, forward rate agreements, options and similar derivative instruments.

The notional face value of outstanding derivative instruments at balance date are:

	1999 (\$000)	1998 (\$000)
Interest rate swaps	907,500	69,000
Forward rate agreements	25,000	45,000
Interest rate options	-	26,000

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 1999

At balance date, the weighted average interest rates for swaps and forward rate agreements are 6.51% and 4.89% respectively. The weighted average strike rate for interest rate swaptions is 7.30%.

▪ *Credit Risk*

In the normal course of 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 concentration of credit exposures with 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.

▪ *Fair values*

The estimated fair value of financial instruments at 31 March is:

	1999		1998	
	Carrying amount (\$000)	Fair value (\$000)	Carrying amount (\$000)	Fair value (\$000)
Cash and Liquid Deposits	38,510	38,510	69	69
Loans	1,026,000	1,026,000	2,000	2,000
Interest Rate Swap	-	(17,930)	-	1,943
Interest Rate Swaptions	-	(820)	-	-

▪ *Cash and Short Term Deposits, Short Term Loans*

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

11) Capital Commitments

At balance date, estimated capital expenditure contracted for but not provided was \$1.6 million (1998: \$3.6 million).

12) Contingent Liabilities

The group has provided guarantee in respect of Pacific Energy Limited liabilities to:

- BNZ for letters of credit required by Electricity Market Company Limited; and
- BNZ for cash advance facility provided; and
- Electricity Corporation for entering into hedging contracts

The total guarantees are for a maximum amount of \$21.9 million (1998: \$4.2 million). Subsequent to year-end these have been reduced to \$2.1 million.

The group also has other contingent liabilities totalling \$3.1 million (1998: \$0.1 million) consisting of:

- Performance bonds to ensure completion of contract works; and
- Letters of credit to satisfy New Zealand Stock Exchange listing requirements; and
- Letters of credit to guarantee other payments.

Contingent liabilities exist in relation to on-going disputes which are being defended.

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 1999

13) Events Occurring After Balance Date

The Directors are not aware of any significant events 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.

14) Transactions between related parties

Name of the Entity: UnitedNetworks Contracting Services Business Unit

Relationship: Provides the Network Business Unit maintenance and construction on system fixed assets and other assets

Total outstanding balance: \$8,516,813

Terms of settlement: Settled under normal terms of trade

Total debts w/o or forgiven: nil

Transaction	Unit Price (\$)	Quantity	Exp (\$000)	Period gd/service was supplied
Construction of Subtransmission Assets	214	13,724	2,940	1Apr98-31Mar99
Construction of Zone Substations	258	1,700	438	1Apr98-31Mar99
Construction of Distribution Lines and Cables	84	72,233	6,046	1Apr98-31Mar99
Construction of Medium Voltage Switchgear	6,354	299	1,900	1Apr98-31Mar99
Construction of Distribution Transformers	5,846	310	1,812	1Apr98-31Mar99
Construction of Distribution Substations	2,797	312	873	1Apr98-31Mar99
Construction of Low Voltage Reticulation	80	86,700	6,976	1Apr98-31Mar99
Construction of Other System Fixed Assets as per ODV Handbook	65	12,860	839	1Apr98-31Mar99
Maintenance Assets			16,004	1Apr98-31Mar99
Consumer Connections and Disconnections			3	1Apr98-31Mar99
Consulting Costs			(1)	1Apr98-31Mar99
Vehicle Maintenance			22	1Apr98-31Mar99

15) Segmental reporting

The predominant activity of UnitedNetworks Limited is the ownership and operation of electricity distribution networks. All operations are conducted in New Zealand. During the year the company sold all of its assets and businesses involved in the generation and marketing of electricity to comply with the Electricity Industry Reform Act 1998.

16) Reconciliation of operating surplus after taxation to net cash inflow from operating activities

	1999 (\$000)
Reported surplus after taxation but before share of retained surplus of associate and minority interest	17,587
Add non-cash items:	
Accounts payable / accruals relating to fixed assets	498
Depreciation	27,120
Profit elimination on self constructed assets	215
Amortisation of goodwill and intangibles	2,785
Increase (decrease) in deferred tax payable	3,487
Deferred tax reversed on reticulation assets	8,110
Add (less) movements in working capital items:	-
Decrease (increase) in accounts receivable and other debtors	(16,163)
Decrease (increase) in prepayments	(182)
Decrease (increase) in current portion of lease	(7)
Decrease (increase) in inventory	(8)
Increase (decrease) in tax payable	(908)
Increase (decrease) in accounts and sundry payable	37,769
Add (less) items classified as investing activities:	-
Loss (profit) on sale of assets	(50)
Net cash flow from operating activities	80,253

2.5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 1999

	1999 (\$000)	1998 (\$000)
17) Lease		
Gross amount	5,128	5,084
Unearned interest	3,396	3,244
Net amount	1,732	1,840
Long term	1,670	1,785
Current	62	55
Interest rate	7.90%	6.44%
Term	40 years	40 years

Relating to flood lighting and high tension reticulation systems and other electrical works in North Harbour Stadium.

18) Goodwill		
Opening balance 1 April	-	-
Goodwill purchased in the year	1,750	-
Amortised during the year	(19)	-
Closing balance 31 March	1,731	-

19) Identifiable intangible		
Opening balance 1 April	-	-
Identifiable intangibles purchased in the year	534,289	-
Amortised during the year	(2,766)	-
Closing balance 31 March	531,523	-

20) Loans		
Loans – current	36,500	2,000
- Term	989,500	8,500
	1,026,000	10,500
The loan maturity dates are:		
Payable within 1 year	36,500	2,000
Payable between 1 and 2 years	64,500	1,000
Payable between 2 and 3 years	912,000	3,500
Payable between 3 and 4 years	-	2,000
Payable between 4 and 5 years	13,000	2,000
	1,026,000	10,500

All term loans are unsecured and are subject to negative pledge agreements.

Interest rates for the majority of term loans are floating based on the 90 day bank bill rate plus a margin.

The weighted average variable interest rate on term loans is 5.49%. The company also has a short term \$30 million working capital facility, which was unused at balance date.

21) Comparative information	
In accordance with the Electricity Information Disclosure Handbook, certain comparative information has not been disclosed.	

The comparative information has been prepared on a consolidated basis, including the results of Bay of Plenty Electricity Limited, for the year ended 31 March 1998.

3. PERFORMANCE MEASURES AND STATISTICS

For the year ending 31 March 1999: PART 4 (Regulations 15 to 22)

3.1 Schedule 1 – PART 3

Regulation 15: Disclosure by Line Owners of Financial and Efficiency Performance Measures

Regulation 17: Further Requirements about Financial and Efficiency Performance Measures

Year ended 31 March	1996	1997	1998	1999
1 Financial performance measures				
a Return on funds	-	-	-	13.40%
b Return on equity	-	-	-	8.76%
c Return on investment	-	-	-	9.22%
Accounting return on total assets	4.62%	8.11%	9.87%	-
Accounting return on Equity	3.16%	5.48%	8.04%	-
Accounting rate of profit	2.19%	5.46%	8.07%	-
2 Efficiency performance measures				
a Direct line costs per kilometre	\$1,131.51	\$959.21	\$975.50	\$1,277.19
b Indirect line costs per consumer	\$91.57	\$107.52	\$115.35	\$145.95

For Information Purposes Only

The following financial performance measures result if the full book value of the line assets purchased from TransAlta and Trustpower (ie ODV plus identified intangibles) is included in the financial ratio calculations.

Year ended 31 March	1999
1 Financial performance measures	
a Return on funds	9.07%
b Return on equity	8.76%
c Return on investment	6.24%

3.2 Schedule 1 – PART 7

Regulation 16: Derivation of Financial and Efficiency Performance Measures from Financial Statements

As per Regulation 33 we have prepared this information so that it enables a more accurate comparison for this financial year and subsequent financial years.

This has necessitated the estimation of the financial results for the line businesses purchased from TransAlta and Trustpower, as if we had owned these businesses for the full year.

These annualised results have been determined using the most valid information available through a combination of part-year actual results and estimates.

Return on Funds

Year ended 31 March 99	Symbol		ROF
Earnings before interest and tax	A		133,689,917
Amortised Goodwill	G	+	13,444,000
Subvention Payment	S	+	-
Depreciation of SFA at BV	d1	+	38,529,126
Depreciation of SFA at ODV	d2	-	38,529,126
Numerator (as adjusted)	$=a+g+s+d$		147,133,917
Fixed Assets at year beginning	FA ₀		1,157,218,257
Fixed Assets at year end	FA ₁	+	1,123,159,218
Net Working Capital at year beginning	NWC ₀	+	(12,068,000)
Net Working Capital at year end	NWC ₁	+	(22,945,000)
Average Total Funds Employed	$C=(FA_0+FA_1+NWC_0+NWC_1)/2$	/2	1,122,682,238
Works Under Construction at year beginning	WUC ₀		26,850,658
Works Under Construction at year end	WUC ₁	+	22,239,569
Average Total Works Under Construction	$e=(WUC_0+WUC_1)/2$	/2	24,545,114
System fixed assets at year beginning at book value	SFAabv ₀		1,119,147,000
System fixed assets at year end at book value	SFAabv ₁	+	1,082,807,487
Average Value of System Fixed Assets at Book Value	$F=(SFAabv_0+SFAabv_1)/2$	/2	1,100,977,244
System fixed assets at year beginning at ODV value	SFAodv ₀		1,119,147,000
System fixed assets at year end at ODV value	SFAodv ₁	+	1,082,807,487
Average Value of System Fixed Assets at ODV Value	$h=(SFAodv_0+SFAodv_1)/2$	/2	1,100,977,244
Denominator (as adjusted)	$=c-e-f+h$		1,098,137,124
Financial Performance Measure			13.40%

3.2 Schedule 1 – PART 7 (continued)

Return on Equity

Year ended 31 March 99	Symbol		ROE
Net profit after tax	N		38,080,841
Amortised Goodwill	G	+	13,444,000
Subvention Payment	S	+	-
Depreciation of SFA at BV	d1	+	38,529,126
Depreciation of SFA at ODV	d2	-	38,529,126
ODV Depreciation tax adjustment	B	-	-
Subvention Payment tax adjustment	s * t	-	-
Numerator (as adjusted)	=n+g+s-s*t+d-b		51,524,841
Total Equity at year beginning	TE ₀		631,783,000
Total Equity at year end	TE ₁	+	597,601,000
Average Total Equity	K= (TE₀+TE₁)/2	/2	614,692,000
Works Under Construction at year beginning	WUC ₀		26,850,658
Works Under Construction at year end	WUC ₁	+	22,239,569
Average Total Works Under Construction	E= (WUC₀+WUC₁)/2	/2	24,545,114
Goodwill asset at year beginning	GW ₀		1,750,000
Goodwill asset at year end	GW ₁	+	1,662,500
Average Goodwill Asset	m= (GW₀+GW₁)/2	/2	1,706,250
Subvention payment for previous year	S ₀		-
Subvention payment for this year	S ₁	+	-
Subvention payment tax adjustment for previous year	=S ₀ *t	-	-
Subvention payment tax adjustment for this year	=S ₁ *t	-	-
Average Subvention Payment & Related Tax Adjustment	v= (S₀+S₁-S₀*t-S₁*t)/2	/2	-
System fixed assets at year beginning at book value	SFAabv ₀		1,119,147,000
System fixed assets at year end at book value	SFAabv ₁	+	1,082,807,487
Average Value of System Fixed Assets at Book Value	f= (SFAabv₀+SFAabv₁)/2	/2	1,100,977,244
System fixed assets at year beginning at ODV value	SFAodv ₀		1,119,147,000
System fixed assets at year end at ODV value	SFAodv ₁	+	1,082,807,487
Average Value of System Fixed Assets at ODV Value	h= (SFAodv₀+SFAodv₁)/2	/2	1,100,977,244
Denominator (as adjusted)	=k-e-m+v-f+h		588,440,636
Financial Performance Measure			8.76%

3.2 Schedule 1 – PART 7 (continued)

Return on Investment

Year ended 31 March 99	Symbol		ROI
Earnings before interest and tax	a		133,689,917
Amortised Goodwill	g	+	13,444,000
Subvention Payment	s	+	-
Depreciation of SFA at BV	d1	+	38,529,126
Depreciation of SFA at ODV	d2	-	38,529,126
ODV Depreciation tax adjustment	b	-	-
Subvention Payment tax adjustment	s * t	-	-
Interest Tax Shield	q	-	24,521,420
Revaluations	r	+	-
Income tax	p	-	21,399,743
Numerator (as adjusted)	=a+g-q+r+s+d-p-s*t-b		101,212,754
Fixed Assets at year beginning	FA ₀		1,157,218,257
Fixed Assets at year end	FA ₁	+	1,123,159,218
Net Working Capital at year beginning	NWC ₀	+	(12,068,000)
Net Working Capital at year end	NWC ₁	+	(22,945,000)
Average Total Funds Employed	c=(FA₀+FA₁+ NWC₀+NWC₁)/2	/2	1,122,682,238
Works Under Construction at year beginning	WUC ₀		26,850,658
Works Under Construction at year end	WUC ₁	+	22,239,569
Average Total Works Under Construction	e=(WUC₀+WUC₁)/2	/2	24,545,114
Revaluations	r		-
System fixed assets at year beginning at book value	SFAabv ₀		1,119,147,000
System fixed assets at year end at book value	SFAabv ₁	+	1,082,807,487
Average Value of System Fixed Assets at Book Value	f=(SFAabv₀+SFAabv₁)/2	/2	1,100,977,244
System fixed assets at year beginning at ODV value	SFAodv ₀		1,119,147,000
System fixed assets at year end at ODV value	SFAodv ₁	+	1,082,807,487
Average Value of System Fixed Assets at ODV Value	H=(SFAodv₀+SFAodv₁)/2	/2	1,100,977,244
Denominator (as adjusted)	=c-e-.5r-f+h		1,098,137,124
Financial Performance Measure			9.22%

3.3 Schedule 1 – PART 4

Regulation 21: Disclosure by Line Owners of Energy Delivery Efficiency Performance Measures and Statistics

UnitedNetworks Year ended 31 March	1996	1997	1998	1999
1 Energy delivery efficiency performance measures				
a Load Factor	58.90%	58.60%	55.70%	59.94%
b Loss Ratio	6.12%	6.20%	6.20%	5.44%
c Capacity Utilisation	40.60%	39.60%	39.60%	34.03%
2 Statistics				
a System length (kms)				
110kV	25	25	25	25
66kV	144	144	144	144
33kV	765	770	773	898
11kV	6,379	6,474	6,526	7,654
400V	5,634	5,735	5,822	6,843
Total	12,946	13,148	13,290	15,563
b Circuit length - overhead (kms)				
110kV	25	25	25	25
66kV	144	144	144	144
33kV	680	681	681	756
11kV	5,395	5,449	5,465	6,231
400V	3,773	3,796	3,809	4,256
Total	10,017	10,095	10,124	11,412
c Circuit length – underground (kms)				
110kV	-	-	-	-
66kV	-	-	-	-
33kV	85	89	92	142
11kV	984	1,025	1,061	1,422
400V	1,861	1,939	2,013	2,586
Total	2,930	3,053	3,166	4,151
d Transformer capacity (kVA)	1,535,156	1,624,008	1,659,135	3,739,313
e Maximum demand (kW)	622,530	643,252	657,584	1,272,484
f Total electricity supplied (kWh)	3,223,058,394	3,315,486,882	3,384,294,573	6,317,632,788
g Total electricity conveyed on behalf of other persons (kWh)	597,004,000	620,747,000	662,705,000	6,317,632,788
A				63,091,832
B				444,189,000
C				954,312,486
D				228,008,660
E				9,472,281
F				383,954
G				58,387,420
H				546,385
I				1,005,708
J				4,968,424
K				979,126
L				1,126,084
M				94,833
N				48,845
O				72,961
P				4,550,944,789
h Total consumers	213,215	218,772	223,765	280,119

3.3 Schedule 1 – PART 4 (continued)

Bay of Plenty Electricity Ltd Year ended 31 March	1996	1997	1998	1999
1 Energy delivery efficiency performance measures				
a Load Factor	67.00%	68.45%	71.00%	70.60%
b Loss Ratio	3.60%	4.85%	4.50%	3.90%
c Capacity Utilisation	50.00%	55.66%	51.00%	50.04%
2 Statistics				
a System length (kms)				
110kV	22	22	28	33
66kV	-	-	-	-
33kV	156	175	175	176
11kV	1,451	1,382	1,393	1,399
400V	468	536	537	538
Total	2,097	2,115	2,133	2,146
b Circuit length - overhead (kms)				
110kV	22	22	28	33
66kV	-	-	-	-
33kV	154	171	171	172
11kV	1,360	1,286	1,288	1,289
400V	279	349	349	349
Total	1,815	1,828	1,836	1,843
c Circuit length – underground (kms)				
110kV	-	-	-	-
66kV	-	-	-	-
33kV	2	4	4	4
11kV	91	96	105	110
400V	189	187	188	189
Total	282	287	297	303
d Transformer capacity (kVA)	189,555	163,000	166,833	178,162
e Maximum demand (kW)	95,067	90,720	85,820	89,151
f Total electricity supplied (kWh)	537,367,315	517,580,862	511,624,675	529,883,592
g Total electricity conveyed on behalf of other persons (kWh)	139,547,315	130,752,523	135,750,858	250,857,976
A				240,432,893
B				409,309
C				9,627,208
D				388,566
h Total consumers	21,867	22,201	22,636	22,931

3.4 Schedule 1 – PART 5

Regulation 22: Disclosure by Line Owners of Reliability Performance Measures

UnitedNetworks For the year ended 31 March		1996	1997	1998	1999
1	Total Number of Interruptions				
	Class A	9	-	1	5
	Class B	789	661	645	1,002
	Class C	1,394	1,515	1,032	1,402
	Class D	65	6	5	12
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-
	Total	2,257	2,182	1,683	2,421
4	% Total Number of Class C Interruptions				
	Not Restored within 3 hours				24.54%
	Not Restored within 24 hours				0.78%
5	Total Number of Faults per 100km	19.79	20.70	13.32	16.38
	110kV	-	3.95	-	-
	66kV	3.48	0.70	4.87	3.47
	33kV	4.70	10.10	8.03	8.35
	11kV	22.04	22.47	14.19	17.61
6	Total Number of Faults per 100km (underground)	5.12	5.83	6.42	8.95
	110kV	-	-	-	-
	66kV	-	-	-	-
	33kV	3.49	2.27	2.18	5.62
	11kV	5.26	6.14	6.78	9.28
7	Total Number of Faults per 100km (overhead)	22.30	23.33	14.58	18.00
	110kV	-	3.95	-	-
	66kV	3.48	0.70	4.87	3.47
	33kV	4.85	11.12	8.81	8.87
	11kV	25.10	25.65	15.62	19.51
8	SAIDI – Total Number of Interruptions	233.00	219.40	171.19	300.85
11	Class A	63.40	-	-	10.90
	Class B	28.50	23.01	28.39	37.71
	Class C	129.10	164.93	134.25	241.40
	Class D	12.00	31.54	8.55	10.85
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-
12	SAIFI – Total Number of Interruptions	3.36	4.58	2.90	3.99
15	Class A	0.18	-	-	0.06
	Class B	1.70	0.17	0.18	0.23
	Class C	2.58	3.29	2.37	3.30
	Class D	0.40	1.12	0.35	0.40
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-
16	CAIDI – Total of All Interruptions	66.90	44.85	59.03	75.43
19	Class A	300.2	-	239.0	185.80
	Class B	146.1	136.7	151.6	163.69
	Class C	52.7	58.7	56.4	73.14
	Class D	40.9	28.3	23.8	27.19
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-

3.4 Schedule 1 – PART 5 (continued)

UnitedNetworks For the year ended 31 March		2000	2001	2002	2003	2004
2	Interruption Targets					
	Planned Class B	985				
	Unplanned Class C	1,373				
3	Average Interruption Targets					
	Planned Class B	985	968	951	934	917
	Unplanned Class C	1,373	1,344	1,315	1,286	1,257
5	Total Number of Faults Targeted	1,366				
	110kV	-				
	66kV	4				
	33kV	73				
	11kV	1,289				
5	Average Number of Faults	1,366	1,307	1,248	1,189	1,130
	110kV	-	-	-	-	-
	66kV	4	4	4	4	4
	33kV	73	73	73	73	73
	11kV	1,289	1,230	1,171	1,112	1,053
9	SAIDI Targets					
	Planned Class B	23.0				
	Unplanned Class C	98.0				
10	Average SAIDI Targets					
	Planned Class B	23.0	22.0	221.0	20.0	19.0
	Unplanned Class C	98.0	96.0	93.0	91.0	88.0
13	SAIFI Targets					
	Planned Class B	0.18				
	Unplanned Class C	1.82				
14	Average SAIFI Targets					
	Planned Class B	0.18	0.18	0.18	0.17	0.17
	Unplanned Class C	1.82	1.81	1.81	1.80	1.77
17	CAIDI Targets					
	Planned Class B	127.78				
	Unplanned Class C	53.85				
18	Average CAIDI Targets					
	Planned Class B	127.78	124.29	120.00	116.28	112.43
	Unplanned Class C	53.85	52.98	51.52	50.61	49.69

3.4 Schedule 1 – PART 5 (continued)

Bay of Plenty Electricity Ltd For the year ended 31 March		1996	1997	1998	1999
1	Total Number of Interruptions				
	Class A	2	-	3	1
	Class B	206	195	250	164
	Class C	415	158	135	130
	Class D	14	5	4	5
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-
	Total	637	358	392	300
4	% Total Number of Class C Interruptions				
	Not Restored within 3 hours				2.50%
	Not Restored within 24 hours				1.50%
5	Total Number of Faults per 100km	9.00	10.00	8.46	8.08
	110kV				-
	66kV				-
	33kV				1.16
	11kV				9.93
6	Total Number of Faults per 100km (underground)	2.00	1.00	2.00	-
	110kV	2.00	-	-	-
	66kV	-	-	-	-
	33kV	-	-	-	-
	11kV	-	1.00	2.00	-
7	Total Number of Faults per 100km (overhead)	9.00	11.00	10.00	8.70
	110kV	5.00	-	-	-
	66kV	-	-	-	-
	33kV	9.00	1.00	-	1.16
	11kV	9.00	12.00	10.00	9.93
8	SAIDI – Total Number of Interruptions	530.00	390.00	414.00	691.23
11	Class A	70.00	-	83.00	62.62
	Class B	151.00	97.00	118.00	81.29
	Class C	252.00	207.00	176.00	171.73
	Class D	54.00	76.00	38.00	376.59
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-
12	SAIFI – Total Number of Interruptions	5.60	5.15	4.80	4.79
15	Class A	0.30	-	0.20	0.22
	Class B	0.90	0.66	0.90	0.50
	Class C	3.60	3.69	3.30	2.71
	Class D	0.90	0.67	0.40	1.36
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-
16	CAIDI – Total of All Interruptions	94.00	76.00	86.00	144.00
19	Class A	266.00	-	356.00	286.00
	Class B	173.00	147.77	136.00	161.00
	Class C	70.00	56.06	53.00	63.00
	Class D	62.00	113.88	89.00	277.00
	Class E	-	-	-	-
	Class F	-	-	-	-
	Class G	-	-	-	-
	Class H	-	-	-	-
	Class I	-	-	-	-

3.4 Schedule 1 – PART 5 (continued)

Bay of Plenty Electricity Ltd For the year ended 31 March		2000	2001	2002	2003	2004
2	Interruption Targets					
	Planned Class B	150.00				
	Unplanned Class C	120.00				
3	Average Interruption Targets					
	Planned Class B	120.00	120.00	120.00	120.00	120.00
	Unplanned Class C	105.00	105.00	105.00	105.00	105.00
5	Total Number of Faults Targeted	7.46				
	110kV	-				
	66kV	-				
	33kV	0.57				
	11kV	8.51				
5	Average Number of Faults	6.53	6.53	6.53	6.53	6.53
	110kV	-	-	-	-	-
	66kV	-	-	-	-	-
	33kV	0.57	0.57	0.57	0.57	0.57
	11kV	7.44	7.44	7.44	7.44	7.44
9	SAIDI Targets					
	Planned Class B	75.00				
	Unplanned Class C	165.00				
10	Average SAIDI Targets					
	Planned Class B	65.00	65.00	65.00	65.00	65.00
	Unplanned Class C	150.00	150.00	150.00	150.00	150.00
13	SAIFI Targets					
	Planned Class B	0.47				
	Unplanned Class C	2.60				
14	Average SAIFI Targets					
	Planned Class B	0.46	0.46	0.46	0.46	0.46
	Unplanned Class C	2.58	2.58	2.58	2.58	2.58
17	CAIDI Targets					
	Planned Class B	160.00				
	Unplanned Class C	63.00				
18	Average CAIDI Targets					
	Planned Class B	141.00	141.00	141.00	141.00	141.00
	Unplanned Class C	58.00	58.00	58.00	58.00	58.00