

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 2004.

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 Commission's 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 2004.



Suzanne Peta Merriman
Director

Hugh Robert Little
Director

Date : 20 December 2004

WESTPOWER

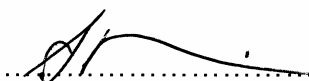
FORM 6

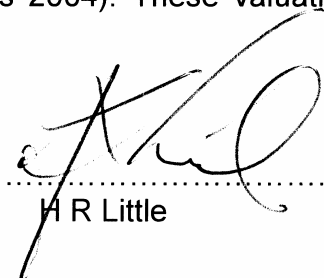
ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004

CERTIFICATION OF VALUATION REPORT OF LINE OWNERS

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 valuation report of Westpower Limited, prepared for the purposes of the requirement 19 of the Commerce Commission's Electricity Information Disclosure Requirements 2004 complies with those Requirements; and
- (b) The replacement cost of the line business system fixed assets of Westpower Limited is \$104,849,076; and
- (c) The depreciated replacement cost of the line business system fixed assets of Westpower Limited is \$64,622,204; and
- (d) The optimised depreciated replacement cost of the line business system fixed assets of Westpower Limited is \$64,403,083; and
- (e) The optimised deprival valuation of the line business system fixed assets of Westpower Limited is \$63,642,610; and
- (f) The values in paragraphs (b) through (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information Disclosure Requirements 2004). These valuations are at 31 March 2004.


.....
S P Merriman


.....
H R Little

Dated: 20 December 2004

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.

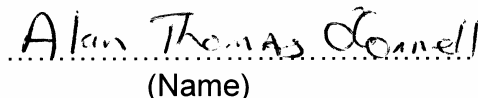
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.




S P Merriman
Director

Declared at Greymouth this 20th day of December 2004

Signed in the Presence of:



(Name)



(Signature)

ALAN T O'CONNELL, JP
55 ALEXANDER STREET
GREYMOUTH
03 768-9244
.....
(Title)

Being a Justice of Peace or Solicitor (or other person authorised to take a statutory declaration).

WESTPOWER LIMITED

STATEMENT OF ACCOUNTING POLICIES

For The Year Ended 31 March 2004

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 by the Group 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

The parent company's investment in ElectroNet Services Limited is stated at cost.

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 which incorporates a valuation based on the engineering optimisation of the system and its components after allowing for depreciation. The valuation was conducted by **KPMG** in conjunction with **Kerslake and Partners**, Registered Valuers, as at 31 March 2004.

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 equipment is 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 | 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 of the Group in the year of the disposal.

(d) **Inventories**

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

The cost of stocks is determined on a weighted average basis.

Some stocks may be subject to retention of title clauses on purchase.

The cost of work-in-progress includes materials, and a portion of direct labour and production overhead appropriate to the stage of completion attained.

(e) **Debtors**

Debtors are stated at estimated realisable value after providing for debts where collection is doubtful.

(f) **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.

(g) 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.

(h) Financial Instruments

Westpower and its subsidiaries are 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.

Unrealised revenue and expenses associated with electricity hedges are not recognised in the financial statements. Realised revenue and expenses are recognised in the Statement of Financial Performance on maturity of the hedging contracts and are incorporated as part of the cost of electricity.

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.

(i) Changes in Accounting Policies

There have been no changes in accounting policies. All other 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 2004

| | Note | 2004 \$000's | 2003 \$000's |
|-------------------------------------|------|---------------------|---------------------|
| Revenue | 1 | 12,606 | 14,872 |
| Total Expenses | 2 | 8,706 | 7,934 |
| Net Surplus before Interest and Tax | | 3,900 | 6,938 |
| Interest | | 251 | 451 |
| Net Surplus before Income Tax | | 3,649 | 6,487 |
| Less Taxation Expense | 3 | 1,009 | 1,216 |
| NET SURPLUS AFTER TAX | | <u><u>2,640</u></u> | <u><u>5,271</u></u> |

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2004

| | | |
|---------------------------------------|----------------------|----------------------|
| Equity as at 1 April 2004 | 54,593 | 50,345 |
| Net Surplus for Year | 2,640 | 5,271 |
| Revaluation of Assets | 3,591 | (867) |
| Total Recognised Revenue and Expenses | <u>6,231</u> | <u>4,404</u> |
| Dividend Paid | (156) | (156) |
| Equity as at 31 March 2004 | <u><u>60,668</u></u> | <u><u>54,593</u></u> |

The accompanying notes form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2004

| | Note | 2004 \$000's | 2003 \$000's |
|--------------------------------|-------------|-------------------------|-------------------------|
| EQUITY | | | |
| Share Capital | | 30,300 | 30,300 |
| Reserves | | 22,381 | 18,790 |
| Retained Earnings | | 7,987 | 5,503 |
| TOTAL EQUITY | 7 | <u>60,668</u> | <u>54,593</u> |
| Represented By: | | | |
| CURRENT ASSETS | | | |
| Cash and Bank | | 362 | 353 |
| Short Term Investments | | | |
| Sundry Debtors | 4 | 1,452 | 2,085 |
| Tax refund due | | 310 | 10 |
| Other Current Assets | | <u>-</u> | <u>-</u> |
| | | 2,124 | 2,448 |
| NON CURRENT ASSETS | | | |
| Fixed Assets | 5 | 61,691 | 55,820 |
| Investments | | <u>1,212</u> | <u>1,183</u> |
| | | 62,903 | 57,003 |
| TOTAL ASSETS | | 65,027 | 59,451 |
| CURRENT LIABILITIES | | | |
| Sundry Creditors | | 1,434 | 1,168 |
| Accrued Interest | | 23 | 38 |
| Provision for dividend | | <u>-</u> | <u>-</u> |
| | | 1,457 | 1,206 |
| NON CURRENT LIABILITIES | | | |
| Employee Entitlements | | - | - |
| Long - term Debt | 6 | <u>2,902</u> | <u>3,652</u> |
| | | 2,902 | 3,652 |
| TOTAL LIABILITIES | | <u>4,359</u> | <u>4,858</u> |
| NET ASSETS | | <u>60,668</u> | <u>54,593</u> |

The accompanying notes form part of these financial statements

WESTPOWER LIMITED - LINES BUSINESS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2004

| | Note | 2004 \$000's | 2003 \$000's |
|---|-------------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Receipts from customers | | 12,737 | 14,306 |
| Interest received | | 46 | 55 |
| Dividend Received | | 6 | - |
| | | <u>12,789</u> | <u>14,361</u> |
| Cash was applied to: | | | |
| Payments to suppliers & employees | | 6,631 | 6,702 |
| Interest paid | | 272 | 437 |
| Taxes paid | | 1,256 | 753 |
| Net GST | | <u>(95)</u> | <u>149</u> |
| | | 8,064 | 8,041 |
| Net cash flows from operating activities | 11 | 4,725 | 6,320 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Proceeds from sale of assets | | - | 64 |
| Loan payment received | | 50 | 200 |
| | | <u>50</u> | <u>264</u> |
| Cash was applied to: | | | |
| Purchase of fixed assets | | 3,781 | 6,501 |
| Purchase of investments | | 79 | 31 |
| | | <u>3,860</u> | <u>6,532</u> |
| Net cash flows from investing activities | | (3,810) | (6,268) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Term Loan | | 500 | - |
| Contributions from Owners | | - | - |
| | | <u>500</u> | <u>-</u> |
| Cash was applied to: | | | |
| Repayment of Term Loan | | 1,250 | 750 |
| Dividends paid | | 156 | 156 |
| | | <u>1,406</u> | <u>906</u> |
| Net cash flows from financing activities | | (906) | (906) |
| Net increase in cash held | | 9 | (854) |
| Add opening cash brought forward | | 353 | 1,207 |
| Transfer of Cash from "Other Business" | | | |
| Ending cash carried forward | | <u><u>362</u></u> | <u><u>353</u></u> |
| CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION | | | |
| Cash and Bank | | <u><u>362</u></u> | <u><u>353</u></u> |

The accompanying notes 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 2004

| | 2004 \$000's | 2003 \$000's |
|----------------------------------|-----------------|-----------------|
| Note 1. Revenue | | |
| Line Charges | 11,762 | 11,902 |
| Special Discount on Line Charges | | |
| Interest | 46 | 55 |
| AC loss-rental rebates | 272 | 280 |
| Sundry Income | 526 | 2,635 |
| | <hr/> | <hr/> |
| | 12,606 | 14,872 |

Note 2. Expenses

| | | |
|---|-------|-------|
| Audit fees for Companies financial statements | 34 | 24 |
| Other services provided by Auditors | | 5 |
| Directors' Fees | 52 | 37 |
| Depreciation | 1,714 | 1,617 |
| Loan Interest | 251 | 451 |
| Bad debts written off | | |
| Increase (decrease) in estimated doubtful debts | (17) | |
| Loss (Profit) on Sale of Fixed Assets | 201 | 312 |
| Write Down in Valuation of Buildings and Land | | |

Note 3. Taxation

| | | |
|---|--------------------------|--------------------------|
| Net Surplus before taxation | 3,649 | 6,487 |
| Prima facie taxation at 33% | 1,204 | 2,141 |
| Plus Tax effect of permanent differences | | |
| Imputation Credits | (3) | (1) |
| Taxation adjustment previous year | 130 | |
| Tax effect of Permanent Differences and Timing differences not Recognised | (322) | (924) |
| Total Taxation Expense | <hr/> 1,009 <hr/> | <hr/> 1,216 <hr/> |
| The Taxation charge comprises | | |
| - current taxation | 879 | 1,216 |
| - prior period adjustments | 130 | 0 |
| | <hr/> 1,009 <hr/> | <hr/> 1,216 <hr/> |

The group has not recognised a deferred taxation liability of \$7,221,000 (2003 \$6,942,968)

| | 2004 \$000's | 2003 \$000's |
|-------------------------------|-----------------|-----------------|
| Note 4. Sundry Debtors | | |
| Line Charge & Sundry Debtors | 1,452 | 2,085 |
| | <u>1,452</u> | <u>2,085</u> |

Note 5. Fixed Assets

| | Cost/ Valuation \$000's | Accumulated Depreciation \$000's | Book Value 2004 \$000's | Book Value 2003 \$000's |
|--------------------------|-------------------------------|--|-------------------------------|-------------------------------|
| At Cost: | | | | |
| Distribution System | 0 | 0 | 0 | |
| Land and Buildings | 0 | 0 | 0 | 272 |
| Other | 392 | 116 | 276 | 271 |
| Capital Work In Progress | | | | |
| | <u>392</u> | <u>116</u> | <u>276</u> | <u>543</u> |
| At Valuation: | | | | |
| Distribution System | 59,763 | 0 | 59,763 | 54,799 |
| Land and Buildings | 1,652 | 0 | 1,652 | 478 |
| Total | <u>61,807</u> | <u>116</u> | <u>61,691</u> | <u>55,820</u> |

The fair value of land and buildings is equivalent to the net book value being market value as at 31 March 2004. Carrying value is considered an accurate reflection of fair value.

Note 6. Borrowings

| | 2004 \$000's | 2003 \$000's |
|--|-----------------|-----------------|
| Term Liabilities - Repayable 1-2 years | 2,500 | 3,250 |
| - Repayable 2-5 years | 402 | 0 |
| - Repayable later than 5 years | 0 | 402 |
| | <u>2,902</u> | <u>3,652</u> |
| Loans are secured as follows: | | |
| Short Term Advance Facility \$13,000,000 * | 2,500 | 3,250 |
| Various (No Security) | 402 | 402 |
| | <u>2,902</u> | <u>3,652</u> |

The National Bank Short Term Advance facility is due to roll over for one year on 31 July 2004. The roll over of this facility is at the discretion of the bank. The Company expects that this loan will be rolled over for at least another year.

The interest rates payable on these loans are:

Floating Rate - based on 90 day bill rate

Fixed Rates 5.77% - 10.5%

| | 2004 \$000's | 2003 \$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 | 21,861 | 18,270 |
| Retained Earnings | 7,987 | 5,503 |
| | 60,668 | 54,593 |

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 be run to maturity. The fair value of the interest rate swaps at 31 March 2004 is \$0 (2003 \$0).

The fair value of the shares in International Panel and Lumber (West Coast) Limited is \$83,010 (2003 \$71,856). This represents the value of the 30,000 shares based on the value of net assets as at 31 January 2004.

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.

Interest Rate Risk

Interest rate risk is low as borrowings have fixed interest rates except for the Short Term Advance Facility for \$7,000,000 (2003 \$13,000,000) .

The contract amount of interest rates swaps held at 31 March 2004 is \$0 (2003 \$0).

Note 9. Contingent Liabilities and Capital Commitments

Capital Commitments

| | 2004 \$000's | 2003 \$000's |
|--|-----------------|-----------------|
| The total amount committed at balance date was | 0 | 85 |

Operating Lease Commitments

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

| Period | 2004 \$000's | 2003 \$000's |
|-----------------------|-----------------|-----------------|
| Not later than 1 year | 21 | 7 |
| 1 - 2 years | 21 | 0 |
| 2 - 5 years | 63 | 0 |
| Later than 5 years | 42 | 0 |
| | <u>147</u> | <u>7</u> |

Contingent Liabilities

There are no contingent liabilities at 31 March 2004

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 2003 to 31 March 2004.

| | 2004 \$000's | 2003 \$000's |
|---|-----------------|-----------------|
| Construction of subtransmission assets | 145 | 1,070 |
| Construction of zone substations | 1,101 | 1,888 |
| Construction of distribution lines and cables | 966 | 474 |
| Construction of medium voltage switchgear | 391 | 346 |
| Construction of distribution transformers | 292 | 396 |
| Construction of substations | 254 | 235 |
| Construction of low voltage lines and cables | 183 | 107 |
| Construction of other fixed assets | 361 | 562 |
| Maintenance of assets | 2,607 | 1,869 |
| Consumer connections and reconnections | | |
| Asset Management Service | 573 | 507 |
| Other Services | 568 | 502 |
| Services provided to ElectroNet Services Ltd | 189 | 270 |
| Amounts receivable from ElectroNet Services Ltd | 68 | 0 |

At year end there was an outstanding balance of \$1,031,516 (2003 \$763,578) 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. | 2004 | 2003 |
| The following transactions occurred between Westpower and the Trust: | \$000's | \$000's |
| Amounts receivable from WCEPT | 0 | 0 |
| Dividends paid to the Trust | 156 | 156 |

| | | |
|---|----------------|----------------|
| Directors Interests | 2004 | 2003 |
| | \$000's | \$000's |
| Hugh Little - Operations Manager - Westland Milk Products Ltd | | |
| Services received from the group. | 35 | 3,447 |
| Services provided to the group. | 0 | 1 |
| Sue Merriman - Managing Director - Marshall and Heaphy Ltd | | |
| Services received from the group. | 10 | 34 |
| 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

| | | |
|---|---------------------|---------------------|
| | 2004 | 2003 |
| | \$000's | \$000's |
| Net surplus After Income Tax | 2,640 | 5,271 |
| Plus Non Cash Items: | | |
| Depreciation | 1,714 | 1,617 |
| Vested Assets | (335) | 0 |
| | <u>1,379</u> | <u>1,617</u> |
| Movements in Working Capital: | | |
| Decrease in Debtors | 582 | (575) |
| Increase in Creditors, Accrued Interest | 169 | (81) |
| Working Capital Transferred from Other Business | 0 | (687) |
| Increase in Income Tax Refund | (246) | 463 |
| | <u>505</u> | <u>(880)</u> |
| Other | | |
| Decrease in Gratuities Provision | | |
| (Gain) Loss on Disposal of Assets | 201 | 312 |
| | <u>201</u> | <u>312</u> |
| Operating Cashflow | <u>4,725</u> | <u>6,320</u> |

Note 12. ODV Reconciliation Report

| | 2004 \$000's | 2003 \$000's |
|---|-------------------------------|-------------------------------|
| System fixed assets at ODV at beginning of year | 54,799 | 48,545 |
| Add system fixed assets acquired during the year at ODV | 4,094 | 9,016 |
| Less system fixed assets disposed of during the year at ODV | (201) | (312) |
| Less depreciation system fixed assets at ODV | (1,680) | (1,583) |
| Add revaluations of system fixed assets | 6,631 | (867) |
| System fixed assets at ODV at end of year | 63,643 | 54,799 |

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.

| | 2004 \$ '000 | 2003 \$ '000 |
|--|-----------------|-----------------|
| Statement of Financial Position Disclosure (Schedule 1, Part 2) | | |
| 1 Current Assets | | |
| (a) Cash and Bank Balances | 362 | 353 |
| (b) Short-term Investments | | |
| (c) Inventories | | |
| (d) Accounts receivable | 1,452 | 2,085 |
| (e) Other current assets not listed in (a) to (d) | 310 | 10 |
| (f) Total current assets | 2,124 | 2,448 |
| 2 Fixed Assets | | |
| (a) System fixed assets | 59,763 | 54,799 |
| (b) Consumer billing and information system assets | | |
| (c) Motor Vehicles | | |
| (d) Office Equipment | 276 | 271 |
| (e) Land & Buildings | 1,652 | 750 |
| (f) Capital works under construction | | |
| (g) Other fixed assets not listed in (a) to (f) | | |
| (h) Total fixed assets | 61,691 | 55,820 |
| 3 Other tangible assets not listed above | 1,212 | 1,183 |
| 4 Total tangible assets | 65,027 | 59,451 |
| 5 Intangible assets | | |
| (a) Goodwill | | |
| (b) Other intangible not listed in (a) | | |
| (c) Total intangible assets | | |
| 6 Total Assets | 65,027 | 59,451 |
| 7 Current Liabilities | | |
| (a) Bank Overdraft | | |
| (b) Short-term borrowings | | |
| (c) Payables and accruals | 1,457 | 1,206 |
| (d) Provision for dividends payable | | |
| (e) Provision for income tax | | |
| (f) Other Current Liabilities not listed in (a) to (e) | | |
| (g) Total Current Liabilities | 1,457 | 1,206 |
| 8 Non-current Liabilities | | |
| (a) Payables and accruals | | |
| (b) Borrowings | 2,902 | 3,652 |
| (c) Deferred tax | | |
| (d) Other Non-current Liabilities not listed in (a) to (c) | | |
| (e) Total Non-current Liabilities | 2,902 | 3,652 |

WESTPOWER LIMITED - LINES BUSINESS

| | 2004 \$ '000 | 2003 \$ '000 |
|---|-----------------|-----------------|
| 9 Equity | | |
| (a) Shareholders equity | | |
| (i) Share Capital | 30,300 | 30,300 |
| (ii) Retained Earnings | 7,987 | 5,503 |
| (iii) Reserves | 22,381 | 18,790 |
| (iv) Total Shareholders equity | 60,668 | 54,593 |
| (b) Minority interests in subsidiaries | | |
| (c) Total Equity | 60,668 | 54,593 |
| (d) Capital notes; | | |
| (e) Total capital funds | 60,668 | 54,593 |
| 10 Total equity and liabilities | 65,027 | 59,451 |
| Statement of Financial Performance Disclosure (Schedule 1, Part 2) | | |
| 11 Operating Revenue | | |
| (a) Revenue from line/access charges | 11,762 | 11,902 |
| (b) Revenue from "Other" business (transfer payment) | | |
| (c) Income from interest on bank and short-term investments | 46 | 55 |
| (d) AC loss-rental rebates | 272 | 280 |
| (e) Other operating revenue not listed in (a) to (d) | 526 | 2,635 |
| (f) Total operating revenue | 12,606 | 14,872 |
| 12 Operating expenditure | | |
| (a) Transmission Charges | 2,199 | 2,208 |
| (b) Transfer payments to "Other" business | | |
| (i) Asset maintenance | 2,607 | 1,869 |
| (ii) Consumer disconnections and reconnections | | |
| (iii) Meter data | | |
| (iv) Consumer-based load control | | |
| (v) Royalty and patent expenses | | |
| (vi) Avoided transmission charges for own generation | | |
| (vii) Other goods & services not listed in (i) to (vi) above | 574 | 507 |
| (viii) Total transfer payment to the "Other" business | 3,181 | 2,376 |
| (c) Payments to non-related entities | | |
| (i) Asset maintenance | 58 | 64 |
| (ii) Consumer disconnections and reconnections | | |
| (iii) Meter data | | |
| (iv) Consumer-based load control | | |
| (v) Royalty and patent expenses | | |
| (vi) Total of specified expenses to non-related parties | 58 | 64 |
| (d) Employee salaries, wages and redundancies | | |
| (e) Consumer billing and information system expense | | |
| (f) Depreciation on | | |
| (i) System fixed assets | 1,680 | 1,583 |
| (ii) Other assets not listed in (i) | 34 | 34 |
| (iii) Total depreciation expense | 1,714 | 1,617 |
| (g) Amortisation of | | |
| (i) Goodwill | | - |
| (ii) Other intangibles | | - |
| (iii) Total amortisation of intangibles | | - |

WESTPOWER LIMITED - LINES BUSINESS

| | 2004 \$ '000 | 2003 \$ '000 |
|--|-----------------|-----------------|
| (h) Corporate and administration | 840 | 742 |
| (i) Human resource expenses | | |
| (j) Marketing and advertising | | |
| (k) Merger and acquisition expenses | | |
| (l) Takeover defence expenses | | |
| (m) Research and development expenses | | |
| (n) Consultancy and legal expenses | 105 | 251 |
| (o) Donations | | |
| (p) Directors fees | 52 | 37 |
| (q) Audit fees | | |
| (i) Audit fees paid to principal auditors | 34 | 24 |
| (ii) Audit fees paid to other auditors | | |
| (iii) Fees paid for other services provided by auditors | | 5 |
| (iv) Total auditors fees | 34 | 29 |
| (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 | 50 | 48 |
| (t) AC loss-rental (distribution of) expense | 272 | 280 |
| (u) Rebates to Consumers due to ownership interest | | |
| (v) Subvention payments | | |
| (w) Unusual expenses | | |
| (x) Other expenditure not listed in (a) to (w) | 201 | 282 |
| 13 Total operating expenditure | 8,706 | 7,934 |
| 14 Operating surplus before interest and income tax | 3,900 | 6,938 |
| 15 Interest | | |
| (a) Interest expense on borrowings | 251 | 451 |
| (b) Financing charges related to finance leases | | |
| (c) Other interest expense | | |
| (d) Total interest expense | 251 | 451 |
| 16 Operating surplus before income tax | 3,649 | 6,487 |
| 17 Income Tax | 1,009 | 1,216 |
| 18 Net Surplus after tax | 2,640 | 5,271 |

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.

| | 2004 | 2003 | 2002 | 2001 |
|---|--------|--------|-------|--------|
| 1 Financial performance measures | | | | |
| (a) Return on funds | 6.34% | 13.02% | 9.49% | 8.56% |
| (b) Return on equity | 4.47% | 10.31% | 6.69% | 5.74% |
| (c) Return on investment | 16.36% | 8.76% | 7.93% | -0.33% |

WESTPOWER LIMITED - LINES BUSINESS

2 Efficiency performance measures:

| | | | | | | | | |
|---|----|-----------|----|-----------|----|-----------|----|-----------|
| (a) Direct lines costs per kilometre | \$ | 1,681.46 | \$ | 1,232.30 | \$ | 1,297.85 | \$ | 1,120.23 |
| Direct Expenditure | | 3,325,936 | | 2,441,192 | | 2,558,061 | | 2,199,004 |
| System Length | | 1,978 | | 1,981 | | 1,971 | | 1,963 |
| (b) Indirect lines costs per electricity Consumer * | \$ | 104.77 | \$ | 100.79 | \$ | 99.87 | \$ | 74.94 |
| Indirect Expenditure | | 1,250,064 | | 1,217,210 | | 1,205,653 | | 898,996 |
| Total consumers * | | 11,931 | | 12,077 | | 12,072 | | 11,996 |

* 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 ($a/b \times 100$) | 65.6% | 63.1% | 63.4% | 66.3% |
| a = kWh of electricity entering system | 207,165,465 | 211,261,285 | 197,992,332 | 201,936,757 |
| b = Maximum demand | 36,024 | 38,232 | 35,650 | 34,776 |
| c = Total number of hours in year | 8,760 | 8,760 | 8,760 | 8,760 |
| (b) Loss ratio ($=a/b \times 100$) | 7.0% | 4.5% | 5.6% | 5.7% |
| a = losses in electricity in kWh | 14,434,000 | 9,603,837 | 11,102,063 | 11,421,041 |
| b = kWh of electricity entering system | 207,165,465 | 211,261,285 | 197,992,332 | 201,936,757 |
| (c) Capacity utilisation ($=a/b \times 100$) | 31% | 35% | 34% | 32% |
| a = Maximum demand | 36,024 | 38,232 | 35,650 | 34,776 |
| b = Transformer Capacity | 116,726 | 109,003 | 104,363 | 107,127 |

2 Statistics

| | 2004 | 2003 | 2002 | 2001 |
|------------------------------|-------|-------|-------|-------|
| (a) System Length | | | | |
| Circuit Kilometres 66kV | 60 | 56 | 47 | 47 |
| Circuit Kilometres 33kV | 246 | 230 | 230 | 230 |
| Circuit Kilometres 11kV | 1,416 | 1,492 | 1,492 | 1,484 |
| Circuit Kilometres 230/400V | 256 | 203 | 202 | 202 |
| Total | 1,978 | 1,981 | 1,971 | 1,963 |
| (b) System Length - Overhead | | | | |
| Circuit Kilometres 66kV | 60 | 56 | 47 | 47 |
| Circuit Kilometres 33kV | 244 | 230 | 230 | 230 |
| Circuit Kilometres 11kV | 1383 | 1458 | 1,458 | 1,452 |
| Circuit Kilometres 230/400V | 169 | 142 | 142 | 142 |
| Total Overhead | 1856 | 1886 | 1,877 | 1,871 |

WESTPOWER LIMITED - LINES BUSINESS

(c) System Length - Underground

| | | | | |
|-----------------------------|----|----|----|----|
| Circuit Kilometres 66kV | 0 | 0 | 0 | 0 |
| Circuit Kilometres 33kV | 2 | 0 | 0 | 0 |
| Circuit Kilometres 11kV | 33 | 34 | 34 | 32 |
| Circuit Kilometres 230/400V | 87 | 61 | 61 | 60 |

| | | | | |
|-------------------|-----|----|----|----|
| Total Underground | 122 | 95 | 95 | 92 |
|-------------------|-----|----|----|----|

(d) Transformer Capacity (In Kilovolt Amperes)

| | | | | |
|-----------------------------|---------|---------|---------|---------|
| District (zone) Substations | 107,000 | 96,000 | 76,000 | 76,000 |
| Distribution Substations | 116,726 | 109,003 | 104,363 | 107,127 |
| Total Substations | 223,726 | 205,003 | 180,363 | 183,127 |

| | | | | |
|--------------------|--------|--------|--------|--------|
| (e) Maximum Demand | 36,024 | 38,232 | 35,650 | 34,776 |
|--------------------|--------|--------|--------|--------|

| | | | | |
|--|-------------|-------------|-------------|-------------|
| (f) Total electricity supplied from the system before losses (in Kilowatt Hours) | 207,165,465 | 211,261,285 | 197,992,332 | 201,936,757 |
|--|-------------|-------------|-------------|-------------|

(g) Electricity conveyed for each retailer after losses

| | | | | |
|------------|-------------|-------------|-------------|-------------|
| Retailer 1 | - | - | 397,192 | 952,328 |
| Retailer 2 | - | - | 2,729,400 | 2,363,401 |
| Retailer 3 | 9,791,672 | 8,631,685 | 8,734,611 | 7,110,756 |
| Retailer 4 | 14,192,942 | 25,028,359 | 20,382,630 | 20,261,024 |
| Retailer 5 | 9,920,251 | 9,053,917 | 8,663,199 | 7,243,965 |
| Retailer 6 | 158,826,600 | 158,943,487 | 145,983,237 | 152,584,243 |
| Retailer 7 | - | - | - | - |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| | 192,731,465 | 201,657,448 | 186,890,269 | 190,515,716 |
|--|-------------|-------------|-------------|-------------|

| | | | | |
|-----------------------|--------|--------|--------|--------|
| (h) Total Consumers * | 11,931 | 12,077 | 12,072 | 11,996 |
|-----------------------|--------|--------|--------|--------|

* Number of consumers based on ICP connections

Disclosure of reliability performance measures under requirement 21 of the Electricity (Information Disclosure) Requirements 2004

| | 2004 | 2003 | 2002 | 2001 |
|---|------|------|------|------|
| 1 Total number of interruptions | | | | |
| Class A - Planned - by Transpower | 4 | 0 | 1 | 1 |
| Class B - Planned - by Line Owners | 50 | 63 | 53 | 73 |
| Class C - Unplanned - by Line Owners | 171 | 57 | 62 | 111 |
| Class D - Unplanned - by Transpower | 1 | 0 | 0 | 4 |
| 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 | 226 | 120 | 116 | 189 |
| 2 Interruption targets for 2003 / 2004 | | | | |
| Class B - Planned - by Line Owners | 60 | | | |
| Class C - Unplanned - by Line Owners | 60 | | | |

WESTPOWER LIMITED - LINES BUSINESS

3 Average interruption targets for 2003/2004 to 2007/2008 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 | 19.9% |
| a = number of interruptions not restored within 3 hours | 34 |
| b = total number of Class C interruptions | 171 |
| 24 Hours | 0.0% |
| a = number of interruptions not restored within 24 hours | 0 |
| b = total number of Class C interruptions | 171 |

2004 2003 2002 2001

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

| | | | | |
|-------|----|---|---|---|
| 66kV | - | 2 | 0 | 0 |
| 33kV | 10 | 3 | 5 | 7 |
| 11kV | 13 | 8 | 3 | 7 |
| Total | 11 | 6 | 3 | 7 |

(b) Target for 2003 / 2004 year

| | |
|-------|-----|
| 66kV | 1 |
| 33kV | 3 |
| 11kV | 7 |
| Total | 5.3 |

(c) Average Target for 2003 / 2004 to 2006 / 2008 years

| | |
|-------|-----|
| 66kV | 1 |
| 33kV | 3 |
| 11kV | 7 |
| Total | 5.3 |

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

| | | | | |
|-------|----|---|---|---|
| 33kV | 50 | 0 | 0 | 0 |
| 11kV | 39 | 9 | 6 | 0 |
| Total | 9 | 9 | 6 | 0 |

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

| | | | | |
|-------|----|---|---|---|
| 66kV | 0 | 2 | 2 | 0 |
| 33kV | 9 | 2 | 5 | 7 |
| 11kV | 12 | 8 | 3 | 7 |
| Total | 10 | 6 | 3 | 7 |

8 The SAIDI for the total number of interruption

205.49 122.02 140.27 235.18

9 SAIDI targets for 2003 / 2004

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

WESTPOWER LIMITED - LINES BUSINESS

10 Average SAIDI target for 2003 / 2004 to 2007 / 2008 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

| | | | | |
|---|--------|--------|--------|--------|
| Class A - Planned - by Transpower | 5.47 | 0 | 13.41 | 0.68 |
| Class B - Planned - by Line Owners | 42.11 | 66.76 | 41.35 | 63.99 |
| Class C - Unplanned - by Line Owners | 145.64 | 55.26 | 85.51 | 155.88 |
| Class D - Unplanned - by Transpower | 12.27 | 0 | 0 | 14.63 |
| 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 |
| | 205.49 | 122.02 | 140.27 | 235.18 |

2004 2003 2002 2001

12 The SAIFI for the total number of interruption

2.40 1.16 1.41 2.52

13 SAIFI target for 2003 / 2004

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

14 Average SAIFI target for 2003 / 2004 to 2007 / 2008 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 | 0.02 | 0 | 0.08 | 0 |
| Class B - Planned - by Line Owners | 0.19 | 0.27 | 0.2 | 0.39 |
| Class C - Unplanned - by Line Owners | 2.02 | 0.89 | 1.13 | 2.08 |
| Class D - Unplanned - by Transpower | 0.17 | 0 | 0 | 0.05 |
| 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 |
| | 2.40 | 1.16 | 1.41 | 2.52 |

16 The CAIDI for the total number of interruption

85.62 105 99.59 93

17 CAIDI targets for 2003 / 2004

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

18 Average CAIDI target for 2003 / 2004 to 2007 / 2008 years

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

WESTPOWER LIMITED - LINES BUSINESS**19 The CAIDI for the total number of interruptions within each interruption class**

| | | | | |
|---|-------|-----|-----|-----|
| Class A - Planned - by Transpower | 274 | 0 | 177 | 450 |
| Class B - Planned - by Line Owners | 221 | 247 | 210 | 166 |
| Class C - Unplanned - by Line Owners | 72 | 62 | 76 | 75 |
| Class D - Unplanned - by Transpower | 72 | 0 | 0 | 269 |
| 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 |
| | 85.62 | 105 | 100 | 93 |

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 | 3,900 | | | | |
| Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIT) | 3,900 | | | | |
| Interest on cash, bank balances, and short-term investments (ISTI) | 46 | | | | |
| OSBIT minus ISTI | 3,854 | a | 3,854 | | 3,854 |
| Net Surplus after tax from financial statements | 2,640 | | | | |
| Net surplus after tax adjusted pursuant to requirement 18 (NSAT) | 2,640 | n | | 2,640 | |
| Amortisation of goodwill and amortisation of other intangibles | | | | | |
| Subvention payment | | | | | |
| Depreciation of SFA at BV (x) | 1,680 | | | | |
| Depreciation of SFA at ODV (y) | 1,680 | | | | |
| ODV depreciation adjustment | - | g | add | - | - |
| Subvention payment tax adjustment | - | s | add | - | - |
| Interest tax shield | 68 | d | add | - | - |
| Revaluations | 6,631 | s ^t | deduct | - | - |
| Income tax | 1,009 | q | | | 68 |
| Numerator | | r | | | 6,631 |
| Fixed asset at end of previous year (FA ₀) | 55,820 | p | | | 1,009 |
| Fixed assets at end of current financial year (FA ₁) | 61,691 | | | | 9,408 |
| Adjusted net working capital at end of previous financial year (ANWC ₀) | 879 | | | | |
| Adjusted net working capital at end of current financial year (ANWC ₁) | 305 | | | | |
| Average total funds employed (ATFE) | 59,348 | c | 59,348 | | |
| Total equity at end of previous financial year (TE ₀) | 54,593 | | | | |
| Total equity at end of current financial year (TE ₁) | 60,668 | | | | |
| Average total equity | 57,631 | k | | 57,631 | |
| WUC at end of previous financial year (WUC ₀) | | | | | |

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

t = maximum statutory income tax rate applying to corporate entities, subscript 't' = end of current financial year
 bv = book value, ave = average, odv = optimised deprival valuation, subscript '0' = end of previous financial year
 ROE = return on equity ROI = return on investment
 ROF = return on funds



Audit New Zealand

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF WESTPOWER LIMITED FOR THE YEAR ENDED 31 MARCH 2004

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 2004. 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 2004, 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 Ken Boddy of Audit New Zealand to undertake the audit.

Basis of Opinion

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

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

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate 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.

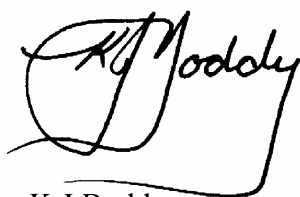
Unqualified Opinion

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 2004 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 20 December 2004 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'K J Boddy', with a stylized, looping flourish at the end.

K J Boddy
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand



Audit New Zealand

**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 20 December 2004 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.

K J Boddy
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
20 December 2004