

MARLBOROUGH  
LINES

PUBLICLY DISCLOSED INFORMATION

YEAR ENDED 31 MARCH 2007

**Marlborough**  
 **Lines**

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## **1. Reporting Entity**

This information is for the Lines Business Activities only of Marlborough Lines Limited

## 2. Purpose of this Document

2.1. Marlborough Lines Limited is required by the Electricity Information Disclosure

Section 6 Section 8	Financial statements for that financial year in respect of the line business activities of its electricity lines business
Section 10	The prescribed terms and conditions of each Prescribed Contract.
Section 11	Any modifications made to any prescribed terms and conditions of any Prescribed Contract
Section 14	Financial and Efficiency Performance Measures
Section 15(1)	Form for the Derivation of financial performance measures from financial statements
Section 16	Annual ODV Reconciliation Report
Section 19	Valuation report relating to the line business System Fixed Assets
Section 20	Energy Delivery Efficiency Performance Measures and Statistics
Section 21	Reliability Performance Measures
Sections 22	Pricing Methodology
Section 24	Asset Management Plan
Section 26 to 28	Existing and new Line Charges
Section 34	The Uniform Resource Locator of the Internet site where that information can be found
Plus various audit opinions and directors' certificates in support of that information	

2.2. Section 57U of the Commerce Act requires a copy of this information to be provided to the Commerce Commission.

2.3. Thus information is assembled here for the benefit of the Manager, Network Performance Group, Commerce Commission and of any member of the public who wishes to view and/or obtain such information.

**Note:**

2.3.1. Sections 10 and 11 – no new contracts have been entered into nor existing changed in the 2006/07 financial year; no information regarding prescribed contracts is included here.

2.3.2. Section 16 Annual ODV Reconciliation Report – is included in the notes to the accounts.

2.3.3. Section 19 Valuation report – a valuation report was neither required nor prepared for the 2006/07 financial year. It is anticipated that the next ODV valuation will be carried out as at 31 March 2009 subject to future Commerce Commission decisions in this regards.

2.3.4. Section 24 Asset Management Plan – was disclosed, published to the company's web site and forwarded to the Commerce Commission as required and is not included here but is available on request.

2.3.5. Sections 26 to 28 Existing and new Line Charges – current prices became effective 1 April 2007 and were advertised, published to the company's web site and forwarded to the Commerce Commission as required. New prices will come into effect 1 April 2008 and will be similarly advised.

2.4. Some of this information is also required to be published on the Company's internet site and in accord with requirement 34 the Uniform Resource Locator for this site is given here:

[www.marlboroughlines.co.nz/Disclosures/Financials%20and%20Performance%20Measures](http://www.marlboroughlines.co.nz/Disclosures/Financials%20and%20Performance%20Measures)

### **3. Directors Certificates**

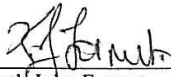
- 3.1. Section 31(1) requires the Directors to append a certificate in Form 4 – Certification Of Financial Statements, Performance Measures, And Statistics Disclosed By Disclosing Entities (Other Than Transpower).
- 3.2. Section 57U of The Commerce Act requires a copy of all disclosed information to be supplied to the Commerce Commission within 5 working days; Section 36(1) of the Requirements further stipulates that such information is to be verified by statutory declaration in Form 7 Statutory Declaration In Respect Of Statements and Information Supplied To Commerce Commission.
- 3.3. These Two Directors Certificates, which apply to all the information disclosed in this booklet, are enclosed here.

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY DISCLOSING ENTITIES (OTHER THAN TRANSPower)**

We, Kenneth John Forrest and David William Richard Dew, directors of Marlborough Lines Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-

- (a) The attached audited financial statements of Marlborough Lines 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 Marlborough Lines Limited, and having been prepared for the purposes of requirements 14, 15, 20, and 21 of the Electricity Information Disclosure Requirements 2004, comply with those Requirements.

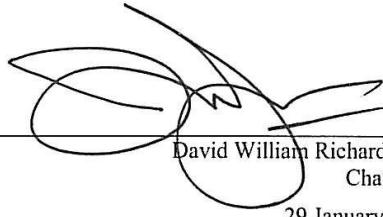
The valuations on which those financial performance measures are based are as at 31 March 2007.



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Kenneth John Forrest  
Managing Director

29 January 2008



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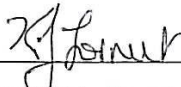
David William Richard Dew  
Chairman

29 January 2008

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

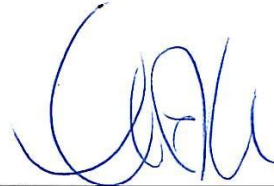
I, Kenneth John Forrest, of Blenheim, being a director of Marlborough Lines Limited, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by Marlborough Lines 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



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Kenneth John Forrest  
Managing Director



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*Claire Amanda Mills*  
**Solicitor  
Blenheim**

Solicitor

Declared at Blenheim this 30 day of January 2008.

## 4. Financial Statements

- 4.1. Section 6 requires disclosure of Financial Statements for the financial year in respect of the line business activities of a disclosing entity's electricity lines business.
- 4.2. The financial statements and associated notes in this section are provided to comply with this Requirement and also include:
  - The detail defined by part 2 of the first schedule
  - The information required by Regulations 9 and 16A – included as notes to the accounts
  - The audit report required under Section 30(1).

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

We have audited the financial statements of Marlborough Lines Limited - Lines Business on pages 1 to 13. The financial statements provide information about the past financial performance of Marlborough Lines Limited – Lines Business and its financial position as at 31 March 2007. This information is stated in accordance with the accounting policies set out on pages 5 to 6.

**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 Marlborough Lines Limited - Lines Business as at 31 March 2007, and the results of its operations and cash flows for the year ended on that date.

**Auditor's Responsibilities**

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

The Auditor-General has appointed Michael Wilkes of Deloitte 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 Marlborough Lines Limited - Lines Business' circumstances, consistently applied and adequately disclosed.

We conducted the audit in accordance with the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Marlborough Lines Limited.

**Unqualified Opinion**

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

In our opinion –

- proper accounting records have been maintained by Marlborough Lines Limited as far as appears from our examination of those records; and
- the financial statements of Marlborough Lines Limited – Lines Business on pages 1 to 13:
  - (a) comply with generally accepted accounting practice in New Zealand; and
  - (b) give a true and fair view of Marlborough Lines Limited - Lines Business' financial position as at 31 March 2007 and the results of its operations and cash flows for the year ended on that date; and
  - (c) comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 29 January 2008 and our unqualified opinion is expressed as at that date.



Michael Wilkes  
Deloitte  
On behalf of the Auditor-General  
Wellington, New Zealand

This audit report relates to the financial statements of Marlborough Lines Limited - Lines Business for the year ended 31 March 2007 included on Marlborough Lines Limited's website. The Marlborough Lines Limited – Lines Business's Board of Directors is responsible for the maintenance and integrity of Marlborough Lines Limited's website. We have not been engaged to report on the integrity of the Marlborough Lines Limited – Lines Business's website. We accept no responsibility for any changes that may have occurred to the electricity information disclosure requirements since it was initially presented on the website.

The audit report refers only to the electricity information disclosure requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or form these electricity information disclosure requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited electricity information disclosure requirements and related audit report dated [date] to confirm the information included in the audited electricity information disclosure requirements published in the New Zealand Gazette or on the New Zealand Gazette's website.

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

## MARLBOROUGH LINES LIMITED - LINES BUSINESS

Financial Statements Prepared in Accord with The Electricity Information Disclosure Requirements 2004

### STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 March 2007

	Notes	2007 \$000	2006 \$000
<b>Operating Revenue</b>			
Revenue from line/access charges		21,955	21,465
Revenue from "Other" business for services carried out by the line business (transfer payment)		-	-
Interest on cash, bank balances and short term investments		226	367
AC loss-rental rebates		471	597
Other operating revenue	2	3,406	4,008
<b>Total Operating Revenue</b>		26,058	26,437
<b>Operating Expenditure</b>			
Payment for transmission charges		3,559	3,392
Transfer payments to the "Other" business for:			
Asset maintenance		2,311	1,406
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		84	12
Royalty and patent expenses		-	-
Avoided transmission charges on account of own generation		-	-
Other goods and services		704	474
<b>Total transfer payment to the "Other" business</b>		3,099	1,892
Expense to entities that are not related parties for:			
Asset maintenance		855	495
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		-	-
Royalty and patent expenses		-	-
<b>Total of specified expenses to non-related parties</b>		855	495
Employee salaries, wages and redundancies		2,418	2,224
Consumer billing and information system expense		199	280
Depreciation on:			
System fixed assets		4,666	4,025
Other assets		754	1,020
<b>Total depreciation</b>	11	5,420	5,045
Amortisation of:			
Goodwill		-	-
Other intangibles		-	-
<b>Total amortisation of intangibles</b>		-	-
Corporate and administration		885	722
Human resource expenses		691	514
Marketing/advertising		11	42
Merger and acquisition expenses		-	-
Takeover defence expenses		-	-
Research and development expenses		-	-
Consultancy and legal expenses		63	87
Donations		24	26
Directors' fees		183	181

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF FINANCIAL PERFORMANCE (continued)**

For the Year Ended 31 March 2007

	Notes	2007 \$000	2006 \$000
<b>Auditors' fees:</b>			
Audit fees paid to principal auditors		43	60
Audit fees paid to other auditors		-	-
Fees paid for other services provided by principal and other auditors		16	8
<b>Total auditors' fees</b>		<b>59</b>	<b>68</b>
<b>Costs of offering credit:</b>			
Bad debts written off		17	-
Increase in estimated doubtful debts		-	1
<b>Total cost of offering credit</b>		<b>17</b>	<b>1</b>
Local authority rates expense		70	66
AC loss-rentals rebates expense		-	-
Discount to consumers		4,341	4,170
Subvention payments		-	-
Unusual expenses		-	-
Other expenditure		(526)	648
<b>Total Operating Expenditure</b>		<b>21,368</b>	<b>19,853</b>
<b>Operating Surplus Before Interest and Income Tax</b>		<b>4,690</b>	<b>6,584</b>
<b>Interest Expense</b>			
Interest expense on borrowings		-	-
Financing charges related to finance leases		-	-
Other interest expense		1	1
<b>Total Interest Expense</b>		<b>1</b>	<b>1</b>
<b>Operating Surplus Before Income Tax</b>		<b>4,689</b>	<b>6,583</b>
<b>Income Tax</b>	3	<b>1,742</b>	<b>1,589</b>
<b>Net Surplus After Tax</b>		<b>2,947</b>	<b>4,994</b>

**STATEMENT OF MOVEMENTS IN EQUITY**

For the Year Ended 31 March 2007

	Notes	2007 \$000	2006 \$000
Equity At Beginning Of Year		121,499	117,235
Net Surplus For Year		2,947	4,994
Revaluation adjustments	6	29,338	(580)
<b>Total Recognised Revenues And Expenses For The Period</b>		<b>32,285</b>	<b>4,414</b>
Dividend		(250)	(150)
<b>Equity At End Of Year</b>		<b>153,534</b>	<b>121,499</b>

The accompanying notes form an integral part of these financial statements.

<b>STATEMENT OF FINANCIAL POSITION</b>	Notes	2007	2006
as at 31 March 2007		\$000	\$000
<b>Current Assets</b>			
Cash and bank balances		1,931	3,273
Short-term investments		-	-
Inventories		1,777	1,984
Accounts receivable	7	2,120	2,765
Other current assets		14	24
<b>Total Current Assets</b>		<b>5,842</b>	<b>8,046</b>
<b>Fixed Assets</b>			
System fixed assets		153,466	116,555
Consumer billing and information system assets		373	776
Motor vehicles		307	267
Office equipment		217	99
Land and buildings		6,161	5,030
Capital works under construction		921	398
Other fixed assets		193	339
<b>Total Fixed Assets</b>	11	<b>161,638</b>	<b>123,464</b>
<b>Other Tangible Assets</b>			
<b>Total Tangible Assets</b>		<b>167,480</b>	<b>131,510</b>
<b>Intangible Assets</b>			
Goodwill		-	-
Other intangibles		-	-
<b>Total Intangible Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>167,480</b>	<b>131,510</b>
<b>Current Liabilities</b>			
Bank overdraft		-	-
Short-term borrowings		-	-
Payables and accruals	9,12	2,572	2,208
Provision for dividends payable		-	-
Provision for income tax	3	1,161	1,539
Other current liabilities		-	-
<b>Total Current Liabilities</b>		<b>3,733</b>	<b>3,747</b>
<b>Non-current Liabilities</b>			
Payables and accruals	9	131	123
Borrowings		-	-
Deferred tax	3	7,082	6,141
Other non-current liabilities		3,000	-
<b>Total Non-current Liabilities</b>		<b>10,213</b>	<b>6,264</b>
<b>Equity</b>			
Shareholders' equity			
Share capital	5	8,736	8,736
Retained earnings	6	26,221	23,524
Reserves	6	118,577	89,239
<b>Total Shareholders' Equity</b>		<b>153,534</b>	<b>121,499</b>
Minority interests in subsidiaries		-	-
<b>Total Equity</b>		<b>153,534</b>	<b>121,499</b>
Capital notes			
<b>Total Capital Funds</b>		<b>153,534</b>	<b>121,499</b>
<b>Total Equity and Liabilities</b>		<b>167,480</b>	<b>131,510</b>

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**

For the Year Ended 31 March 2007

	Notes	2007 \$000	2006 \$000
<b>Cash Flows from Operating Activities</b>			
Cash Was Provided From:			
Receipts from customers		23,733	25,318
Interest Received		226	367
		<u>23,959</u>	<u>25,685</u>
Cash was applied to:			
Payments to Suppliers, Employees and Customers		(15,370)	(14,568)
Income Tax Paid		(1,179)	(124)
Interest Paid		(1)	(1)
		<u>(16,550)</u>	<u>(14,693)</u>
<b>Net Cash Flows from Operating Activities</b>		<u>7,409</u>	<u>10,992</u>
<b>Cash Flows from Investing Activities</b>			
Cash was provided from:			
Proceeds From Sale of Fixed Assets		37	-
		<u>37</u>	<u>-</u>
Cash was Applied To:			
Purchase of Fixed Assets		(11,538)	(12,889)
<b>Net Cash Flows from Investing Activities</b>		<u>(11,501)</u>	<u>(12,889)</u>
<b>Cash Flows from Financing Activities</b>			
Cash was provided from:			
Internal Loan		3,000	
		<u>3,000</u>	
Cash Was Applied to:			
Payment of Dividend		(250)	(150)
<b>Net Cash Flows from Financing Activities</b>		<u>2,750</u>	<u>(150)</u>
<b>Net Decrease in Cash Held</b>		<u>(1,342)</u>	<u>(2,047)</u>
Cash at Beginning of Year		<u>3,273</u>	<u>5,320</u>
<b>Cash at End of Year</b>		<u>1,931</u>	<u>3,273</u>
<b>Reconciliation of Operating Surplus after Taxation with Cash Flows from Operating Activities</b>			
<b>Operating Surplus after Taxation</b>		2,947	4,994
<b>Non Cash Items</b>			
Depreciation		5,420	5,045
Vested Assets		(2,760)	
Change in Deferred Tax		941	633
Change in Non Current Employee Entitlements		8	4
Loss on Sale of Fixed Assets		7	2
		<u>6,563</u>	<u>10,678</u>
<b>Movements in Working Capital Items</b>			
Decrease/(increase) in Accounts Receivable		655	(752)
Decrease/(increase) in Inventories		207	(382)
Increase in Accounts Payable		363	615
(Decrease)/Increase in Taxation Payable		(378)	832
		<u>847</u>	<u>313</u>
<b>Net Cash Flows from Operating Activities</b>		<u>7,410</u>	<u>10,991</u>

The accompanying notes form an integral part of these financial statements.

# **MARLBOROUGH LINES LIMITED - LINES BUSINESS**

**Financial Statements Prepared in Accord with the Electricity Information Disclosure Requirements 2004**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For The Year Ended 31 March 2007**

### **1. STATEMENT OF ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with, and for the sole purpose of, requirement 6 of the Electricity Information Disclosure Requirements 2004. Accordingly these financial statements are only for the Line Business activities of Marlborough Lines Limited. Marlborough Lines' contracting and investments business, with their associated revenue and costs, have been removed from these Financial Statements in accordance with the Requirements. These accounts are not comparable with the consolidated financial statements prepared and published with the Company's Annual Report. These accounts cannot and should not be used to assess the actual performance of the Company as they are prepared for the sole purpose of complying with the requirements. The contracting and other business activities which are removed from these accounts are required to function separately and produce commercial rates of return but will continue to be a core part of Marlborough Lines' activities.

The financial statements have been prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are identified.

#### **1.1 Goods and Services Tax (GST)**

The statement of financial performance and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST except for receivables and payables which include GST.

#### **1.2 Operating revenue**

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Discounts paid to electricity consumers connected to the Company's network are shown separately in the Statement of Financial Performance.

#### **1.3 Income Tax**

Income tax expense recognises the current obligations and all amounts arising from differences between the accounting results and assessable income for the period. This is the liability method applied on a comprehensive basis. Deferred tax assets are carried forward to the extent that there is virtual certainty of realism.

#### **1.4 Receivables**

Receivables are stated at the amount they are expected to realise. A provision for doubtful debts is made and bad debts are written off during the year in which they are identified.

#### **1.5 Inventories and Work in Progress**

Inventories predominantly comprise network system spares and materials and are valued on the basis of the lower of cost and net realisable value. In these disclosure accounts the value of those spares which are included in the ODV are included in System Fixed Assets, not in inventory. Cost is determined on the basis of weighted average of purchase costs. Due allowance is made for damaged and obsolete inventory. Work in progress comprises the cost of direct materials and labour together with direct overheads.

#### **1.6 Plant, Property and Equipment and Depreciation**

Distribution system assets are valued at depreciated replacement cost and revalued on a cyclical basis. Subsequent additions are recorded at cost. Land and buildings are valued at net current value. All revaluation surpluses are transferred directly to the asset revaluation reserves. Decreases in value are debited directly to the revaluation reserve to the extent that they reverse previous surpluses within the class of asset concerned and are otherwise recognised as expenses in the Statement of Financial Performance.

From time to time distribution assets are vested in the Company in return for the Company assuming maintenance responsibility for these assets. Such assets are capitalised at fair value (replacement cost) and the equivalent value credited to revenue. All other Company plant, property and equipment are recorded at cost.

The cost of assets constructed by the Company includes all materials used in construction, direct labour and direct overheads. Where commitments arise offshore for capital purchases, the exchange rates are fixed forward to minimise foreign currency risk and the fixed forward rate is used to measure the transaction.

Plant property and equipment is depreciated in order to write off the cost less any estimated residual value over the expected economic lives. Depreciation rates are as follows:

Buildings - Straight line over 40 to 70 years

Reticulation System - Straight line over 15 to 70 years

Plant Equipment and Motor Vehicles - Diminishing value basis over 2 to 20 years

#### **1.7 Research and Investigation and Development Expenditure**

Research and investigation costs are charged to expense in the year in which they are incurred. Development expenditure is capitalised to the extent that future benefits are expected to accrue.

#### **1.8 Employee Entitlements**

Employee entitlements to salaries and wages, annual and long service leave and other benefits are recognised when they accrue to employees. Allowance is made for the present value of future staff retirement gratuity benefits. The calculations provide also for the probability of the employees completing the appropriate period of service.

#### **1.9 Financial Instruments**

Financial instruments carried in the statement of financial position include cash and bank balances, receivables and trade creditors. These instruments are generally carried at their estimated fair value, for example receivables are carried net of estimated doubtful receivables. The Company may also on occasions enter into foreign currency forward exchange contracts, in order to reduce exposure to fluctuations in foreign currency values in respect of equipment sourced offshore. Also from time to time the Company will enter into interest rate swaps to mitigate interest rate risk in relation to the term debt facility. An indicative value (gain or loss) is provided in the notes to the financial statements on the basis of the current value of these instruments at year end.

#### **1.10 Foreign Currency Transactions**

Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date.

Monetary items receivable or payable in a foreign currency, other than those resulting from short term transactions covered by forward exchange contracts, are translated at balance date at the closing rate. For transactions covered by short term forward exchange contracts, the rates specified in those contracts are used as the basis for measuring and reporting the transaction.

Exchange differences on foreign currency balances are recognised in the Statement of Financial Performance.

#### **1.11 Statement of Cash Flows**

The Statement of Cash Flows is prepared on a consistent basis with the Statement of Financial Position (GST exclusive). The following are the definitions of the terms used in the Statement of Cash Flows.

- a). Cash is considered to be cash on hand and current accounts, at banks net of bank overdrafts.
- b). Investing activities are those activities relating to the acquisition holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.
- c). Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid are included in financing activities.
- d). Operating activities include all transactions and other events that are not investing or financing activities.

#### **1.12 Comparative Amounts**

To ensure consistency with the current year, comparative figures have been reclassified where appropriate.

#### **1.13 Changes in Accounting Policies**

All accounting policies have been applied on a basis consistent with previous year.

	<b>2007</b>	<b>2006</b>
	<b>\$000's</b>	<b>\$000's</b>
<b>2. <u>OPERATING REVENUE</u></b>		
Other operating revenue includes:		
Donated Assets	2,760	3,067
Capital Contributions	361	858
Other operating revenue	285	83
	<u>3,406</u>	<u>4,008</u>
<b>3. <u>INCOME TAX</u></b>		
<b>3.1 <u>Income Tax Expense</u></b>		
Operating Surplus before Taxation	4,688	6,583
Add/(Deduct)		
Non Deductible Costs	4,779	4,119
Non Assessable Revenue	(4,138)	(5,026)
Taxable Income	<u>5,329</u>	<u>5,676</u>
<b>Taxation Charge @ 33%</b>	1,759	1,873
Prior Year Under/(Over) Provision	(17)	(284)
Tax Expense	<u>1,742</u>	<u>1,589</u>
The Income Tax Expense is represented by:		
Tax Payable in Respect of the Current Year	782	969
Deferred Tax Liability	960	620
	<u>1,742</u>	<u>1,589</u>
<b>3.2 <u>Deferred Taxation</u></b>		
Balance at Beginning of Year	6,141	5,508
Prior Year Adjustments	(19)	13
Deferred Tax Arising on Timing Differences	960	620
<b>Balance at End of Year</b>	<u>7,082</u>	<u>6,141</u>
<b>4. <u>EARNINGS PER SHARE</u></b>		
Earnings per share are calculated by dividing the net surplus after taxation by the average number of shares on issue during the year.		
Average number of shares on issue	8,736	8,736
Net surplus per share	34 cents	57 cents
<b>5. <u>SHARE CAPITAL</u></b>		
<b>5.1</b> Marlborough Lines shares are held by the Trustees of the Marlborough Electric Power Trust.		
<b>5.2</b> Issued and Paid up Capital ordinary \$1.00 shares	8,736	8,736

	<b>2007</b>	<b>2006</b>
	<b>\$000's</b>	<b>\$000's</b>
<b>6. <u>RETAINED EARNINGS / REVALUATION RESERVES</u></b>		
<b>Retained Earnings Balance at Beginning of Year</b>	23,524	18,680
Net Surplus for the Year	2,947	4,994
Dividends	(250)	(150)
<b>Retained Earnings Balance at End of Year</b>	<b>26,221</b>	<b>23,524</b>
<b>Revaluations Reserve Balance at Beginning of Year</b>	89,239	89,819
Revaluation adjustments	29,338	(580)
<b>Revaluations Reserve Balance at End of Year</b>	<b>118,577</b>	<b>89,239</b>
<b>Total Retained Earnings and Revaluations Reserves</b>	<b>144,798</b>	<b>112,763</b>

Infrastructure and property assets were revalued as at 1 April 2006 in accord with the requirements of FRS-3.

The revaluation reserve comprises revaluations in the following categories:

Land and Buildings	5,433	4,256
Reticulation System Assets	113,144	84,983
<b>Total</b>	<b>118,577</b>	<b>89,239</b>

**7. ACCOUNTS RECEIVABLE**

The balance of Accounts Receivable comprises:

Network and other trade debtors	1,705	2,262
GST Receivable	415	503
<b>Total</b>	<b>2,120</b>	<b>2,765</b>

**8. INVENTORIES AND WORK IN PROGRESS**

Reticulation stock	1,776	1,954
Work in progress	1	30
<b>Total</b>	<b>1,777</b>	<b>1,984</b>

**9. CREDITORS AND ACCRUALS**

**9.1** In current liabilities the balance of creditors and accruals comprises:

Trade Creditors	2,395	2,048
Employee Entitlements (Annual Leave)	177	160
<b>Total</b>	<b>2,572</b>	<b>2,208</b>

**9.2** Employee entitlements in non current liabilities recognises the Company's liability for retirement gratuities.

**10. TERM LOANS**

The Company operates a term debt facility with the Westpac Banking Group

Facility limit	22m	22m
Maturity date	1 July 2010	1 July 2010
Drawn down	20.5m	18.8m

No security has been issued by Marlborough Lines in respect of the Company's loans. The interest rate is linked to the 90 Day Bank Bill Rate and interest rate swaps are in place to hedge interest rate risk on \$10m. The effective rate at 31 March was 7.46% (2006: 7.02%)

## 11. PLANT PROPERTY AND EQUIPMENT

### 11.1

	Valuation	Accumulated Depreciation	31 Mar 2007 Net Book Value
Land at net current value	5,455	-	5,455
Buildings at net current value	8,355	(2,051)	6,304
Reticulation System at replacement cost	269,815	(121,948)	147,867
Plant and Equipment at cost	5,154	(4,063)	1,091
Capital Works in Progress at cost	921	-	921
	<u>289,700</u>	<u>(128,062)</u>	<u>161,638</u>

Distribution system assets belonging to the company were revalued as at 1 April 2006 to depreciated replacement cost as assessed by PricewaterhouseCoopers with technical assistance from Sinclair Knight Merz Ltd. Both firms are experienced in the valuation of electricity network assets. Land and buildings were revalued to net current value as at 1 April 2006 in accord with values provided by Hadley and Lyall Ltd, registered valuers.

Upon revaluation a deferred tax liability totalling \$4.533m was created in respect of accumulated tax depreciation on revalued assets at 1 April 2003. The revaluation reserve balance at 31 March thus reflects the total revaluation adjustment of \$94.352m less the deferred tax adjustment of \$4.533m.

	Valuation	Accumulated Depreciation	31 Mar 2006 Net Book Value
Land at net current value	3,620	-	3,620
Buildings at net current value	9,614	(3,167)	6,447
Reticulation System at replacement cost	207,503	(96,339)	111,164
Plant and Equipment at cost	5,169	(3,335)	1,834
Capital Works in Progress at cost	399	-	399
	<u>226,305</u>	<u>(102,841)</u>	<u>123,464</u>

### 11.2 Depreciation Charges

Depreciation charges for the year ended 31 March are as follows:

	2007 \$000's	2006 \$000's
Buildings	83	75
Reticulation System	4,666	4,026
Plant Equipment and Motor Vehicles	671	944
<b>Total</b>	<u>5,420</u>	<u>5,045</u>

### 11.3 Annual Valuation Reconciliation Report Year ending 31 March 2007 (Schedule 1 Part 8)

System fixed assets at ODV at 31 March 2006	107,869	100,495
Add system fixed assets acquired during the Year at ODV	8,042	11,710
Less system fixed assets disposed of during the year at ODV	(691)	(774)
Less depreciation on system fixed assets at ODV	(4,170)	(3,562)
Add revaluations of system fixed assets	1	-
Equals system fixed assets at ODV at 31 March 2007	<u>111,051</u>	<u>107,869</u>

## 12. PROVISIONS

The following movements were recorded in provisions held by Marlborough Lines Limited during the 2006/2007 financial year.

	Opening balance	movement	Closing balance
Provision for Staff Leave	160	17	177
Provision for Retirement Gratuities	123	8	131

13. <u>COMMITMENTS</u>	2007	2006
13.1 <b>Capital Commitments.</b>	<u>\$000's</u>	<u>\$000's</u>
Capital expenditure committed to at balance date but not recognised in the financial statements	1,279	2,051
<b>13.2 Lease Commitments</b> Commitments under present lease agreements over the next five years for the parent company are presently estimated as follows: less than 1 year - \$11,775, less than 2 years - \$13,275 8, 3-5 years - \$29,825, greater than 5 years - \$24,730. The Company will continue to incur lease costs for a number of substation and repeater sites beyond 2011.		
<b>14. <u>CONTINGENT LIABILITIES</u></b> Marlborough Lines has no contingent liabilities as at 31 March 2007. (2006: \$nil)		
<b>15. <u>FINANCIAL INSTRUMENTS</u></b>		
<b>15.1 Credit Risk</b> Credit risk is the risk that an outside party will not be able to meet its obligations to the Company. Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash deposits, short term deposits and trade receivables. The maximum credit risk is the book value of these financial instruments; however, the Company considers the risk of non-recovery of these amounts to be minimal. The Company places its cash deposits with high credit quality financial institutions. Credit risk exists in respect of accounts receivable and bank deposits. The Company is able to impose bond requirements on retailers trading across its network in accord with the use of system agreements held with the retailers. Currently approximately one-third in value of the total of accounts receivable is concentrated with one of the larger electricity retailing companies.		
<b>15.2 Interest Rate Risk</b> Interest rate risk is the risk that interest rates will change, increasing or decreasing the cost of borrowing or lending. The Company's short term deposits are at fixed interest rates and mature within one year. Interest rates on non current borrowings are lined to the 90 Day Bank Bill rate (Westpac Bank buy rates). The Company manages this risk by entering into interest rate swap arrangements to minimise exposure to interest rate movements.		
<b>15.3 Currency Risk</b> Currency risk is the risk that amounts payable in foreign currencies will change due to movements in exchange rates. The Company enters into foreign currency forward exchange contracts in order to manage its exposure to fluctuations in foreign currency exchange rates on the purchase of specific plant and equipment items from overseas suppliers. Total cover under forward exchange contracts at balance date was \$nil (2006: \$nil).		
<b>15.4 Fair Values</b> The carrying amount of cash, short term deposits, trade receivables, trade payables, term loans and short term investments reflect their fair values. The estimated fair value of the interest rate swap agreements held at 31 March 2007 is \$119,057 (2006 - \$22,506). The estimated fair value of foreign currency forward exchange contracts at 31 March 2007 is \$40,337 (2006 - \$126,109).		

	2007 \$000's	2006 \$000's
<b>16. RELATED PARTIES</b>		
<b>16.1 Marlborough Electric Power Trust</b>		
The Trustees of the Marlborough Electric Power Trust hold all of the Company's shares. The Company may from time to time advance funds of a short term nature to the Trust; the Company also pays dividends to the Trust.		
Dividends Paid to the Trust	250	150
Administrative Costs Charged to the Trust	-	-
Amounts Owed by the Trust to the Company as at 31 March	-	-
<b>16.2 Parties Associated with Directors</b>		
The company undertook two minor transactions with a party associated with a director of Marlborough Lines Limited. The transactions involved the provision of legal services. The transaction was at commercial rates.		
D W R Dew (Dew and Company)	<1	<1
<b>16.3 Marlborough Lines' Contracting business</b>		
The contracting division of Marlborough Lines Limited has provided the following services at commercial rates:		
Construction of sub transmission assets	797	91
Construction of zone substations	1,348	44
Construction of distribution lines and cables	3,542	575
Construction of medium voltage switchgear	90	28
Construction of distribution substations	129	240
Construction of low voltage reticulation	129	136
Maintenance of assets	2,311	1,406
Consumer Connections & Disconnections	-	-
Other services	788	486
The Contracting Division of Marlborough Lines Limited has paid for the following:		
Other services	-	4
At year end there were no outstanding balances (2006: \$nil)		
<b>17. EVENTS SUBSEQUENT TO BALANCE DATE</b>		
The May 2007 New Zealand Government budget signalled changes to the company tax rate, providing for a rate of 30 cents in the dollar from 1 April 2007. This will reduce the levels of deferred tax liability and deferred tax benefit provided on timing differences in the Company's tax reconciliation.		
The Directors are not aware of any other matter or circumstances since the end of the financial year not otherwise dealt with in these financial statements that has or may significantly affect the operations of the Marlborough Lines Parent or Group operations.		

## **5. Performance Measures and Statistics**

- 5.1. Sections 14, 15, 20 and 21 require Line Owners to disclose various financial, efficiency and reliability measures; statistics and ‘derivation table’.
- 5.2. The information in this section is provided to comply with these requirements and also includes the Auditors opinion required under Section 30(3).

**AUDITOR-GENERAL'S OPINION ON THE  
PERFORMANCE MEASURES OF MARLBOROUGH LINES LIMITED – LINES BUSINESS**

We have examined the information on pages 9, 12 and 13, 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 Marlborough Lines Limited – Lines Business and dated 31 March 2007 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.



Michael Wilkes  
Deloitte  
On behalf of the Auditor-General  
Wellington, New Zealand  
29 January 2008

This audit report relates to the performance measures of Marlborough Lines Limited - Lines Business for the year ended 31 March 2007 included on Marlborough Lines Limited's website. The Marlborough Lines Limited – Lines Business's Board of Directors is responsible for the maintenance and integrity of Marlborough Lines Limited's website. We have not been engaged to report on the integrity of the Marlborough Lines Limited – Lines Business's website. We accept no responsibility for any changes that may have occurred to the electricity information disclosure requirements since it was initially presented on the website.

The audit report refers only to the electricity information disclosure requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or form these electricity information disclosure requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited electricity information disclosure requirements and related audit report dated [date] to confirm the information included in the audited electricity information disclosure requirements published in the New Zealand Gazette or on the New Zealand Gazette's web site.

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

**MARLBOROUGH LINES LIMITED - LINES BUSINESS**

**FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS**

Derivation Table	Calculations and Input	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	4,690				
Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIIT)	4,690				
Interest on cash, bank balances, and short-term investments (ISTI)	226				
<b>OSBIIT minus ISTI</b>	4,464	a	4,464		4,464
Net surplus after tax from financial statements	2,947				
Net surplus after tax adjusted pursuant to requirement 18 (NSAT)	2,947	n		2,947	
Amortisation of goodwill and amortisation of other intangibles	0	g	add 0	add 0	add 0
<b>Subvention payment</b>	0	s	add 0	add 0	add 0
Depreciation of SFA at BV (x)	4,666				
Depreciation of SFA at ODV (y)	4,170				
<b>ODV depreciation adjustment</b>	496	d	add 496	add 496	add 496
<b>Subvention payment tax adjustment</b>	0	s*t		deduct 0	deduct 0
<b>Interest tax shield</b>	-74	q			deduct -74
<b>Revaluations</b>	0	r			add 0
<b>Income tax</b>	1,742	p			deduct 1,742
<b>Numerator</b>			<b>4,960</b>	<b>3,443</b>	<b>3,293</b>
			$OSBIIT^{ADJ} = a+g+s+d$	$NSAT^{ADJ} = n+g+s-s^*t$	$OSBIIT^{ADJ} = a+g-q+r+s+d-p-s^*t$
Fixed assets at end of previous financial year (FA <sub>0</sub> )	123,464				
Fixed assets at end of current financial year (FA <sub>1</sub> )	161,638				
Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )	2,541				
Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )	1,325				
<b>Average total funds employed (ATFE)</b>	144,484	c	144,484		144,484
Total equity at end of previous financial year (TE <sub>0</sub> )	121,499				
Total equity at end of current financial year (TE <sub>1</sub> )	153,534				
<b>Average total equity</b>	137,517	k		137,517	
WUC at end of previous financial year (WUC <sub>0</sub> )	398				
WUC at end of current financial year (WUC <sub>1</sub> )	921				
<b>Average total works under construction</b>	660	e	deduct 660	deduct 660	deduct 660
Revaluations	0	r			
<b>Half of revaluations</b>	0	r/2			deduct 0
Intangible assets at end of previous financial year (IA <sub>0</sub> )	0				
Intangible assets at end of current financial year (IA <sub>1</sub> )	0				
<b>Average total intangible asset</b>	0	m		deduct 0	
Subvention payment at end of previous financial year (S <sub>0</sub> )	0				
Subvention payment at end of current financial year (S <sub>1</sub> )	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
<b>Average subvention payment &amp; related tax adjustment</b>	0	v		add 0	
System fixed assets at end of previous financial year at book value (SFA <sub>bv0</sub> )	116,555				
System fixed assets at end of current financial year at book value (SFA <sub>bv1</sub> )	153,466				
<b>Average value of system fixed assets at book value</b>	135,011	f	deduct 135,011	deduct 135,011	deduct 135,011
System Fixed assets at year beginning at ODV value (SFA <sub>odv0</sub> )	107,869				
System Fixed assets at end of current financial year at ODV value (SFA <sub>odv1</sub> )	111,050				
<b>Average value of system fixed assets at ODV value</b>	109,459	h	add 109,459	add 109,459	add 109,459
<b>Denominator</b>			<b>118,273</b>	<b>111,306</b>	<b>118,273</b>
			$ATFE^{ADJ} = c-e-f+h$	$AveTE^{ADJ} = k-e-m+v-$	$ATFE^{ADJ} = c-e-1/2r-f+h$
<b>Financial Performance Measure:</b>			<b>4.19</b>	<b>3.09</b>	<b>2.78</b>
			$ROF = OSBIIT^{ADJ} / ATFE^{ADJ} \times 100$	$ROE = NSAT^{ADJ} / ATE^{ADJ} \times 100$	$ROI = OSBIIT^{ADJ} / ATFE^{ADJ} \times 100$

t = maximum statutory income tax rate applying to corporate entities    bv = book value    ave = average    odv = optimised deprival valuation    subscript '0' = end of the previous

**MARLBOROUGH LINES LIMITED - LINES BUSINESS**  
**PERFORMANCE MEASURES AND STATISTICS**

**Prepared in Accordance with The Electricity Information Disclosure Requirements 2004**

**REQUIREMENT 14 - FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES**

	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>1. Financial Performance Measures</b>				
(a) Return on Funds	4.19%	5.90%	2.43%	1.96%
(b) Return on Equity	3.09%	4.94%	1.61%	1.10%
(c) Return on Investment	2.78%	4.60%	1.31%	28.23%
ROI Excluding Revaluations	2.78%	4.60%	1.31%	0.86%

In 2004 Marlborough Lines changed its accounting policy in respect of the recognition of distribution assets vested from consumers; crediting the fair value of these assets, together with capital contributions received, to the Statement of Financial Performance.

**2. Efficiency Performance Measures**

(a) Direct Line Costs per Kilometre	\$1,423	\$1,093	\$1,082	\$1,005
(b) Indirect Line Costs per Consumer - including one off acquisition cost	\$147	\$163	\$144	\$117

**REQUIREMENT 20 - ENERGY DELIVERY EFFICIENCY PERFORMANCE**  
**MEASURES AND STATISTICS**

	2007	2006	2005	2004
<b>1. Energy Delivery Efficiency Performance Measures</b>				
(a) Load Factor	64.6%	68.7%	68.0%	67.6%
(b) Loss Ratio	6.9%	5.4%	6.6%	5.9%
(c) Capacity Utilisation	23.4%	22.0%	22.5%	22.7%
<b>2. Statistics</b>				
(a) System Length Breakdown in Kilometres				<b>kms</b>
33kV	291	290	298	298
11kV	2,227	2,186	2,168	2,153
6.6kV	50	50	49	49
LV	695	687	654	641
Total	3,263	3,213	3,169	3,141
(b) Circuit Length of Overhead System in Kilometres				<b>kms</b>
33kV	286	286	294	294
11kV	2,109	2,086	2,090	2,080
6.6kV	50	50	49	49
LV	446	452	457	458
Total	2,890	2,873	2,890	2,881
(c) Circuit Length of Underground System in Kilometres				<b>kms</b>
33kV	5	4	4	4
11kV	118	100	78	72
6.6kV	-	-	-	-
LV	250	235	197	183
Total	372	340	279	260
(d) Transformer Capacity in kVA	270,448	265,000	256,327	241,193
(e) Maximum demand in kW	63,186	58,226	57,590	54,814
(f) Total Electricity Entering the System in kWh (before losses)	357,385,278	350,177,390	343,022,932	325,697,527
(g) Total Electricity Supplied from the System on behalf of each Generator and Retailer in kWh (after losses)				
Retailer B	214,944,255	219,947,696	214,611,503	206,965,060
Retailer C	74,233,850	61,599,453	55,678,936	58,077,922
Retailer D	2,300,224	1,614,994	1,881,472	1,508,728
Retailer F	5,324,102	12,096,660	16,249,036	8,414,488
Retailer G	35,882,512	35,981,466	31,858,823	31,455,535
Total	332,684,943	331,240,269	320,279,770	306,421,733
(h) Total Consumers at year end	23,135	22,932	22,547	22,251
Average Consumers for year	23,034	22,740	22,399	21,834

These energy volumes have been provided by energy retailers; Marlborough Lines cannot assure readers as to the accuracy of this information.

Total Consumers includes a small number of installations where consumption is estimated on the basis of known load rather than recorded by metering equipment.

## **REQUIREMENT 21 - RELIABILITY PERFORMANCE MEASURES**

		targets					
		2009-12	2008	2007	2006	2005	2004
<b>1.- 3.</b>	<b>Total Interruptions and Interruption Targets by Class</b>						
	Class A - Transpower Planned			-	-	-	-
(a)	Class B - MLL Planned	274	274	274	267	259	277
(b)	Class C - MLL Unplanned	359	359	359	294	233	219
	Class D - Transpower Unplanned			5	-	6	11
	Class E - MLL Generation Unplanned			-	-	-	-
	Class F - Other Generation Unplanned			-	-	-	-
	Class G - Other Unplanned			-	-	-	-
	Class H - Other Planned			8	-	-	-
	Class I - Other than above			-	-	-	-
	<b>Total</b>			<b>646</b>	<b>561</b>	<b>498</b>	<b>507</b>

<b>4.</b>	<b>Percentage of Class C Interruptions not Restored within -</b>						
(a)	Three hours			34.5%	25.2%	27.9%	29.7%
(b)	24 hours			2.8%	0.7%	3.0%	3.2%

### **Faults (Class C) per 100 Kilometres**

<b>5.</b>	<b>Total number of faults per 100 Kilometres</b>						<b>faults/100 km</b>
	33 kV	4.4	4.5	4.5	5.2	2.3	3.0
	11kV	15.7	15.6	15.5	12.8	10.4	9.7
	6.6kV	-	-	-	-	-	4.1
	<b>Total</b>	<b>9.0</b>	<b>8.9</b>	<b>14.0</b>	<b>11.6</b>	<b>9.3</b>	<b>8.8</b>

<b>6.</b>	<b>Faults (Class C) per 100 Kilometres Underground</b>						<b>faults/100 km</b>
	33 kV			-	-	-	-
	11kV			9.4	-	-	-
	<b>Total</b>			<b>9.0</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>7.</b>	<b>Faults (Class C) per 100 Kilometres Overhead</b>						<b>faults/100 km</b>
	33 kV			4.6	5.2	2.4	3.1
	11kV			15.9	13.4	10.8	10.0
	6.6kV			-	-	-	4.1
	<b>Total</b>			<b>14.2</b>	<b>12.1</b>	<b>8.6</b>	<b>9.0</b>

## REQUIREMENT 21 - RELIABILITY PERFORMANCE MEASURES

		targets					
		2009-12	2008	2007	2006	2005	2004
8.	<b>SAIDI - total interruptions</b>			353.1	260.2	224.9	222.4
9.- 11.	<b>SAIDI per interruption class</b>						<b>consumer minutes</b>
	Class A - Transpower Planned			-	-	-	-
(a)	Class B - MLL Planned	105.8	107.5	108.7	93.6	93.4	52.5
(b)	Class C - MLL Unplanned	151.0	153.5	155.2	166.5	119.8	141.2
	Class D - Transpower Unplanned			86.7	-	11.6	28.7
	Class E - MLL Generation Unplanned			-	-	-	-
	Class F - Other Generation Unplanned			-	-	-	-
	Class G - Other Unplanned			-	-	-	-
	Class H - Other Planned			2.6	-	-	-
	Class I - Other than above			-	-	-	-
12.	<b>SAIFI - total interruptions</b>			4.2	2.9	2.5	3.4
13.- 15.	<b>SAIFI per interruption class</b>						<b>consumer minutes</b>
	Class A - Transpower Planned			-	-	-	-
(a)	Class B - MLL Planned	0.4	0.4	0.4	0.3	0.4	0.3
(b)	Class C - MLL Unplanned	2.4	2.5	2.5	2.5	1.5	1.4
	Class D - Transpower Unplanned			1.2	-	0.6	1.7
	Class E - MLL Generation Unplanned			-	-	-	-
	Class F - Other Generation Unplanned			-	-	-	-
	Class G - Other Unplanned			-	-	-	-
	Class H - Other Planned			0.0	-	-	-
	Class I - Other than above			-	-	-	-
16.	<b>CAIDI - total interruptions</b>			84.7	89.8	89.0	65.7
17.- 19.	<b>CAIDI per interruption class</b>						<b>consumer minutes</b>
	Class A - Transpower Planned			-	-	-	-
	Class B - MLL Planned	245.5	245.5	245.5	268.7	254.3	156.0
	Class C - MLL Unplanned	62.3	62.3	62.3	65.4	78.8	101.3
	Class D - Transpower Unplanned			70.2	-	18.2	17.3
	Class E - MLL Generation Unplanned			-	-	-	-
	Class F - Other Generation Unplanned			-	-	-	-
	Class G - Other Unplanned			-	-	-	-
	Class H - Other Planned			-	-	-	-
	Class I - Other than above			-	-	-	-

All SAIDI, SAIFI and CAIDI figures have been calculated from average, rather than year end, consumer numbers. This is the methodology prescribed in the Commerce Act (Electricity Industry Distribution Threshold) Notice 2004. Prior years figures have been restated in accord with that method although the changes are not material.