

Information Disclosure by Aurora Energy Ltd

for the year ended 31 March 2004

Pursuant to the
ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004

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Information Disclosure Disclaimer

Information disclosed in this document has been prepared solely for the purposes of the Electricity Information Disclosure Requirements 2004.

The Requirements require the information to be disclosed in the manner it is presented.

The information should not be used for any other purpose than that intended under the Requirements.

The information disclosed is for the lines business as described in the Requirements. There are other activities of the Company that are not required to be reported under the Requirements.

A STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION SUPPLIED TO COMMERCE COMMISSION (REQUIREMENT 36)

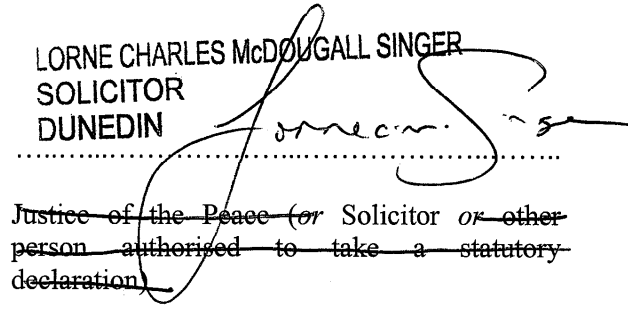
I, Ross Douglas Liddell of 33 Leithton Close, Glenleith, Dunedin, being a director of Aurora Energy Ltd, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by Aurora Energy Ltd under the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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


.....

Declared at Dunedin this 20th day of December 2004

LORNE CHARLES McDUGALL SINGER
SOLICITOR
DUNEDIN


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

B DISCLOSURE OF INFORMATION REQUIRED IN FINANCIAL STATEMENTS (REQUIREMENT 6 SCHEDULE 1 PART 2)

	note*	2004 \$000	2003 \$000
STATEMENT OF FINANCIAL POSITION			
1 Current Assets			
(a) Cash and Bank Balances		75	28
(b) Short Term Investments		-	-
(c) Inventories		-	-
(d) Accounts Receivable		4,827	6,274
(e) Other Current Assets Not Listed in (a) to (d):		1,939	1,327
(f) Total Current Assets		<u>6,841</u>	<u>7,629</u>
2 Fixed Assets	3		
(a) System fixed assets		235,197	227,448
(b) Customer billing and information system assets		-	-
(c) Motor vehicles		-	-
(d) Office equipment		5	-
(e) Land and buildings		12,428	12,515
(f) Capital works under construction		5,366	5,521
(g) Other fixed assets not listed in (a) to (f)		-	-
(h) Total fixed assets		<u>252,996</u>	<u>245,484</u>
3 Other Tangible Assets Not Listed Above		-	-
4 Total Tangible Assets		<u>259,837</u>	<u>253,113</u>
5 Total Intangible Assets			
(a) Goodwill		-	-
(b) Other intangible assets not listed in (a)		-	-
(c) Total intangible		<u>-</u>	<u>-</u>
6 Total Assets		<u>259,837</u>	<u>253,113</u>
7 Current Liabilities			
(a) Bank overdraft		-	-
(b) Short term borrowings		-	-
(c) Accounts payables and accruals		5,303	5,224
(d) Dividend provision		-	-
(e) Provision for income tax		-	-
(f) Other current liabilities not listed in (a) to (e)		-	-
(g) Total current liabilities		<u>5,303</u>	<u>5,224</u>

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

	note*	2004 \$000	2003 \$000
8 Non-Current Liabilities			
(a) Payables and accruals		-	-
(b) Long-term debt	5	108,200	117,000
(c) Deferred taxation	4	30,549	24,575
(d) Other funding not listed in (a) or (b)		-	-
(e) Total non-current liabilities		138,749	141,575
9 Equity			
(a) Shareholder's equity:	2		
(i) Share capital		9,750	2,000
(ii) Retained earnings		(5,425)	(7,402)
(iii) Reserves		111,460	111,716
(iv) Total shareholder's equity		115,785	106,314
(b) Minority interests in subsidiaries		-	-
(c) Total equity		115,785	106,314
(d) Capital notes		-	-
(e) Total capital funds		115,785	106,314
10 Total Equity and Liabilities (7(g) + 8(e) + 9(e))		259,837	253,113

STATEMENT OF FINANCIAL PERFORMANCE

11 Operating Revenue			
(a) Revenue from line/access charges		53,023	53,225
(b) Revenue from "other" business (transfer payment)		-	-
(c) Interest on short-term investments, cash and bank balances		-	-
(d) AC loss-rental rebates		2,261	1,414
(e) Other revenue not listed in (a) to (d)		6,777	4,739
(f) Total operating revenue		62,061	59,378
12 Operating Expenditure			
(a) Transmission charges		15,177	15,949
(b) Transfer payments to "other" business:			
(i) asset maintenance		7,501	7,261
(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 and services		3,419	3,379
(viii) total transfer payment to other business		10,920	10,640

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

Information Disclosure by Aurora Energy Ltd for the Year Ended 31 March 2004

	note*	2004 \$000	2003 \$000
(c) Payments to non-related entities for:			
(i) asset maintenance		-	-
(ii) consumer disconnections and reconnections		-	-
(iii) meter data		-	-
(iv) consumer-based load control		-	-
(v) royalty and patent expenses		-	-
		<hr/>	<hr/>
(vi) total of specified expenses to non-related parties		-	-
(d) Employee salaries, wages and redundancies		-	-
(e) Consumer billing and information system expense		-	-
(f) Depreciation on:			
(i) system fixed assets		9,735	8,842
(ii) other assets not listed in (i)		-	-
		<hr/>	<hr/>
(iii) total depreciation expense		9,735	8,842
(g) Amortisation of:			
(i) goodwill		-	-
(ii) other intangibles		-	-
		<hr/>	<hr/>
(iii) total amortisation of intangibles		-	-
(h) Corporate and administration		1,136	1,092
(i) Human resource expenses		-	-
(j) Marketing and advertising		3	17
(k) Merger and acquisition expenses		-	-
(l) Take-over defence expenses		-	-
(m) Research and development expenses		-	-
(n) Consultancy and legal expenses		597	646
(o) Donations		-	-
(p) Directors' fees		77	72
(q) Auditor's fees:			
(i) audit fees to principal auditor		27	22
(ii) audit fees to other auditors		-	-
(iii) fees paid for other services provided by principal and other auditors		-	-
		<hr/>	<hr/>
(iv) total auditor's fees		27	22
(r) Cost of offering credit:			
(i) bad debts written off		-	-
(ii) increase in estimated doubtful debts		-	-
		<hr/>	<hr/>
(iii) total cost of offering credit		-	-
(s) Local Authority rates expense		272	252
(t) AC loss rental rebates paid to retailers		2,261	1,414
(u) Rebates to consumers due to ownership interest		-	-
(v) Subvention payments		1,290	1,191
(w) Unusual expenses		-	-
(x) Other expenditure not listed in (a) to (w)		-	-
		<hr/>	<hr/>
13 Total Operating Expenditure (sum (12(a) to 12(x))		41,495	40,137

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

	note*	2004 \$000	2003 \$000
14 Operating Surplus Before Interest and Income Tax		20,566	19,241
15 Interest Expense:			
(a) Interest expense on borrowings		7,537	7,784
(b) Financing charges relating to finance leases		-	-
(c) Other interest expense not listed in (a) or (b)		-	-
		<hr/>	<hr/>
(d) Total interest expense		7,537	7,784
16 Operating Surplus Before Income Tax		13,029	11,457
17 Income Tax	1	7,512	6,699
18 Net Surplus After Tax		5,517	4,758

STATEMENT OF MOVEMENTS IN EQUITY

Equity at beginning of year	106,314	110,697
Surplus and revaluations		
net profit after tax for period	5,517	4,758
revaluations	-	(59)
	<hr/>	<hr/>
Total recognised revenues and expenses	5,517	4,699
Other movements		
dividend distributions	(3,796)	(9,082)
Capital transferred	7,750	-
	<hr/>	<hr/>
	3,954	(9,082)
	<hr/>	<hr/>
Equity at end of year	115,785	106,314

STATEMENT OF CASHFLOWS

Cashflows From Operating Activities

Cash was provided from:		
Receipts from customers	63,508	57,708
	<hr/>	<hr/>
	63,508	57,708
Cash was disbursed to:		
Payments to suppliers and employees	31,521	31,098
Income tax paid	2,150	1,350
Interest paid	7,537	7,784
	<hr/>	<hr/>
	41,208	40,232
Net cash inflows/(outflows) from operating activities	6	22,300

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

	2004 \$000	2003 \$000
Cashflows From Investing Activities		
Cash was provided from:		
Sale of assets	110	-
Cash was disbursed to:		
Purchase of fixed assets	17,517	11,056
Net cash inflows/(outflows) from investing activities	(17,407)	(11,056)
Cashflows From Financing Activities		
Cash was provided from:		
Proceeds of borrowings	-	3,000
Proceeds from Capital transferred	7,750	-
	7,750	3,000
Cash was disbursed to:		
Repayment of term liabilities	8,800	-
Dividend distributions	3,796	9,082
	12,596	9,082
Net cash inflows/(outflows) from financing activities	(4,846)	(6,082)
Net increase/(decrease) in cash held	47	338
Cash at beginning of year	28	(310)
Cash at End of Year	75	28

STATEMENT OF ACCOUNTING POLICIES

SPECIAL PURPOSE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the requirements of the Electricity Information Disclosure Requirements 2004, and relate to:

- The Company's Line Business incorporating the conveyance of electricity, ownership of works for conveyance of electricity and provision of line function services.

SPECIFIC ACCOUNTING POLICIES

In accordance with clause 6 of the Requirements, the methodology adopted to allocate costs, revenues, assets and liabilities among the businesses is in accordance with the Electricity Information Disclosure Handbook.

The particular accounting policies adopted in the preparation of these financial statements are:

(a) Revenue

Revenue shown in the Statement of Financial Performance for the Line Business relates to the provision of electricity distribution.

(b) Expenditure

Expenditure shown in the Statement of Financial Performance is derived as follows:

Line Business

- Transmission charges, employee remuneration, administration and operating expenses are directly attributable to the Line Business.
- Maintenance and operation is provided in accordance with a 10 year Asset Management Services Contract with DELTA Utility Services Ltd.
- Other costs are allocated in accordance with the avoidable cost allocation methodology.

(c) **Dividends**

Dividends have been calculated in accordance with the Company's dividend policy.

(d) **Allocation of Assets and Liabilities**

Assets and liabilities are those which are directly related to the Lines Business.

(e) **Current Assets**

Accounts receivable are those directly related to the Lines Business and are valued at expected realisable value less provision for doubtful debts.

(f) **Fixed Assets**

On 1 July 2001, Aurora Energy (formerly Dunedin Electricity) revalued its electricity distribution network assets to the fair market value determined by the chartered accounting firm of KPMG. In the opinion of the Directors and their professional advisors, this best represents the fair value of those assets.

The increment in value resulting from this is credited to the revaluation reserves of the Company after adjusting for depreciation previously claimed.

Network additions since 1 July 2001 are carried at their cost less depreciation.

(g) **Distinction Between Capital and Revenue Expenditure**

Capital expenditure is defined as all expenditure on the creation of a new asset, and any expenditure which results in a significant improvement to the original function of an existing asset. Revenue expenditure is defined as expenditure which maintains an asset in working condition and expenditure incurred operating the Company.

(h) **Depreciation**

Fixed assets are depreciated on the basis of valuation or cost price less estimated residual value on a straight line basis over their estimated useful life. Rates used are:

Buildings	1 - 2.5%
Plant and equipment	2.5 - 15%
Network assets	1 - 15%
Furniture and fittings	10%
Computer equipment	20%

(i) **Taxation**

Income tax expense is charged in the statement of financial performance in respect of current year's earnings after allowing for permanent differences. Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are only recognised where there is virtual certainty of realisation.

(j) **Goods and Services Tax**

These accounts are prepared exclusive of GST except for accounts receivable and accounts payable which are GST inclusive.

(k) **Financial Instruments**

The Lines Business is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position. All revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

(l) **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

2004 2003
\$000 \$000

NOTES TO THE FINANCIAL STATEMENTS

Note 1 : Taxation

Net profit before tax	13,029	11,457
Permanent difference	9,734	8,843
	22,763	20,300
Tax at 33 cents in the dollar	7,512	6,699
Income tax charge	7,512	6,699
Income tax charge comprises:		
Current taxation	1,538	1,703
Deferred taxation	5,974	4,996
	7,512	6,699

Note 2 : Shareholders Funds

Issued capital		
Balance at beginning of year	2,000	2,000
Transferred During Year	7,750	-
Balance at end of year	9,750	2,000

Reserves

Asset revaluation reserve		
Balance at beginning of year	111,716	111,775
Transferred to retained earnings on disposal of assets	(256)	(59)
Balance at end of year	111,460	111,716

Retained Earnings

Balance at beginning of year	(7,402)	(3,078)
Net surplus for year	5,517	4,758
Dividend distributions	(3,796)	(9,082)
Transfer from Asset Revaluation Reserve	256	-
	(5,425)	(7,402)

Total Shareholders Funds

115,785 106,314

Note 3 : Fixed Assets

2003 Book Value \$000		AS AT 31 MARCH 2004		
	Line Business	Cost or Revaluation \$000	Accumulated Depreciation \$000	Book Value \$000
225,705	Network	257,882	24,264	233,618
1,348	Plant	1,672	422	1,250
395	Load Control Equipment	509	180	329
<u>—</u>		<u>—</u>	<u>—</u>	<u>—</u>
227,448	Subtotal	260,063	24,866	235,197
9,781	Buildings	9,961	274	9,687
2,734	Land	2,741	-	2,741
<u>—</u>		<u>—</u>	<u>—</u>	<u>—</u>
239,963	Subtotal	272,765	25,140	247,625
-	Furniture	5	-	5
5,521	Capital Work in Progress	5,366	-	5,366
<u>—</u>		<u>—</u>	<u>—</u>	<u>—</u>
245,484		278,136	25,140	252,996

The increase in asset cost on revaluation to \$278,136 (2003 : \$261,520) is the result of record annual capital expenditure of \$16.616 million (2003 : \$11.897 million) mainly due to growth requiring upgrades to the Cromwell-Wanaka 66kV lines and Wanaka and Queensberry zone substations.

	2004 \$000	2003 \$000
Capital work in progress comprises:		
Distribution substations	497	403
Low voltage reticulation	1,540	999
Distribution lines and cables	1,440	1,058
Distribution transformers	950	483
Other	24	18
Zone substations	915	1,160
Transmission reticulation	-	1,400
	5,366	5,521

Note 4 : Deferred Tax Liability

Balance at beginning of year	24,575	19,579
Movement from income tax charge	5,974	4,996
	30,549	24,575

Note 5 : Term Debt

Balance at beginning of year	117,000	114,000
Current year borrowing	-	3,000
Current year repayment	(8,800)	-
	108,200	117,000

The Line Business has a borrowing facility allowing it to draw funds up to \$110 million. At year-end \$108.2 million had been drawn on the facility. The weighted average interest rate on the advances at 31 March 2004 was 7.15% The repayment period on the advances is between 2 and 10 years as follows:

1 - 2 years	-
2 - 5 years	-
5 years and greater	108,200
	108,200

	2004	2003
	\$000	\$000
Note 6 : Reconciliation of Net Surplus from Operating Activities		
Net profit after tax	5,517	4,758
Items not involving cashflows depreciation	9,735	8,842
Impact of changes in working capital items		
(increase)/decrease in accounts receivable	1,447	(1,670)
(increase)/decrease in inventories	-	-
(increase)/decrease in tax refund	(612)	353
increase/(decrease) in taxation payable	-	-
increase/(decrease) in accounts payable	79	1,143
increase/(decrease) in term liabilities	-	-
gain on sale of assets	-	-
increase/(decrease) in deferred tax liability	5,974	4,996
capital creditors included in accounts payable	160	(946)
	<hr/>	<hr/>
Net cash inflows/(outflows) from operating activities	<u>22,300</u>	<u>17,476</u>

Note 7 : Commitments

As 31 March 2004, capital expenditure contracted for was \$2,197,642 (2003 : \$5,161,059).

Note 8 : Contingent Liabilities

There were no contingent liabilities as at 31 March 2004 (2003 : nil).

Note 9 : Financial Instruments

Financial instruments which potentially subject the Lines Business to credit risk principally consist of cash and accounts receivable.

Credit Risk

Contracts have been entered into with various counter-parties having such credit ratings and in accordance with dollar limits as set by the board of directors.

Collateral

The Lines Business does not generally require collateral or other security to support service contracts. While the Lines Business may be subject to credit losses up to the notional value of the services or goods supplied in the event of non-performance by counter-parties, it does not expect such losses to occur.

Concentration of Credit Risk

Financial instruments which potentially subject the Lines Business to concentrations of credit risk principally consist of cash and accounts receivable.

The Lines Business places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution.

The Lines Business has several large customers for which no collateral is required. These debtors are subject to normal on-going credit control procedures.

Note 10 : Disclosure of Information Relating to Transactions Between Persons in a Prescribed Business Relationship and Related Parties (Requirement 8)

During the Year the Line Business:	2004	2003
	\$000	\$000
Purchased the following services from <i>DELTA</i> Utility Services Ltd:		
Asset maintenance	7,501	7,261
Network management, operation and other	3,419	3,379
Consumer reconnections and disconnections	-	-
	<hr/>	<hr/>
Total	10,920	10,640
 Network capital work and development		
distribution substations	1,058	1,060
low voltage reticulation	3,278	2,629
distribution lines and cables	3,065	2,783
distribution transformers	2,021	1,272
zone substations	580	99
other plant and equipment	52	47
sub-transmission reticulation	2,591	-
	<hr/>	<hr/>
Total	12,645	7,890

Network operation and maintenance is charged in accordance with a Fixed Term Contract.

All capital work is subject to open tender, established market rates, or competitive pricing. The increase in payments to *DELTA* in 2004 for Network Capital work and development results from the significant increase in capital expenditure as explained in Note 3.

At balance date, \$3,634,070. was owed to *DELTA* Utility Services Ltd (2003 - \$3,833,520). Of this, \$1,232,660 was due and payable on 20 April, while \$2,401,410 relating to capital work in progress was payable at a later date.

Other Line Business Related Parties:

The Lines Business has a borrowing facility with Dunedin City Treasury Ltd. During the year it paid \$7.537 million interest (2003 - \$7.784 million) and as at 31 March 2004 \$108.2 million of loan monies were outstanding (2003 : \$117.0 million).

During the year the Lines Business also undertook the following transactions with Dunedin City Holdings Ltd:

Purchase of subvention expense	\$1.29 million (2003 : \$1.19 million)
Dividends paid	\$3.80 million (2003 : \$9.08 million)

As at 31 March 2004, \$1.041 million of subvention was outstanding (2003 : \$0.9 million).

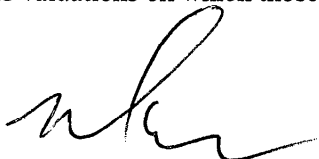
No related party transactions took place at a nominal or nil value. No related party debts have been written-off or forgiven during the period.

C DIRECTORS' CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED (REQUIREMENT 31(1))

We, Raymond Stuart Polson and Ross Douglas Liddell, directors of Aurora Energy Ltd, certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) the attached audited financial statements of Aurora Energy Ltd 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 Aurora Energy Ltd, 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 2004.



Raymond Stuart Polson



Ross Douglas Liddell

9th December 2004

D CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS



Audit New Zealand

REPORT OF THE AUDITOR-GENERAL

**TO THE READERS OF THE FINANCIAL STATEMENTS OF
AURORA ENERGY LIMITED
FOR THE YEAR ENDED 31 MARCH 2004**

We have audited the financial statements of Aurora Energy Limited on pages 2 to 11. The financial statements provide information about the past financial performance of Aurora Energy Limited and its financial position as at 31 March 2004. This information is stated in accordance with the accounting policies set out on pages 6 to 7.

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 Aurora Energy 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 Bede Kearney 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 Aurora Energy 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 Aurora Energy Limited.

Unqualified Opinion

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

In our opinion –

- proper accounting records have been maintained by Aurora Energy Limited as far as appears from our examination of those records; and
- the financial statements of Aurora Energy Limited on pages 2 to 11:
 - (a) comply with generally accepted accounting practice in New Zealand; and
 - (b) give a true and fair view of Aurora Energy 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 21 December 2004 and our unqualified opinion is expressed as at that date.



B F Kearney
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

This audit report relates to the financial statements of Aurora Energy Limited for the year ended 31 March 2004 included on Aurora Energy Limited's web-site. Aurora Energy Limited is responsible for the maintenance and integrity of their web site. We have not been engaged to report on the integrity of the Aurora Energy Limited's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information, which may have been hyperlinked to or from these financial statements. 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 financial statements and related audit report dated 21 December 2004 to confirm the information included in the audited financial statements presented on this web site.

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



E PERFORMANCE MEASURES

	2004	2003	2002	2001
Disclosures of financial performance measures and efficiency performance measures under requirement 14 of the Electricity Information Disclosure Requirements 2004				
1 Financial performance measures				
(a) Return on funds	14.9%	15.5%	15.1%	15.0%
(b) Return on equity	28.9%	46.5%	32.0%	36.8%
(c) Return on investment	31.6%	9.3%	9.0%	11.7%
2 Efficiency performance measures				
(a) Direct line costs per kilometre	\$2,131	\$2,159	\$2,217	\$2,148
(b) Indirect line costs per electricity consumer	\$31.32	\$30.41	\$24.65	\$19.95

Disclosure of financial performance measures and efficiency performance measures under requirement 20 of the Electricity Information Disclosure Requirements 2004

1 Energy delivery efficiency performance measures				
(a) Load factor	58.7%	54.6%	53.9%	55.7%
(b) Loss ratio	* 6.3%	*6.2%	*6.4%	*6.0%
* Note – the loss ratio is deduced from reports of energy injected by others and reports of retail sales by others. Aurora Energy is unable to audit these reports and has little confidence in their accuracy. Accordingly the ratio should be treated with great caution.				
(c) Capacity utilisation	32.5%	36.7%	36.2%	35.7%
2 Statistics				
(a) System length				
Circuit kilometres 66 kV	54			
Circuit kilometres 33 kV	535	591	591	606
Circuit kilometres 11 kV	2,115	2,029	1,959	1,876
Circuit kilometres 6.6 kV	798	815	804	775
Circuit kilometres 400 V	1,523	1,436	1,385	1,373
Circuit kilometres 600 V DC	4	4	4	4
Total	5,029	4,875	4,743	4,634
(b) System length – overhead				
Circuit kilometres 66 kV	54			
Circuit kilometres 33 kV	447	503	503	515
Circuit kilometres 11 kV	1,796	1,760	1,734	1,656
Circuit kilometres 6.6 kV	562	583	579	555
Circuit kilometres 400 V	1,035	998	980	979
Circuit kilometres 600 V DC	1	1	1	1
Total Overhead	3,895	3,845	3,797	3,706
(c) System length – underground				
Circuit kilometres 66 kV				
Circuit kilometres 33 kV	88	88	88	91
Circuit kilometres 11 kV	320	269	225	220
Circuit kilometres 6.6 kV	235	232	225	220
Circuit kilometres 400 V	487	439	405	393
Circuit kilometres 600 V DC	3	3	3	3
Total Underground	1,133	1,031	946	927

Information Disclosure by Aurora Energy Ltd for the Year Ended 31 March 2004

	2004	2003	2002	2001
(d) Transformer capacity (kVA)	758,211	740,166	725,937	708,484
(e) Maximum demand (kW)	246,190	271,850	262,700	252,775
(f) Total electricity supplied before losses from the system (kWh)	1,269,877,041	1,300,088,384	1,240,262,196	1,233,772,778
(g) Electricity conveyed after losses for each party (kWh)				
Party 1	559,134,598	549,017,685	476,920,650	615,940,905
Party 2	372,571,922	404,561,670	415,684,154	306,147,867
Party 3	214,527,945	198,173,212	175,438,820	92,478,219
Party 4	4,623,330	29,942,765	21,637,496	26,558,721
Party 5	20,742,113	28,311,598	20,808,949	12,602,206
Party 6	15,450,111	6,669,136	10,245,858	17,021,543
Party 7	2,302,073	2,619,514	2,882,468	2,835,344
Party 8	36,594			
Party 9	-	9,072	19,288	-
Party 10	-	-	36,562,064	67,595,773
Party 11	-	-	448,257	2,717,456
Party 12	-	-	321,492	229,913
Party 13	-	-	-	15,419,780
Party 14	-	-	-	161,825
(h) Total consumers	73,972	72,794	71,431	70,208

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

1	Total number of interruptions				
	Class A – planned by Transpower	0	0	0	0
	Class B – planned by line owners	293	341	228	209
	Class C – unplanned by line owners	453	464	390	407
	Class D – unplanned by Transpower	1	3	1	1
	Class E – unplanned by embedded generation	0	1	0	0
	Class F – unplanned by generation on other networks	0	0	0	0
	Class G – unplanned by other line owner	0	0	0	0
	Class H – planned by another line owner	0	0	0	0
	Class I – any other loss of supply	0	0	0	0
2	No of interruption targets for next financial year				
	Class B – planned by line owners	300	250	200	200
	Class C – unplanned by line owners	450	430	350	350
3	Average no of interruption targets for next 5 years				
	Class B – planned by line owners	280	230	190	190
	Class C – unplanned by line owners	420	390	350	350
4	Proportion of Class C interruptions not restored within				
	3 hours	16.6%	13.7%	11.0%	10.8%
	24 hours	0.9%	0.2%	0.0%	0.0%
5	(a) and (d) The total number of faults per 100 circuit kilometres of prescribed voltage electric line				
	66 kV	1.8			
	33 kV	3.4	4.4	2.2	1.2
	11 kV	12.6	12.2	11.0	11.8
	6.6 kV	6.0	6.9	5.1	4.9
	Total	9.5	9.6	8.0	8.2

Information Disclosure by Aurora Energy Ltd for the Year Ended 31 March 2004

	2004	2003	2002	2001
5 (b) and (d) Target number of faults per 100 circuit kilometres for next financial year				
66 kV	2.0			
33 kV	3.0	2.5	2.5	2.5
11 kV	12.5	12.0	10.0	10.0
6.6 kV	6.0	6.0	4.0	4.0
Total	9.4	8.9	7.2	7.2
5 (c) and (d) Average target number of faults per 100 circuit kilometres for next 5 years				
66 kV	2.0			
33 kV	3.0	2.5	2.5	2.5
11 kV	12.5	12.0	10.0	10.0
6.6 kV	6.0	6.0	4.0	4.0
Total	9.4	8.9	7.2	7.2
6 The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line				
33 kV	3.4	1.1	0.0	0.0
11 kV	5.0	5.2	4.0	6.4
6.6 kV	2.5	1.7	1.8	2.3
Total	3.9	3.2	2.4	3.6
7 The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line				
66 kV	1.8			
33 kV	3.4	5.0	2.6	1.4
11 kV	13.9	13.4	11.9	12.5
6.6 kV	7.5	8.9	6.4	5.9
Total	10.8	11.0	9.1	9.1
8 The SAIDI for the total number of interruptions (minutes)	97.3	101.3	88.7	82.4
9 SAIDI target for next financial year (minutes)				
Class B – planned by line owners	15.0	15.0	15.0	10.0
Class C – unplanned by line owners	75.0	75.0	75.0	80.0
10 Average SAIDI targets for next 5 years (minutes)				
Class B – planned by line owners	15.0	15.0	15.0	10.0
Class C – unplanned by line owners	75.0	75.0	75.0	80.0
11 The SAIDI for the total number of interruptions within each interruption class (minutes)				
Class A – planned by Transpower	-	-	-	-
Class B – planned by line owners	16.3	20.5	13.8	16.7
Class C – unplanned by line owners	80.0	68.6	61.5	62.4
Class D – unplanned by Transpower	1.0	12.1	13.4	3.3
Class E – unplanned by embedded generation	-	0.1	-	-
Class F – unplanned by generation on other net-works	-	-	-	-
Class G – unplanned by other line owner	-	-	-	-
Class H – planned by another line owner	-	-	-	-
Class I – any other loss of supply	-	-	-	-

Information Disclosure by Aurora Energy Ltd for the Year Ended 31 March 2004

	2004	2003	2002	2001
12 The SAIFI for the total number of interruptions	1.72	2.08	1.85	1.40
13 SAIFI target for next financial year				
Class B – planned by line owners	0.13	0.13	0.13	0.07
Class C – unplanned by line owners	1.36	1.07	1.07	0.80
14 Average SAIFI targets for next 5 years				
Class B – planned by line owners	0.13	0.13	0.13	0.07
Class C – unplanned by line owners	1.36	1.07	1.07	0.80
15 The SAIFI for the total number of interruptions within each interruption class				
Class A – planned by Transpower	-	-	-	-
Class B – planned by line owners	0.14	0.15	0.17	0.11
Class C – unplanned by line owners	1.47	1.36	1.39 ¹	1.19
Class D – unplanned by Transpower	0.11	0.57	0.23	0.11
Class E – unplanned by embedded generation	-	-	-	-
Class F – unplanned by generation on other networks	-	-	-	-
Class G – unplanned by other line owner	-	-	-	-
Class H – planned by another line owner	-	-	-	-
Class I – any other loss of supply	-	-	-	-
16 The CAIDI for the total number of interruptions	56.60	48.70	47.90	58.6
17 CAIDI target for next financial year				
Class B – planned by line owners	120.0	120.0	120.0	150.0
Class C – unplanned by line owners	55.0	70.0	70.0	100.0
18 Average CAIDI targets for next 5 years				
Class B – planned by line owners	120.0	120.0	120.0	150.0
Class C – unplanned by line owners	55.0	70.0	70.0	100.0
19 The CAIDI for the total number of interruptions within each interruption class				
Class A – planned by Transpower	-	-	-	-
Class B – planned by line owners	119.9	134.9	81.7	158.6
Class C – unplanned by line owners	54.5	50.6	42.2	52.6
Class D – unplanned by Transpower	8.8	21.3	59.0	29.2
Class E – unplanned by embedded generation	-	16.0	-	-
Class F – unplanned by generation on other networks	-	-	-	-
Class G – unplanned by other line owner	-	-	-	-
Class H – planned by another line owner	-	-	-	-
Class I – any other loss of supply	-	-	-	-

¹ Revised as a result of the audit for the Second Assessment under the Commerce Act (Electricity Lines Thresholds) Notice 2003

F 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	20,566							
Operating surplus before interest and income tax adjusted pursuant to Requirement 18 (OSBIT)	20,566							
Interest on cash, bank balances, and short-term investments (ISTI)	0							
OSBIT minus ISTI	20,566	a		20,566				20,566
Net surplus after tax from financial statements	5,517							
Net surplus after tax adjusted pursuant to Requirement 18 (NSAT)	5,517	n				5,517		
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add	0	add	0
Subvention payment	1,290	s	add	1,290	add	1,290	add	1,290
Depreciation of SFA at BV (x)	9,735							
Depreciation of SFA at ODV (y)	5,497							
ODV depreciation adjustment	4,238	d	add	4,238	add	4,238	add	4,238
Subvention payment tax adjustment	426	s*t			deduct	426	deduct	426
Interest tax shield	2,487	q					deduct	2,487
Revaluations	34,264	r					add	34,264
Income tax	7,512	p					deduct	7,512
Numerator				26,094 OSBIT ^{ADJ} = a + g + s + d		10,619 NSAT ^{ADJ} = n + g + s - s*t + d		49,933 OSBIT ^{ADJ} = a + g - q + r + s + d - p - s*t
Fixed assets at end of previous financial year (FA ₀)	245,484							
Fixed assets at end of current financial year (FA ₁)	252,996							
Adjusted net working capital at end of previous financial year (ANWC ₀)	1,050							
Adjusted net working capital at end of current financial year (ANWC ₁)	1,463							
Average total funds employed (ATFE)	250,497 (or Requirement 32 time-weighted average)	c		250,497				250,497
Total equity at end of previous financial year (TE ₀)	106,314							
Total equity at end of current financial year (TE ₁)	115,785							
Average total equity	111,050 (or Requirement 32 time-weighted average)	k				111,050		
WUC at end of previous financial year (WUC ₀)	5,521							
WUC at end of current financial year (WUC ₁)	5,366							
Average total works under construction	5,444 (or Requirement 32 time-weighted average)	e	deduct	5,444	deduct	5,444	deduct	5,444
Revaluations	34,264	r						
Half of revaluations	17,132	r/2					deduct	17,132
Intangible assets at end of previous financial year (IA ₀)	0							
Intangible assets at end of current financial year (IA ₁)	0							
Average total intangible asset	0 (or Requirement 32 time-weighted average)	m			deduct	0		
Subvention payment at end of previous financial year (S ₀)	1,191							
Subvention payment at end of current financial year (S ₁)	1,290							
Subvention payment tax adjustment at end of previous financial year	393							
Subvention payment tax adjustment at end of current financial year	426							
Average subvention payment and related tax adjustment	831	v			add	831		
System fixed assets at end of previous financial year at book value (SFA _{bv0})	239,963							
System fixed assets at end of current financial year at book value (SFA _{bv1})	247,625							
Average value of system fixed assets at book value	243,794 (or Requirement 32 time-weighted average)	f	deduct	243,794	deduct	243,794	deduct	243,794
System fixed assets at year beginning at ODV value (SFA _{odv0})	154,399							
System fixed assets at end of current financial year at ODV value (SFA _{odv1})	193,833							
Average value of system fixed assets at ODV value	174,116 (or Requirement 32 time-weighted average)	h	add	174,116	add	174,116	add	174,116
Denominator				175,375 ATFE ^{ADJ} = c - e - f + h		36,759 Ave TE ^{ADJ} = k - e - m + v - f + h		158,243 ATFE ^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:				14.9 ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100		28.9 ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100		31.6 ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100

t = maximum statutory income tax rate applying to corporate entities subscript '0' = end of the previous financial year subscript '1' = end of the current financial year
ROF = return on funds ROE = return on equity ROI = return on investment bv = book value ave = average odv = optimised deprival valuation

G SCHEDULE 1 PART 8 ANNUAL VALUATION RECONCILIATION REPORT

	2004 \$000
System Fixed Assets at ODV-End of Previous Financial Year	154,399
Add system fixed assets acquired during the year at ODV	11,325
Less system fixed assets disposed of during the year at ODV	(658)
Less depreciation of system fixed assets at ODV	(5,497)
Add revaluations of system fixed assets	34,264
System Fixed Assets at End of Current Financial Year at ODV	<u>193,833</u>

CERTIFICATION OF PERFORMANCE MEASURES BY AUDITOR



Audit New Zealand

AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF AURORA ENERGY LIMITED

We have examined the information on pages 15 and 19 to 20, 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 Aurora Energy Limited and dated 9 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.

B F Kearney
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
21 December 2004

This audit report relates to the financial statements of Aurora Energy Limited for the year ended 31 March 2004 included on Aurora Energy Limited's web-site. Aurora Energy Limited is responsible for the maintenance and integrity of their web site. We have not been engaged to report on the integrity of the Aurora Energy Limited's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information, which may have been hyperlinked to or from these financial statements. 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 financial statements and related audit report dated 21 December 2004 to confirm the information included in the audited financial statements presented on this web site.

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

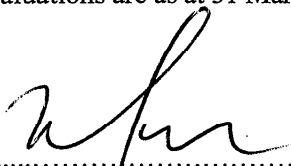


I CERTIFICATION OF VALUATION REPORT OF LINE OWNER

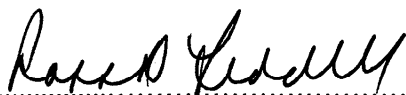
We, Raymond Stuart Polson and Ross Douglas Liddell, directors of Aurora Energy Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) the attached valuation report of Aurora Energy Limited prepared for the purposes of 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 fixed assets of Aurora Energy Limited is \$405,075,892; and
- (c) the depreciated replacement cost of the line business system fixed assets of Aurora Energy Limited is \$198,085,376; and
- (d) the optimised depreciated replacement cost of the line business system fixed assets of Aurora Energy Limited is \$193,833,296; and
- (e) the optimised deprival valuation of the line business system fixed assets of Aurora Energy Limited is \$193,833,296; and
- (f) the values in (b) through to (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information Disclosure Requirements 2004).

These valuations are as at 31 March 2004.



.....
Raymond Stuart Polson



.....
Ross Douglas Liddell

9th December 2004