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WANGANUI GAS LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE GAS (INFORMATION
DISCLOSURE) REGULATIONS 1997



**FINANCIAL STATEMENTS PREPARED
FOR THE GAS (Information Disclosure)
REGULATIONS 1997**

Reg. 32 (2)

Form 4

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES
AND STATISTICS**

We, Dr D J WARBURTON and R M JANES, Directors of Wanganui Gas Limited, certify that, having made all reasonable enquiry, to the best of our knowledge

- (a) The attached audited financial statements of Wanganui Gas Limited, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery performance measures and statistics, and reliability performance measures in relation to Wanganui Gas Limited, and having been prepared for the purposes of regulations 15 to 19 of the Gas (Information Disclosure) Regulations 1997, complies with the requirements of those regulations.

A handwritten signature in black ink, appearing to read 'D J Warburton', written over a dotted line.

Dr D J Warburton

A handwritten signature in black ink, appearing to read 'R M Janes', written over a dotted line.

R M Janes

Date: 20/11/07

Statement of Financial Performance*For the Year ended 30 June 2007*

	Note	Distribution		Retail	
		2007 \$	2006 \$	2007 \$	2006 \$
Revenue		4,417,279	3,917,105	29,347,986	25,223,568
Expenses		2,794,467	2,706,506	29,234,927	23,054,153
Subvention payment to WDC		1,622,812	-	113,059	-
SURPLUS BEFORE INCOME TAX	2	0	1,210,599	0	2,169,415
Taxation expense	3	(3,934)	426,977	(927)	716,981
NET SURPLUS/(DEFICIT) AFTER TAXATION		<u>(3,934)</u>	<u>783,622</u>	<u>(927)</u>	<u>1,452,434</u>

Statement of Movement in Equity*For the Year ended 30 June 2007*

	Note	Distribution		Retail	
		2007 \$	2006 \$	2007 \$	2006 \$
EQUITY AS AT 1 JULY		17,715,539	12,546,613	1,166,205	533,913
Net surplus/(deficit) after taxation		(3,934)	783,622	(927)	1,452,434
Increase in revaluation reserve		-	5,065,163	-	-
Total recognised revenue and expenses for the year		(3,934)	5,848,785	(927)	1,452,434
Dividend to shareholders		780,375	679,859	945,140	820,142
EQUITY AS AT 30 JUNE		<u>16,931,230</u>	<u>17,715,539</u>	<u>220,138</u>	<u>1,166,205</u>

The accompanying notes and accounting policies form part of these financial statements.

Statement of Financial Position

As at 30 June 2007

	Note	Distribution		Retail	
		2007 \$	2006 \$	2007 \$	2006 \$
CURRENT ASSETS					
General bank account		-	-	1,478,352	2,753,080
Accounts receivable	5	539,650	509,441	3,356,296	3,497,554
Inventories		199,676	178,369	-	-
Provisional tax		161,676	7,285	34,084	10,658
Total current assets		901,002	695,095	4,868,732	6,261,292
NON CURRENT ASSETS					
Fixed assets	4	24,003,851	23,941,182	110,293	150,042
Investments		40,001	25,001	24,750	-
Total non-current assets		24,043,852	23,966,183	135,043	150,042
TOTAL ASSETS		24,944,854	24,661,278	5,003,775	6,411,334
EQUITY					
Share capital	6	5,264,435	5,264,435	199,835	199,835
Retained earnings		16,764	801,073	20,303	966,370
Asset revaluation reserve		11,650,031	11,650,031	-	-
Total equity		16,931,230	17,715,539	220,138	1,166,205
CURRENT LIABILITIES					
General bank account		1,006,324	2,481,077	-	-
Accounts payable & accruals		75,176	242,290	3,506,740	3,071,342
Provision for employee entitlements		71,687	66,833	40,985	38,216
Consumer deposits		-	-	111,805	123,204
Current finance lease	8	3,485	8,418	3,777	8,860
Taxation payable		-	-	-	-
Provision for dividend		-	-	-	-
Total current liabilities		1,156,672	2,798,618	3,663,308	3,241,622
NON CURRENT LIABILITIES					
Credit line facility	7	6,850,638	4,137,209	1,113,486	1,993,074
Non-current finance lease	8	6,314	9,912	6,843	10,433
Deferred tax		-	-	-	-
Total non-current liabilities		6,856,952	4,147,121	1,120,329	2,003,507
TOTAL LIABILITIES & EQUITY		24,944,854	24,661,278	5,003,775	6,411,334

The accompanying notes and accounting policies form part of these financial statements.

Notes to the Financial Statements*For the Year ended 30 June 2007***1. Statement of Accounting Policies****Reporting Entity**

Wanganui Gas Limited is a company formed in accordance with the Energy Companies Act 1992 and registered under the Companies Act 1993. For the purpose of preparing Disclosure accounts in accordance with the Gas (Information Disclosure) Regulations 1997 the annual accounts of Wanganui Gas Limited have been divided into two entities, Distribution and Retail. The balance of Wanganui Gas Limited's accounts have not been disclosed as it pertains to appliance trading activity.

As required by the Gas (Information Disclosure) Regulations 1997, 'Distribution' involves the ownership, and maintenance of a gas distribution system, and conveyance of gas via the system. 'Retail' involves supply of gas to consumers.

The gas information disclosure and financial statements of Wanganui Gas Limited have been prepared in accordance with the Gas (Information Disclosure) Regulations 1997.

Methodology of Separation of Business

The Methodology used in relation to the allocation of costs, revenue, assets and liabilities between Retail and Distribution businesses will be available for public inspection no later than 30 November 2006.

General Accounting Policies

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis have been followed, with the exception of distribution network assets which have been valued at depreciated replacement cost. The Financial Statements are prepared in accordance with New Zealand generally accepted accounting practice. Reliance is placed on the fact that the company is a going concern.

Particular Accounting Policies

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

Accrued Gas Sales

Gas sales include an accrual for gas supplied but not invoiced at the end of the financial period.

Capital Contributions

Capital contributions received from customers are recognised as income in the period received.

Revenue

Revenue is derived from the Sale of Energy, and Distribution Services. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Goods and Service Tax

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable which are stated with GST included.

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value, after providing for doubtful debts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventories on hand at balance date using weighted average cost.

Investments

Investments are stated at cost price or net realisable value.

Property Plant and Equipment

The distribution network is valued at the most recent depreciated replacement cost value, adjusted by additions (at cost), disposals and depreciation. Revaluations are carried out every three years and reviewed by independent experts. All other fixed assets are recorded at cost.

Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets, at rates calculated to allocate the assets cost, or depreciated replacement cost, less estimated residual life, over their estimated useful lives.

Major depreciation rates are:

Mains & Services	1-10% S.L
Condition Renewals	2% S.L
Meters & Customer Station Rebuilds	1-10% S.L
Vehicles, Plant, Office Equipment & Furniture and Fittings	20% S.L
Computer Hardware & Software	33% S.L
Leasehold Improvements	10-15% S.L

Financial Instruments

The Company 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 and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Employee Entitlements

Provision is made in respect of the Company's liability for annual leave and long service leave. Annual leave and long service leave have been calculated on an accrual entitlement basis, at current rates of pay.

Income Tax

The taxation charge against the profit for the period is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation.

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Finance Leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to the ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the company is expected to benefit from their use.

Changes In Accounting Policies

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

2. Surplus Before Taxation

	Distribution		Retail	
	2007	2006	2007	2006
	\$	\$	\$	\$
After charging:				
Audit fees	7,239	8,327	27,513	23,028
Audit fees other services	3,756	1,256	14,276	3,473
Interest from short term deposits	(78,419)	(34,675)	-	-
Depreciation : Distribution network	739,310	733,674	-	-
Leasehold improvements	24,865	23,424	2,260	2,250
Vehicles	28,331	25,888	1,434	2,597
Office equipment	4,449	5,109	1,672	1,932
Furniture & fittings	5,242	4,727	4,510	3,928
Plant & equipment	29,311	24,141	-	135
Computer h/ware & s/ware	71,893	114,032	101,299	120,093
	903,401	930,995	111,175	130,935
Directors' fees	51,186	39,064	46,067	35,157
Interest: fixed loans	250,353	370,799	52,778	144,149
Rental & operating lease costs	67,188	68,010	29,002	28,839
Movements in provision for doubtful debts	-	-	-	2,610
Bad debts written off	-	-	50,153	71,540
After crediting:				
Interest from short term deposits	-	-	110,777	48,706
Profit on sales of assets	2,458	2,217	410	461
Dividends received	386	302	239	-

3. Taxation Expense

Net profit before taxation	(0)	1,210,599	0	2,169,415
Prima facie taxation	(0)	399,498	0	715,907
Plus (Less):				
Non deductible items	3,934	11,815	924	70
Non taxable income	-	-	-	-
Unrecognised timing differences	-	15,664	-	1,004
Tax rate impact	-	-	-	-
Taxation expense for the period	(3,934)	426,977	(927)	716,981
The taxation charge is represented by:				
Current taxation	(3,934)	426,977	(927)	716,981

The Company has unrecognised deferred tax liability for Distribution of \$1,930,439 and an unrecognised deferred tax asset for Retail of \$56,737.

4. Fixed Assets

	Distribution					
	2007		Book Value	2006		Book Value
Cost	Accumulated Depreciation	Cost		Accumulated Depreciation		
Distribution network:						
Revalued assets	23,235,319	1,447,072	21,788,247	23,235,319	726,727	22,508,592
At Cost	1,580,262	25,912	1,554,350	717,822	6,947	710,875
	<u>24,815,581</u>	<u>1,472,984</u>	<u>23,342,597</u>	<u>23,953,141</u>	<u>733,674</u>	<u>23,219,467</u>
Fixed assets at cost:						
Leasehold improvements	598,703	449,832	148,871	590,810	425,726	165,084
Vehicles	254,027	107,462	146,565	249,827	89,910	159,917
Office equipment	68,117	41,467	26,650	58,531	55,135	3,396
Furniture & fittings	90,696	66,868	23,828	84,135	58,425	25,710
Plant & equipment	363,362	229,224	134,138	344,550	204,841	139,709
Leased assets	64,653	50,677	13,976	64,500	40,580	23,920
Computer h/ware & s/ware	1,084,318	917,092	167,226	977,787	773,808	203,979
	<u>2,523,876</u>	<u>1,862,622</u>	<u>661,254</u>	<u>2,370,140</u>	<u>1,648,425</u>	<u>721,715</u>
Total Assets	<u>27,339,457</u>	<u>3,335,606</u>	<u>24,003,851</u>	<u>26,323,281</u>	<u>2,382,099</u>	<u>23,941,182</u>

	Retail					
	2007		Book Value	2006		Book Value
Cost	Accumulated Depreciation	Cost		Accumulated Depreciation		
Fixed assets at cost:						
Leasehold improvements	99,860	75,029	24,831	122,828	88,507	34,321
Vehicles	42,370	17,924	24,446	51,938	18,692	33,246
Office equipment	11,361	6,916	4,445	12,168	11,462	706
Furniture & fittings	15,128	11,153	3,975	17,492	12,147	5,345
Plant & equipment	60,607	38,234	22,373	71,631	42,586	29,045
Leased assets	10,784	8,453	2,331	13,409	8,436	4,973
Computer h/ware & s/ware	180,857	152,965	27,892	203,279	160,873	42,406
	<u>420,967</u>	<u>310,674</u>	<u>110,293</u>	<u>492,745</u>	<u>342,703</u>	<u>150,042</u>
Total assets	<u>420,967</u>	<u>310,674</u>	<u>110,293</u>	<u>492,745</u>	<u>342,703</u>	<u>150,042</u>

The distribution network is valued at depreciated replacement cost, as at 1 July 2005 by Geoff Evans, B.E (Mech) - Network Manager and reviewed in accordance with the FRS-3 by Bruce Wattie CA, BCA, Partner - Financial Advisory Services, of PricewaterhouseCoopers, and James Coe B.Sc, B.E (Electrical), M.B.A, and member of IPENZ - Director, JT Consulting Limited.

5. Accounts Receivable

	Distribution		Retail	
	2007	2006	2007	2006
	\$	\$	\$	\$
Trade debtors	539,650	509,441	3,415,634	3,556,060
Provision for doubtful debts	-	-	(59,338)	(58,506)
	<u>539,650</u>	<u>509,441</u>	<u>3,356,296</u>	<u>3,497,554</u>
	<u>539,650</u>	<u>509,441</u>	<u>3,356,296</u>	<u>3,497,554</u>

6. Share Capital

Authorised capital:	2007	2006
	\$	\$
Distribution - 5,264,435 Ordinary shares of \$1 each fully paid up	5,264,435	5,264,435
Retail - 199,835 Ordinary shares of \$1 each fully paid up	199,835	199,835

7. Credit Line Facility

	Distribution		Retail	
	2007	2006	2007	2006
	\$	\$	\$	\$
Westpac Banking Corporation Multi Option Credit Line Facility	-	4,137,209	-	1,993,074
WDCHL	5,854,884	-	951,639	-
WDC	995,754	-	161,847	-
	<u>6,850,638</u>	<u>4,137,209</u>	<u>1,113,486</u>	<u>1,993,074</u>

2006-2007 Westpac

Term : The loan matured in January 2007.

Security : First ranking debenture provided for fixed and floating charges over all assets

Average interest rate over year : 8.00% (2006 : 7.87%).

The Company had a multi option credit line facility of \$8,700,000 which was not fully drawn down.

The Company had a bank overdraft facility of \$250,000 in 2006.

2007 - WDCHL

Term : The loan matures upon demand being made in writing by the Lender.

Security : First ranking debenture providing for fixed and floating charges over all assets

Interest rate over year : 8%

The Company has a flexible credit line facility.

2007 - WDC

Term : The loan matures upon demand being made in writing by the Lender.

Security : First ranking debenture providing for fixed and floating charges over all assets

Interest rate range over year : 8% to 8.75%.

The Company has a flexible credit line facility.

8. Finance Lease Liabilities

	Distribution		Retail	
	2007	2006	2007	2006
	\$	\$	\$	\$
Not later than one year	4,373	10,179	4,739	10,712
Later than one year and not later than two years	3,430	4,423	3,717	4,657
Later than two year and not later than five years	4,573	8,095	4,957	8,521
Later than five years	-	-	-	-
	<u>12,376</u>	<u>22,697</u>	<u>13,413</u>	<u>23,890</u>
Future finance charges	2,577	4,367	2,793	4,597
Recognised as a liability	<u>9,799</u>	<u>18,330</u>	<u>10,620</u>	<u>19,293</u>
Representing lease liabilities				
Current	3,485	8,418	3,777	8,860
Non-current	6,314	9,912	6,843	10,433
	<u>9,799</u>	<u>18,330</u>	<u>10,620</u>	<u>19,293</u>

9. Imputation Credit Account

	Distribution		Retail	
	2007 \$	2006 \$	2007 \$	2006 \$
Opening Balance	434,882	319,109	39,934	(206,535)
PLUS:				
Income tax paid	150,928	454,794	31,818	665,357
Imputations on dividends received	190	149	117	-
LESS:				
Terminal tax refund	(102,513)	(3,150)	(21,611)	(4,608)
Imputations attached to dividends paid	(233,593)	(334,857)	(282,913)	(403,953)
Balance 30 June 2007	<u>249,894</u>	<u>436,045</u>	<u>(232,655)</u>	<u>50,261</u>

10. Financial Instruments

Financial Instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable. Generally the Company does not require collateral. Maximum exposure to credit risk is the amount stated in the financial statements and is net of any recognised provision for losses on these financial instruments. An amount of \$111,804 (2006 : \$123,204) is included in Retail's current liabilities which is the value of consumer deposits held. No other collateral is held on these amounts.

The Company is not exposed to any concentrations of risk or currency risk.

The Company has no bank overdraft facility.

The methods and assumptions used are that the carrying amount in the financial statements reflects the estimated fair value of the financial instruments including receivables, bank and investments and accounts payable.

The Company has long term borrowings which are used to fund ongoing activities.

The Company has arranged a bank guarantee for \$388,203 (2006: \$335,000) which is required by Vector Ltd to (\$335,000) to gain access to their distribution networks and Maui Development Limited (\$53,203) for use of the Maui pipeline under the open access agreement.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investments.

The interest rates on the Company's investments were 7.17% to 7.30% (2006: 6.68% to 7.44%).

	Distribution		Retail	
	2007 \$	2006 \$	2007 \$	2006 \$
Short term deposits	-	-	-	150,000

The Directors do not consider there is any significant exposure to interest rate risk on the Company's investments.

The interest rates on the Company's borrowings are disclosed in note 7. Interest rates are reviewed regularly.

There are no interest rate options or interest rate swap agreements in place as at 30 June 2007 (2006 : Nil).

Currency Risk

No currency risk.

11. Related Party Transactions

The following transactions occurred during the period with Related Parties:

	Distribution		Retail	
	2007	2006	2007	2006
	\$	\$	\$	\$
Wanganui Gas Ltd is a wholly owned subsidiary of Wanganui District Council Holdings Ltd (WDCHL), a Council Controlled Organisation of Wanganui District Council. Until 27/10/06 Vector Gas Investments Limited (a subsidiary of Vector Limited) held 25.1% of the shares. These were sold to WDCHL on that date.				
Rent	67,188	68,010	29,002	28,839
IT services	45,832	42,853	39,658	42,588
Rates	36,463	37,842	992	1,173
Subvention Payment	1,622,811	-	113,059	-
Other	18,556	33,384	20,804	31,947
	<u>1,790,850</u>	<u>182,089</u>	<u>203,515</u>	<u>104,547</u>

Vector by virtue of it's 100% ownership of NGC Investments Ltd (25.1% Shareholder until 27/10/06) (S L Bielby, General Counsel, M P Stiassny, Chairman)

On 27/10/06 Vector sold its shares to Wanganui District Holdings and S L Bielby and M P Stiassny resigned as Directors.

Gas purchases & transmission services	-	-	8,929,765	15,786,782
Other	725	3,340	813	3,197
	<u>725</u>	<u>3,340</u>	<u>8,930,578</u>	<u>15,789,979</u>

Doyle & Associates
(M J Doyle, Principal)

Consulting	2,850	645	2,565	581
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WGL Transactions to Vector

Transport related charges	23,904	70,371	-	-
Other	6,440	17,552	-	-
	<u>30,344</u>	<u>87,923</u>	<u>-</u>	<u>-</u>

Amounts Owed to Related Parties at Balance date were:

Wanganui District Council	797,720	36,731	90,653	21,089
Vector Ltd	-	387	-	1,829,143
Doyle & Associates	-	270	-	243

All Transactions were conducted on normal commercial terms.

Credit line facilities are with WDC and WDCHL refer to Note 7.

12. Prescribed Business Relationships

Under Regulation 22 of the Gas (Information Disclosure) Regulations 1997 total costs and revenue must be disclosed for goods and services provided between entities in prescribed business relationships. 'Distribution' and 'Retail' fall within the Gas (Information Disclosure) Regulations 1997 definition of a prescribed business relationship (Regulation 3).

	2007	2006
	\$	\$
<u>Distribution Revenue from Retail</u>		
Gas Distribution Tariffs *	3,856,380	3,670,272
<u>Distribution Debtors from Retail</u>		
Wanganui Gas Ltd - Distribution *	412,428	422,097

* Tariff represents revenue to Distribution for the transportation of gas through its distribution network. The value of transactions is calculated by applying current published Distribution tariffs to actual Retail throughput gas volumes and connection numbers. Transactions represent a book entry only. Debtor represents June revenue - assumed to be paid in the subsequent month.

13. Commitments

The Company has no commitments as at 30 June 2007 (2006: Nil)

14. Contingent Liabilities

There are no contingent liabilities which would have a material adverse effect on these accounts (2006 : Nil).

	Distribution		Retail	
	2007 \$	2006 \$	2007 \$	2006 \$
Under the terms of their pipeline access agreement Vector and Maui Development require bank guarantees refer Note 10.	-	-	388,203	388,203

15. Dividend

Dividends for 2006/2007 year of \$306,110 Distribution \$370,741 Retail have been declared and paid (2006: \$474,265 Distribution, Retail \$574,399 final dividend was paid).

Statement of Performance Measures

For the Year ended 30 June 2007

For the purposes of the Gas (Information Disclosure) Regulations 1997
Regulations 15, 17, & 18

	Reference	Distribution					2007
		2007	2006	2005	2004	2003	
1. Financial Performance Measures							
Accounting Return on Total Assets	Sch 1 Pt 2 1(a)	1.10%	7.83%	8.89%	9.39%	10.19%	8.21%
Accounting Return on Equity	Sch 1 Pt 2 1(b)	-0.02%	5.18%	7.06%	7.66%	8.39%	6.25%
Accounting Rate of Profit Including Network Revaluation	Sch 1 Pt 2 1(c)	-0.20%	34.34%	7.14%	6.92%	18.83%	4.57%
Accounting Rate of Profit Excluding Network Revaluation		0.07%	6.63%	7.14%	6.92%	6.69%	4.84%

Note: The Accounting Rate of Profit Excluding Network Revaluation is not required by the Gas (Information Disclosure) Regulations 1997.

The figures in italics have been adjusted to exclude the subvention payment to WDC and the resulting profit taxed at 33%. This has been provided for ease of comparison to previous financials years.

2. Efficiency Performance Measures

Direct Line Costs per Kilometre	Sch 1 Pt 2 2(a)	\$ 2,416	\$ 2,068	\$ 1,907	\$ 1,990	\$ 1,518
Indirect Line Costs per Gas Customer	Sch 1 Pt 2 2(b)	\$ 73	\$ 62	\$ 58	\$ 40	\$ 41

3. Energy Delivery Efficiency Performance Measures

Load Factor	Sch 1 Pt 3 1(a)	79.50%	75.77%	74.02%	70.80%	80.77%
Unaccounted for Gas Ratio	Sch 1 Pt 3 1(b)	1.80%	1.80%	1.80%	1.80%	1.81%

4. Statistics

System Length (km)	Sch 1 Pt 3 2(a)	365	362	360	357	354
Maximum Monthly Amount of Gas Entering System (GJ)	Sch 1 Pt 3 2(b)	110,651	113,872	125,474	131,678	114,280
Total Annual Amount of Gas Conveyed through System (GJ)	Sch 1 Pt 3 2(c)	1,055,279	1,035,434	1,114,509	1,118,772	1,107,666
Total Annual Amount of Gas Conveyed through System for Persons not in a Prescribed Business Relationship (GJ/pa)	Sch 1 Pt 3 2(d)	538,798	507,347	403,317	253,888	283,047
Total Number of Customers	Sch 1 Pt 3 2(e)	10,326	10,581	10,776	10,874	10,921

5. Reliability Performance Measures

Unplanned Transmission System Interruptions (hours)	Sch 1 Pt 4 1	nil	nil	nil	11,096	nil
Unplanned Distribution System Interruptions not related to Transmission System Interruptions (hours/customer)	Sch 1 Pt 4 2(a)	0.0152	0.0216	0.1743	0.1096	0.0557
Unplanned Distribution System Interruptions related to Transmission System Interruptions (hours/customer)	Sch 1 Pt 4 2(b)	nil	nil	nil	1.0084	nil
Unplanned Distribution System Interruptions as a result of third party damage (hours/customer).		0.0067	0.0157	0.1557	0.0092	0.0416
Unplanned Distribution System Interruptions not as a result of third party damage (hours/customer).		0.0085	0.0059	0.0186	0.1004	0.0141

Note: The last two performance measures are not required by the Gas (Information Disclosure) Regulations 1997.

1. The increase in percentage is due to the revaluation carried out during the year.

**CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL
STATEMENTS**

REPORT OF THE AUDITOR-GENERAL

We have examined the attached financial statements prepared by Wanganui Gas Limited and dated 30 June 2007 for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997.

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



J R Smaill
Audit New Zealand
On behalf of the Auditor-General
20 November 2007
Wellington, New Zealand

Certification of Performance Measures by Auditor

Report of the Auditor-General

We have examined the attached information, being-

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

and having been prepared by Wanganui Gas Limited and dated 30 June 2007 for the purposes of regulations 15 and 16 of those regulations.

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



J R Smaill
Audit New Zealand
On behalf of the Auditor-General
20 November 2007
Wellington, New Zealand