

REGULATORY ACCOUNTS **FOR THE YEAR ENDED 30 JUNE 2001**

Under clause 4(a) of the Ring-Fencing Code applying to the Northern Territory electricity industry, the Power and Water Authority ("PAWA") is obliged to establish and maintain a separate set of financial accounts and reports in respect of each of its prescribed businesses and its electricity business as a whole. In establishing these financial accounts, PAWA must observe the requirements of Schedule 2 of the Code, in particular any approved accounting and cost allocation procedures.

On 12 November 2001, the Commission approved Accounting and Cost Allocation Procedures under clause 5 of the Code. Among other things, these Procedures establish 'pro formas' for the regulatory accounts to be submitted annually by PAWA. The Procedures only provide for the publication of a selection of these accounts, namely proformas A1, A2, A3 and A4 referred to in those Procedures. Those aspects of the regulatory accounts that are not to be published involve commercially sensitive information, which the Commission examines but does not disclose.

The regulatory accounts for the 2000-01 year have been submitted by PAWA. The Commission confirms that the accounts provided by PAWA satisfy the requirements of the Code and Accounting and Cost Allocation Procedures in so far as they relate to the preparation and disclosure of financial accounts for regulatory purposes.

The publicly available extracts from these regulatory accounts are attached. They relate to PAWA's prescribed businesses that benefit from an ongoing statutory monopoly, namely PAWA Networks and PAWA System Control.

The explanatory notes added by the Commission under the "Commission Notes" heading do not form part of the regulatory accounts, and are provided to assist in the interpretation of the published accounts.

Alan Tregilgas
Utilities Commissioner
(for the Utilities Commission)
27 March 2002

PAWA Networks – Statement of Financial Performance

For the period ended 30 June 2001

<i>Item</i>	<i>Amount (\$000s)</i>	<i>Commission's notes</i>
Income		(a)
Sales of goods and services	72,587	
Community service obligations	-	
Customer contributions	7,410	
Net gain on disposal of plant, property and equipment	(36)	
Interest and investment income	-	
Other	461	
Total	80,422	(b)
Expenses		
Operating costs ¹	6,666	
Maintenance costs	10,639	
Depreciation ²	18,275	
Other	14,053	
Total	49,633	
Earnings before interest and tax	30,789	

PAWA's Notes

¹ PAWA does not separately report operating and maintenance costs in its financial accounts. The separation of these costs is undertaken for presentation in the Regulatory Financial Statements only.

² The period's depreciation charge on a DORC basis.

Commission's Notes

(a) Sales of goods and services are comprised of the following items:

<i>Items</i>	<i>Actual revenues (\$000s)</i>	<i>Targeted revenues (\$000s)</i>	<i>variance* (\$000s)</i>
Regulated network access charges:			
Northern region	55,780	53,790	1,991
Alice Springs	9,600	9,713	-113
Tennant Creek	3,241	3,028	213
sub-total	68,621	66,531	2,090
DKTL charge	3,965	3,965	-
Other	-	-	-
Total	72,587	70,496	2,090

* The Commission has addressed the variances between the actual and targeted revenues separately.

(b) The "other" item comprises common operating costs allocated to Networks. The separate "operating cost" component incorporates only those operating costs directly attributable to Networks.

PAWA System Control – Statement of Financial Performance
For the period ended 30 June 2001

<i>Item</i>	<i>Amount (\$000s)</i>
Income	
Sales of goods and services	1,275
Community service obligations	-
Customer contributions	-
Net gain on disposal of plant, property and equipment	9
Interest and investment income	-
Other	6
Total	1,290
Expenses	
Operating costs ¹	1,313
Maintenance costs	1
Depreciation ²	2
Other	204
Total	1,520
Earnings before interest and tax	(230)

PAWA's Notes

¹ PAWA does not separately report operating and maintenance costs in its financial accounts. The separation of these costs is undertaken for presentation in the Regulatory Financial Statements only.

² The period's depreciation charge is on a book basis as a DORC basis is not available.

PAWA Networks – Statement of Capital Employed
For the period ended 30 June 2001

<i>Item</i>	<i>Amount (\$000s)</i>	<i>Commission's notes</i>
Plant, property and equipment ¹ Working capital ²	295,581 (11,302)	(a)
<i>Total capital employed</i>	<i>284,279</i>	(b)

PAWA's Notes

¹ The period's balance is carried forward on a DORC basis.

² The derivation of any working capital attributed to the prescribed businesses at the end of the accounting period is as follows:

- Where possible direct attribution to the line of business.
- Where direct attribution is not possible the working capital is allocated based on apportionment as per the statement of financial performance for the line of business.
- Working capital is defined as current assets minus current liabilities based on the above allocation.

Commission's Notes

(a) *The measurement of working capital is a matter that the Commission intends to give further consideration to over the coming year.*

(b) *This amount represents the regulated capital base.*

PAWA System Control – Statement of Capital Employed
For the period ended 30 June 2001

<i>Item</i>	<i>Amount (\$000s)</i>
Plant, property and equipment ¹ Working capital ²	27 (1,007)
<i>Total capital employed</i>	<i>(980)</i>

PAWA's Notes

¹ The period's balance is carried forward on a cost basis as a DORC basis is not available.

² The derivation of any working capital attributed to the prescribed businesses at the end of the accounting period is as follows:

- Where possible direct attribution to the line of business.
- Where direct attribution is not possible the working capital is allocated based on apportionment as per the statement of financial performance for the line of business.
- Working capital is defined as current assets minus current liabilities based on the above allocation.