

ESB

Bord Soláthair an Leictreachais

Electricity Supply Board
Fifty Eighth Annual Report
for year ended 31st March 1985

Front cover:
The 154,000 ton BERGE MASTER delivers the first consignment of coal to Moneypoint. April 24th, 1985.

Back cover:
Fourteen year old Susie Robertson of Sutton Park School with her winning meal in the CookElectric '85 Schools competition, which attracted entries from more than 200 schools, north and south of the border.

P.L. 3132

Tá leagan Gaeilge den Tuarascáil seo le fáil, ach é a iarraidh.



Electricity Supply Board
Fifty Eighth Annual Report
for year ended 31st March 1985



Board Members at the April 1985 meeting. Standing (from left): Patrick Kevans, Joseph LaCumbre, Colm McCarthy, Seamus Conerney, Noel O'Hara, Kevin Lynch, Willie Cremins. Seated: John A. Ryan, Patrick J. Moriarty, (Chief Executive), Professor C.T.G. Dillon, (Chairman), John F. Williams, (Secretary), Liam Boyd.

Report and Accounts for year ended 31st March 1985

Board Members

PROFESSOR C.T.G. DILLON, M.E., C.Eng., F.I.E.I., F.I.E.E., F.I.Mech.E., **Chairman**
L. BOYD, F.C.I.T.
S. CONERNEY
W. CREMINS
PATRICK J. KEVANS
J. LaCUMBRE
K. LYNCH, Dip.Eng.(Mech.), M.Ind.Eng., C.Eng.M.I.E.I.
C. McCARTHY, B.Comm., M.Econ.Sc.
P.J. MORIARTY, F.Mgt.I., F.C.I.S., F.I.P.M., **Chief Executive**
NOEL S. O'HARA, B.E., M.I.E., C.Eng., M.I.E.I.

Directors

Strategic Planning and Development
T.V. FAHY, B.E., F.I.P.M.
Customer Operations
C. McCABE, B.E., C.Eng., F.I.E.I.
Generation and Transmission Operations
A.G. KELLY, B.E., Ph.D., F.I.Mech.E., Mem.A.S.M.E., F.I.E.I.
Energy Resources
J.F. LANG, M.E., C.Eng., F.I.Mech.E., F.I.E.I., M.I.E.E., M.Inst.E.
Corporate Services
F.A. MALIN, A.C.I.S.
Finance
M.D. CONNAUGHTON, B.Comm.

Secretary

J.F. WILLIAMS, F.C.I.S.

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DATA SUMMARY	1984/85	1983/84
FINANCIAL		
Financial Outcome. Surplus/(Deficit)	£(27)m	£(23)m
Income	£727m	£669m
Assets in Commission (before Depreciation)	£1,121m	£1,037m
Sales (Million Units)	9,274	8,904
Effective Generating Capacity (MW)	3,247	3,260
Peak Load	2,092	1,994
Customers	1,168,679	1,145,818
EMPLOYMENT		
Total Employment	12,454	12,792
Operations	*9,110*	*9,388*
Construction	*2,642*	*2,619*
Consultancy and Secondment	*250*	*250*
Apprentices	*452*	*535*
Pay	£169m	£163m
ESB Contribution to Pension Fund, PRSI and Expenses	£35m	£32m



The Chairman & Chief Executive of the ESB with the Lord Mayor of Cork, the Right Honourable Alderman Liam Burke T.D., when the Board visited the city which, this year, is celebrating the 800th anniversary of its incorporation.

Contents

	Page
Review of Year	4
Issues of Public Debate	5
Sales of Electricity	7
Load Management	7
Marketing	8
Trading	8
Electric Vehicles	8
Safety	9
Employee Relations	9
Training and Development	9
Health/Welfare	9
Performance	9
Planning for the Future	10
Information Technology	10
Consultancy	10
Generation of Electricity	11
Construction Projects	12
Premises	14
Capital Expenditure	14
Borrowings	14
Supplementary Sources of Electricity	15
Fisheries & Conservation	15
Staff	17
Board Members	17
Accounts and Schedules	19
Appendices	47

To the Tanaiste and Minister for Energy

In accordance with the provisions of the Electricity Supply Acts 1927/1985, the Board presents its Annual Report and Accounts for the year ended 31st March, 1985. The Board already submitted an Interim Report covering the six months ended 30th September, 1984.

REVIEW OF YEAR

The Board regrets that it has to report a substantial deficit of £27m for the year ended on 31st March, 1985. This deficit, when added to deficits brought forward from previous years, brings the total accumulated deficit to £64m.

There are two reasons for the deficit on the year's operations. The approval to a price increase was delayed, and fuel costs increased from £279.5m last year to £303m this year arising from the following exceptional circumstances

: output from hydro stations was below the annual average;

: the price of heavy fuel oil was at record high levels for most of the year due to an artificial demand consequent on the UK miners' strike and the strength of the US dollar against all currencies;

: the strike at Poolbeg generating station caused extensive use of expensive heavy fuel oil in other generating stations over the period when output from Poolbeg was disrupted.

The Report of the Committee of Inquiry into Electricity Prices (the 'Jakobsen Report') confirmed that electricity prices to domestic customers are among the average of European prices but that prices to industry are high. In the year, the Board again has achieved its corporate objective to keep electricity price increases below the national level of inflation. The increase in the year was 5.4% compared with a national inflation figure of 6.7%.

There were external factors which contributed to this satisfactory pricing achievement

: the Government did not increase the price charged to the ESB for peat and gas;

: there was a continuation of growth in sales at 4.2% (4.5% in 1983/84).

Internal expenditures - payroll, materials, expenses and services generally - are responsive to management action. For the third successive year, these costs have declined in real terms through strict control and implementation of the many elements of a Strategic Plan to achieve price improvement. Staff numbers declined again during the year. This trend will continue in future years with the completion of major projects, the decommissioning of old, obsolete plant, and the improvement of efficiency. The Board's personnel policies are directed towards an orderly transition to a new organisation structure in an environment sensitive to the human problems and issues which arise from major change. There is consultation and negotiation with the trade unions on these issues. At year-end, agreement was in sight on re-deployment, re-organisation and voluntary severance. There has been an improvement in turnover in Appliance Sales but its trading performance and that of Appliance Repair are still unsatisfactory. Part of a rationalisation programme has been implemented. The Board hopes that there will be early agreement to a full programme of change to achieve increased turnover and lower costs. The Board has decided to remain in retail trading only if it can quickly become a profitable business.

Planning of finances, pricing, markets, outputs, etc. in any major industry must be on a medium-term basis - ad hoc annual planning is totally inadequate. In the electricity industry, a minimum five-year planning period is necessary and certain aspects such as power station construction or conversion require a minimum ten-year planning horizon. The essence of planning is decision-making and long-term commitment on the key elements. In the case of the ESB, the decision-making on many of the key elements - energy sources, pricing, social obligations - have national implications and naturally lie in the domain of Government. There is a comprehensive analysis of these key elements in the Report of the Committee of Inquiry into Electricity Prices (the 'Jakobsen Report').

The Board hopes to agree quickly with Government and with Semi-state Bodies supplying fuel to the ESB on the decisions and commitments which are needed in a five-year time-frame to achieve financial soundness for the ESB, progressive price

moderation and contracts on use and pricing of native primary energies emerging in the future. With such a five-year contract in place, the electricity customer could look forward to a bright future with electricity prices declining in real terms, because there are many favourable factors emerging

: The outlook is good that an average annual increase in sales of about 3% can be achieved for the next five years. The grounds for this optimism are the past two years' average annual growth of 4.4%, a steady increase in industrial sales, and the effectiveness of the Board's marketing strategy;

: The commissioning of a coalfired unit in Moneypoint in each of the years 1985, 1986 and 1987, will substitute a cheaper fuel for oil and gas. In addition, the Board hopes that Government decisions on the pricing and allocation of native fuels, as recommended by the Jakobsen Report, will bring further relief to fuel costs;

: The peak of capital expenditure has been passed and this, together with generally forecast improvements in interest rates and exchange rates, should result in a reduction in the rate of capital charge increases;

: The Board is implementing with success a Strategic Plan to improve every cost factor within its own control. The Plan is also aimed at improving standards and quality of service to the community in a cost-effective way.
The Board is confident that its success in cost reduction over the past three years can be maintained for the next five years.

Looking forward to 31st March, 1986 there would be a deficit of £26m in 1985/86 at present electricity prices and input costs, which would bring the accumulated deficit to £90m. This is the consequence of the alarming trend of financial deterioration on which the Board has reported in its last three Annual Reports. The situation is a powerful stimulus to the Board to continue corrective action in its own spheres of control and it sincerely hopes that Government will likewise respond in relation to the issues over which it has control. The Board appreciates that Government needed the independent recommendations of the Jakobsen Committee before considering a comprehensive approach to an ESB financial recovery contract. Now that the report has been submitted, the way is clear to agree on a five-year contract between the Government and the ESB. This would provide a sound planning basis for the financial recovery of the ESB and for the moderation of electricity prices in real terms. The Board believes that its aspirations are realistic and achievable.

A central issue of the five-year financial recovery contract described above is the timeliness of annual electricity price increases. The Jakobsen Report recommends that annual price revisions should be aligned with the ESB financial year which means the 1st April would be the effective date for each price increase. The importance of this recommendation is demonstrated by the fact that if it had applied since 1980 the ESB would not have the accumulated deficit which now stands at £64m.

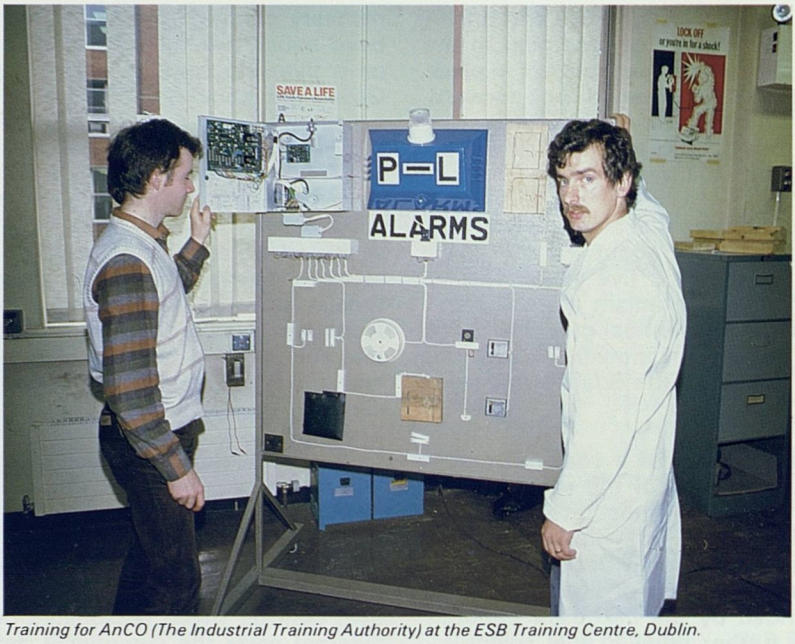
The Board believes that the outlook is favourable on the trend of costs within its own control. Given reasonable behaviour of external costs the cumulative deficit can be eliminated within five years with modest price increases each year below the level of inflation provided that they are applied consistently from the 1st April each year. The Board is confident that this positive objective of financial recovery for the ESB and a decline in electricity prices in real terms for the electricity customer is achievable over the next 5 years.

ISSUES OF PUBLIC DEBATE

Price

Electricity for domestic use is cheaper in Ireland than the European average. Electricity price levels for industry continue to be debated. The Board knows and has commented for three years that industrial electricity prices are too high in comparison with the price levels in the EEC, affecting the competitiveness of Irish industry. No appreciable reduction can be achieved for these prices until the cost of items such as fuel, rates levy and social obligations are reduced.

Electricity prices reflect the cost inputs and structure on which they are based and to gain a full understanding of them requires a detailed examination of this structure. This was one of the principal reasons why Government decided to hold an inquiry into electricity prices, under the chairmanship of Mr. E.L. Jakobsen, former Managing Director of the Danish utility ELSAM. The inquiry's



Training for AnCO (The Industrial Training Authority) at the ESB Training Centre, Dublin.

report is discussed briefly below.

In 1982, the ESB set price objectives to keep annual electricity price increases lower than the levels of inflation as measured by the Consumer Price Index (CPI) for the 1980's. The programmes required to achieve this objective were defined in a Strategic Plan 1983 - 1988, submitted to the Government in 1983.

This action programme for price improvement has resulted in the costs under direct ESB control inflating by 10.9% over the past two years, compared to the CPI figure of 17.8% for the same period.

The Strategic Plan also provided for an organisation study which was completed in July 1984. The Board has approved re-organisation plans which were developed from the study and these are designed to reduce costs and improve customer service. Certain aspects have been implemented and others are currently subject to consultation and negotiation with trade unions. The Board understands how major changes create anxiety and concern. The Board's overall approach is to alleviate these problems in the best possible manner. Nevertheless the Board feels that a positive response from staff is appropriate in return for the positive personnel policy which guarantees that there will be no compulsory redundancy and which is in all other respects amongst the most advanced in this country.

Report of the Inquiry into Electricity Prices (The 'Jakobsen Report')

The Inquiry team, headed by Mr. Jakobsen, examined ESB affairs for over a year, from September 1983 to September 1984. Four members of the committee were drawn from the Civil Service and one from Irish industry. Expert support was provided by consultants.

The Report was published on 17th January, 1985 and its main thrust supports the ESB's own analysis of the principal issues facing the industry. The ESB Strategic Plan 1983 - 1988 identified and started action on these issues before the Inquiry team was set up. The Board welcomes the Jakobsen Report both for its independent confirmation of the Board's own actions and for its comprehensive analysis of the key issues which will influence electricity supply for the remainder of the century.

Some of the issues raised by the Jakobsen Report have no relevance to the price of electricity in the five years immediately

ahead, but are of significance to long-range strategic planning. Other issues require urgent decision by Government and effective action by the ESB. The Board will be reporting shortly to the Tanaiste and Minister for Energy on this report and looks forward to speedy resolution and early action on both short and long-range issues. The Board wishes to place on record in its Annual Report the overall finding of the Jakobsen Committee: "The ESB can claim to be one of the very best of state companies, which, as to competence and technical expertise, ranks on a par with any other utility of simila size."

Joint Oireachtas Committee on Commercial State-sponsored Bodies

This Committee began its investigation of ESB affairs in February 1985 and this was still in progress at the end of the period reviewed by this Report.

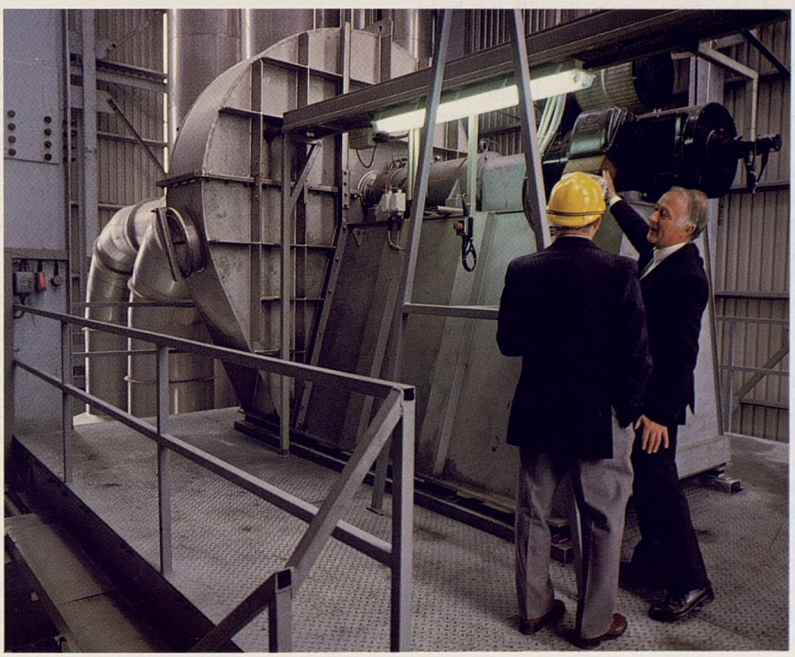
SALES OF ELECTRICITY

The sales growth during the year was 4.2% following a growth of 4.5% in the previous year.
Domestic sales increased by 2.8%, commercial sales by 3.7% and industrial sales by 6%, reflecting the growth in manufacturing industries.
Electricity used by the 50 largest customers in the industrial sector increased by 11% but this includes two very large new loads for the full year - Irish Steel and Aughinish Alumina.

LOAD MANAGEMENT

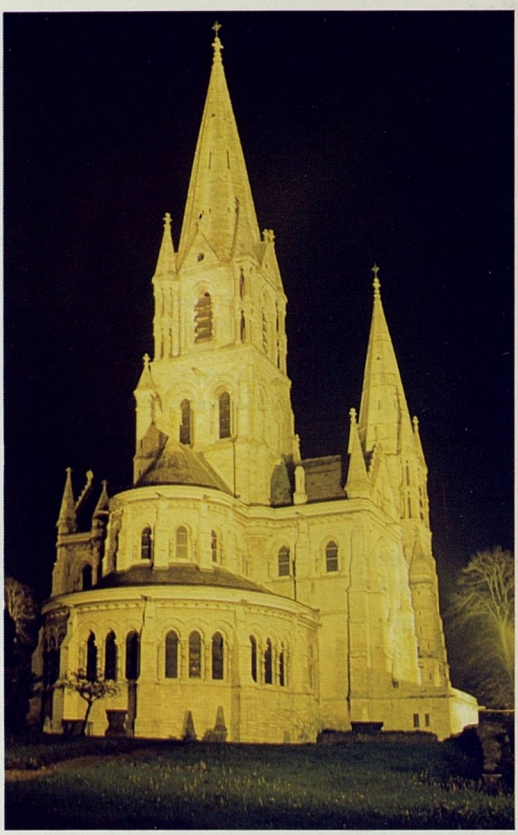
A peak demand of 2092 MW, occurred on Wednesday, 16th January, 1985. It was 4.9% up on last year. The annual load factor remained high at 60%; Load Management Programmes actively pursued for a number of years contributed. These Programmes of off-peak allowances to major commercial and industrial customers and night and day rates of charge for domestic customers reduced the potential peak load by an estimated 150 MW.

The First MVR plant in the Country installed at Kantoher Creamery in County Limerick.



MARKETING

During the year the ESB pursued vigorously its marketing strategy to promote electricity as a premium fuel for efficiency and economy in all market sectors and for the more productive applications in industry to which it is particularly appropriate. The results in all markets were encouraging having regard to the prevailing economic climate. Electricity is the most flexible of all energy sources - gas, oil etc. - and its advantages are being enhanced through new technology. In industry, in particular, the advantages of electricity over other fuels are being increasingly highlighted. A recent example is Mechanical Vapour Recompression (MVR), a liquid concentration process in which electricity is substituted for other fuels with substantial savings in primary energy. The first MVR plant in the country was installed at Kantoher Creamery in County Limerick.
In the commercial and domestic sectors there were many promotions and exhibitions aimed at applications in which electricity offers distinct advantages over other fuels. One worth special mention is the joint promotion with the Northern Ireland Electricity Service. It was a new Schools Cooking Competition entitled "CookElectric '85". This competition was open to girls and boys in the age group 12-16 years attending second level schools with home economics as part of the curriculum. More than two hundred schools participated in this competition of which 20 were from Northern Ireland. As a result of the success of the first year, it will be held again next year.



St. Finbarr's Cathedral, Cork.

TRADING

In a difficult trading year, income from appliance sales reached £9.9m, an increase of £1m on the previous year. This was a volume growth rate of almost 11% in real terms after allowing for price adjustments. It compares very favourably with the growth of 1.2% in the 'Electrical Goods' sector and a decline of 1.3% in 'All Sales' as shown in the official Retail Sales Index.
Despite this market buoyancy the trading performance of Appliance Sales and Repair is very unsatisfactory. The Board is determined to put it on a basis such that full commercial profitability will be achieved quickly. A rationalisation programme has been developed involving more effective manning levels, better delivery services and full commercial opening hours. Much of the programme has been implemented. The Board is confident that its trading activities will be fully profitable within three years and that it can remain an influential factor in the retailing of electrical appliances.

ELECTRIC VEHICLES

The EEC, under its energy programmes, is sponsoring a number of demonstration projects on electric vehicles in Denmark, Italy and Ireland. The Irish project, involving eight vehicles, is being directed by the ESB and is being supported by CIE. Modern commercial electric vehicles are in normal fleet use and their performance is being monitored over a three-year period. There will be significant environmental benefits of reduced noise and air pollution if this demonstration project proves to be economically viable.

SAFETY

The ESB in conjunction with the Electro-Technical Council of Ireland, continued its programme of promoting an awareness of safety in the use of electricity.

EMPLOYEE RELATIONS

Progress was made on the introduction of ESB-wide arrangements for sub-Board employee participation. Proposals for participation councils at local and central level were developed by a joint trade union/ management working party. They were approved by the Board and are being formally considered by the trade unions.

The difficult economic environment and the continuing determination of the Board to contain costs and improve effectiveness pervaded all industrial relations activity during the year. In the present situation where the exigencies of the national and ESB financial position restrict opportunities for staff, the climate of industrial relations is more tense and difficult. The Board hopes that the issues can be handled in a peaceful manner within procedures. During the year a dispute by shift workers in Dublin's Poolbeg Generating Station was extended by pickets to other Generating Stations, which caused power cuts on 13th September, 1984. The dispute was resolved by Labour Court intervention.

The Board regrets interruptions of any kind in service to customers caused by industrial action. It endeavours to maintain effective procedures to resolve disputes. Significant in these procedures is the Industrial Council, a joint trade union/management adjudication body under an independent Chairman. Although its recommendations are not binding, the Council, since its inception in 1970, has performed a crucial service to the industrial relations process. For those fifteen years, the industry has been fortunate in having the services of Mr. Con. Murphy as agreed Council Chairman. His current term of office expired on 28th February, 1985. It is particularly appropriate for the Board, at this time, to express its appreciation of Mr. Murphy's valuable contribution to good industrial relations in the ESB. The Board remains committed to continuation of the Industrial Council but feels that after fifteen years it is opportune to reform its constitution and procedures. Negotiations on this are in progress at present.

The satisfactory trends of costs and sales reported elsewhere in this report bear witness to the combined efforts of all who work in the ESB to achieve the Board's corporate objective of price improvement.

There has always been amongst the staff of the ESB a very strong commitment to high quality service to customers. The Board wishes to thank all the staff for the high standards which they achieved in their various fields during the year.

TRAINING AND DEVELOPMENT

Training and development of staff to meet the changing technical and administrative needs of the organisation and to provide a first class service to customers continued during the year. A total of 33,000 man-days of training were given to ESB staff. Some 25,000 man-days of training were given to staff from other organisations in Ireland and abroad which helped to reduce considerably total training costs.

A management development programme was developed which included an interchange scheme with electrical utilities in the United States.

The close co-operation between AnCO and the ESB on national apprenticeship schemes continued. It was extended to provide job-oriented power engineering programmes to top up the electronics expertise of graduates from the Regional Technical Colleges.

Continuation of training for apprentices made redundant by other firms was undertaken on behalf of AnCO.

HEALTH/WELFARE

Long-standing programmes concerned with staff health and welfare continued.

Absenteeism in the ESB remained very low by national standards. More than one quarter of the total staff had no sick absence during the year and the overall absenteeism rate was under 5% of total time. There are staff health programmes such as Cancer Screening, Anti-Flu, Mediscan and Blood Pressure Testing.

PERFORMANCE

A series of performance indicators is presented in the Appendices. Many of these demonstrate the success of the action programmes for price improvement established for operations amenable to management control. Of particular note are that

: inflation of internally controlled costs has been kept below the level of the CPI

through cost containment programmes as reflected in budgets;

: the price objective was attained, with price increases being kept below the level of the CPI;

: the overall thermal efficiency of conversion of primary energy for all plant was 34.2%, compared with 33.3% for last year. In its first full year of operation, the North Wall combined cycle unit had a thermal efficiency of 42.2%. The thermal efficiency for all gas burning plant improved from 37.2% to 38.7%;

: the number of people employed at 31st March, 1985 was 12,454 which is 338 less than the corresponding figure for 1984. This reduction is in line with the broad manpower targets set out in the Board's Strategic Plan;

: the annual load factor was high at 60%, although slightly down on last year due to increase in peak demand this year.

PLANNING FOR THE FUTURE

The length of construction time for major assets requires that planning be done in time scales of from five to ten years or more. Good planning should achieve the right quantity of plant to meet demand, the right fuel mix over a plant lifetime of 25 years, the right manpower levels and the right financial structure. To achieve this was never an easy task but at least up to the eighties there was reasonable predictability in forecasting growth rates and consistent high growth ensured that each increment of new plant commissioned was quickly used to full capacity. There was also reasonable predictability in fuel availability and in the financial world. The present uncertainity in all these key factors, nationally and internationally, makes long-range strategic planning a very complex task. As a consequence of its recognition of the increasing complexity and importance of strategic planning, the Board has set up a unit wholly dedicated to improving corporate performance in this regard.

INFORMATION TECHNOLOGY

The ESB installed one of the first computers in Ireland in 1959 and since then its staff have successfully adapted systems to new information technology as it emerged. The current state of the art has created the opportunity to develop systems on a corporate scale which will change fundamentally the handling of information for the management and operation of business. There is a central development team in the ESB now in this field. To date the achievements have been that

: strategic plans have been developed to achieve integrated corporate information systems;

: minicomputers and microprocessors have been introduced widely throughout the organisation for business and operational purposes;

: Significant steps into on-line computer systems have been taken in customer, financial, construction management and operational activities.

These achievements will contribute to better organisation, lower costs, and enhanced customer service.

CONSULTANCY

The ESB has now completed its tenth successful year in the Consultancy business. The activity has recorded significant progress over this time

: **Turnover** to date exceeds £50m;

: **Profit** contributions of £5.68m have accrued to electricity customers to date;

: **Over 500 staff** have completed assignments. This has helped to enhance ESB reputation and consolidate knowledge of the international electricity utility business.

The ESB has carried out assignments in over 25 countries on a variety of engineering, accountancy, computer and training work. The bulk of Consultancy work up to the present has been in the Middle East with most of the revenue being earned in Bahrain and Saudi Arabia.
Market conditions in the Middle East are difficult and we are continuing our endeavour to develop alternative markets in greater depth in the Far East and in Africa. Turnover was up on last year at £13m with new work being obtained in Qatar, Sharjah (United Arab Emirates), Jordan, Zimbabwe, North Yemen and Egypt giving a broader base to our operations. Two hundred and fifty people were employed in the activity. Our objective is to increase the level of activity on a profitable basis.



New Automatic Earthing Equipment (in yellow) at Achill 38kV Station – part of a nationwide 10kV Safety Programme.

GENERATION OF ELECTRICITY

Production

System demand required the generation of 10,964 million units, an increase of 3.9% over the previous year. Units sold from this generation yielded a corresponding increase of 4.2%. For the first six weeks of the year, growth was negative. It was fairly even over the remainder of the year. For the second consecutive year, the summer was warm and dry with temperatures more than a degree above normal.

The peak demand was 2,092 MW and occurred on Wednesday, 16th January, 1985 at 18.00 hours. This was an increase of 4.9% on last year's figure. It was the first year in which the peak demand exceeded 2,000 MW; demand exceeded this figure on twenty one days.

Fuel Sources

Hydro inflows for the year were substantially down on normal: 558 GWh generation from hydro was only 77% of the expected value. 3.4 million tonnes of milled peat was used, which was an all-time record.

Despite the non-availability of Poolbeg Station for a protracted period due to a strike, virtually the same number of units were produced from gas as in the previous year. This was achieved by exceptional operations performance by staff at other power stations combined with a low level of forced outage of gas burning plant. Eighty per cent of all units produced during the year were from indigenous sources.

Capacity

A 13 MW set in Portarlington was decommissioned during the year. A 120 MW set in Poolbeg was converted to dual firing (gas and oil) completing the gas conversion programme.

440 MW of plant has been put into long term storage.

The total installed capacity (excluding plant in storage) at 31st March, 1985 was 3247 MW.

Since 31st March, 1985 a further 120 MW of plant in Great Island has been put into storage.

Maintenance of Supply

Obtaining lowest possible generation costs and minimising the use of imported oil required that large efficient plant especially that burning gas be loaded more than normally. This and the reduction of plant on hot-standby to reduce costs increases risks of loss of supply. On twenty-five occasions there were short interruptions to some customers. The duration of interruptions is minimised by equipment which automatically restores supply very quickly. The risks could be eliminated entirely but at an extra peak cost of many millions of pounds. The economies which are being achieved justify taking the risks and accepting the minor short-duration load shedding occasionally caused.

CONSTRUCTION PROJECTS

GENERATING STATIONS

Moneypoint, Co. Clare (Coal Fired)
3 x 300 MW Units. Good progress was maintained on this project.
Commissioning of the first unit began and all its major auxiliaries were test operated. Full commercial operation of this unit on target is confidently expected for October 1985. The construction of the other two units continued on schedule. Erection of the coal handling and ash handling systems continued. The first consignment of coal was loaded in Colombia before the end of the year. Just after year-end 50,000 tonnes of this coal were unloaded at the new jetty from the 143,000 tonne BERGE MASTER, the largest bulk carrier ever handled at an Irish port.

Poolbeg Gas Conversion
Commissioning of Units No. 3 (270 MW) and No. 2 (120 MW) was completed in May 1984.
Conversion of Boiler No. 1 (120 MW) was completed in July 1984 and the Unit was synchronised in January 1985. Full load operation on oil and on gas was achieved in February 1985. Commissioning was completed at the end of March 1985.

TRANSMISSION SYSTEM

The construction programme was on target at year-end. During the year, resources were concentrated mainly on the new 400kV and 220kV developments associated with Moneypoint Generating Station.

400kV System

Construction was completed on the 400kV stations at Moneypoint and Woodland (Co. Meath). Commissioning tests were in progress in both stations at year-end. Site work continued according to programme on the third station, at Dunstown (Co. Kildare).
The 400kV line from Moneypoint to Woodland was completed and commissioning checks were in progress. The line from Moneypoint to Dunstown was well advanced.
Connections from the first generator at Moneypoint to the Moneypoint 400kV station were completed.

220kV System

220kV developments were completed and commissioned at Inchicore (Dublin), Raffeen (Co. Cork) and Arklow. Connection of the latter two stations to the 220kV system was awaiting the completion of the associated 220kV lines. Design and procurement of equipment for the new 220kV station at Prospect (Co. Clare), associated with Moneypoint Unit No. 3, was proceeding. Survey of the loop lines into Dunstown 400kV station was completed, and part of the steelwork was delivered. Survey of the line from Moneypoint to Prospect was also completed. Completion of the 220kV line from Great Island to Arklow was delayed pending judgment by the Supreme Court on an appeal by a landowner. Shortly after the year-end this judgement found that the provisions of the Electricity (Supply) Act 1927 concerning ESB entry to land to erect lines were unconstitutional. The prohibition which the judgement entailed could have been a serious obstacle to the performance of ESB business were it not for the prompt action of the Department of Energy in arranging for the drafting of amending legislation.
The Board wishes to compliment the officials of the Department for their co- operation and to thank the Oireachtas for having the legislation enacted speedily.

110kV System

Two new 110kV stations were commissioned, and work continued on one more.
64km of new 110kV lines were erected and 23km of old lines were retired. 8km were in course of erection and survey was progressing on a further 34km.
The installation of the major 110kV cable circuit from Finglas to Grange (Baldoyle) Co. Dublin was completed and four other short cable circuits were commissioned.

DISTRIBUTION SYSTEM

The number of new houses connected to the Distribution System was 24,309, a reduction of 6% on the previous year. The drop occurred mostly in the rural areas. The net increase in the number of customers was 22,861 and the total number of customers at year-end was 1,168,679.

Six new 38/10kV transformer stations were commissioned as part of the general reinforcement of the system at Johnstown, Co. Kildare, Purcell's Inch, Co. Kilkenny, Ballydehob, Co. Cork, Glenamaddy, Co. Galway, Ballycoolen, Co. Dublin and Errigal, Co. Cavan.

The capital expenditure on the Distribution System to provide supply to new customers and for reinforcement of the existing network was £46.6m.

An experimental scheme for increasing network capacity by raising the voltage from 10kV to 17kV was continuously monitored during the year. A decision on whether to extend the scheme will be taken in 1985.

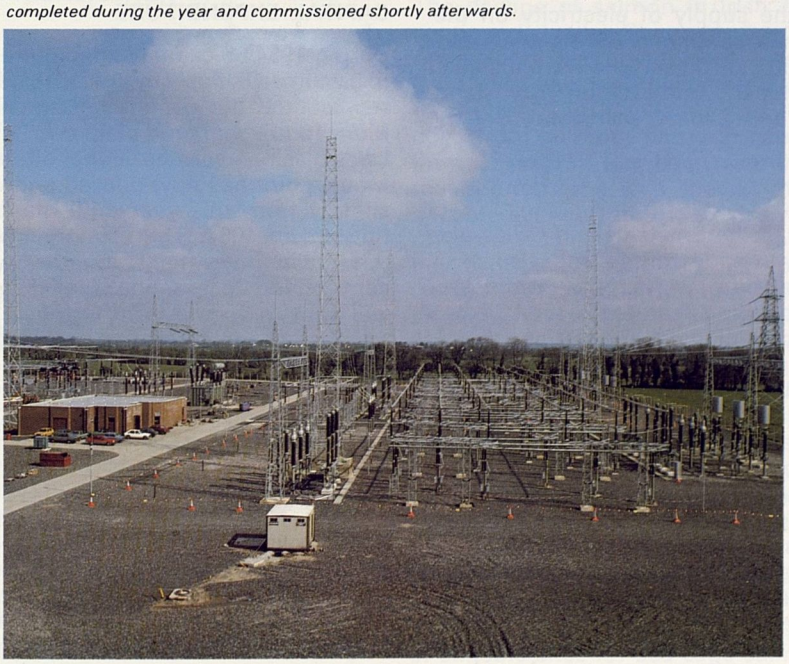
In conjunction with Marketing Department, a survey of rural customers was carried out to ascertain their perceptions of the quality of supply and the results are being examined.

A number of capacitors was installed on the Distribution System to test their value for voltage and power factor improvement and for reduction of line losses. Initial results are encouraging.

Further significant success was achieved in substituting home-produced for imported distribution materials, e.g. a Co. Kildare firm has been given direct assistance in the design and testing of equipment (previously purchased overseas) with annual contract value in excess of £0.5m. Other efforts to encourage Irish suppliers are ongoing.

Native spruce poles have been ordered in quantity for the first time following development of successful preservation treatment of this species. They replace imported pinewood poles.

Woodland, Co. Meath, 400kV Transformer Station; the first in the ESB's system. It was completed during the year and commissioned shortly afterwards.





A Fruitful Fishing Trip on Pollaphuca Lake.

Support for the supply of electricity on the offshore islands continued during the year. Two new 60/80 kVA diesel sets were installed and commissioned - one each on Tory Island, Co. Donegal and Cape Clear Island, Co. Cork.

PREMISES

An extension to the Board's Head Office was completed to provide offices and also to accommodate the new National Control Centre. The building features a total heat-recovery air-conditioning installation, the performance of which is monitored by a computerised Building Management System. It accommodates 400 staff in open style offices, the layout and furnishing of which were developed jointly with staff participation.
Parcels of land, acquired at Kilrush, have been developed as individual housing sites for Moneypoint staff. Arrangements were also made to facilitate the provision of housing on a commercial basis by individual building firms.

CAPITAL EXPENDITURE

During 1984/85 capital expenditure amounted to £240m. Of this amount, £181.5m represented the continuing expenditure on Moneypoint coal fired plant and its associated transmission facilities. Expenditure on Moneypoint has now peaked and will decline sharply from this year until the project is finished in 1987. The economic benefits of this major investment, together with its contribution to essential fuel diversification, will start to accrue from October 1985 when the first of the three units will be commissioned.
Expenditure on local distribution facilities including supply to new customers amounted to £46.6m, compared with £46.5m in the previous year.

BORROWINGS

New borrowings as follows were negotiated during the year:

	£m
: Irish Banks	123
: Trade Credits	28
: Continental Banks	16
: Total	167

Borrowing needs in the year were substantially satisfied in the domestic market, contrary to past experience. The result has been a welcome improvement from 23% to 28% in the ratio of domestic to foreign borrowing.

Currency losses at £41m were down on immediate past years. Losses were due solely to the strength of the dollar as the Irish pound was quite firm against other major currencies in the year. The continuing heavy currency losses are nevertheless a burden on electricity prices and it is to be hoped that they will moderate in future years.

Financing of capital expenditure from internal sources remains at the very low level (16%) of previous years. The rate will improve in the medium term with the decline in spending as Moneypoint comes on stream. The low level of internal financing exposes the ESB to currency risks and high interest costs by increasing borrowing requirements.

SUPPLEMENTARY SOURCES OF ELECTRICITY GENERATION

Hydro

A natural resource study of small hydro resources, jointly undertaken by An Foras Forbartha and the ESB for the Department of Energy, was completed.

Wave Power

The ESB decided to continue its participation in the International Energy Agency's wave energy project. Norway and Sweden decided to join the group of nations participating in the project while Canada decided to discontinue its participation.

Wind Power

After three years of operation, over 100,000 kWh of electricity have been produced in nearly 10,000 running hours. One machine which failed to withstand this year's storm is being repaired, but the remaining two machines have shown slightly improved reliability. The test, demonstration and data logging programme is continuing. The economics of this method of electricity generation are very bad - the average price of a unit of wind electricity is in pounds rather than pence.

Biomass

Forest residue was successfully burned in Screeb Generating Station as part of an EEC funded research programme.
The project was terminated in October 1984, because the production of the chosen tree species was not satisfactory for the soil conditions prevailing.

Geothermal

The final report of the two-year study of the Galway granite by University College Galway is in preparation. This study is jointly funded by the National Board for Science and Technology and the ESB.

Coal/Liquid Mixtures

Since the mid-1970's, a major effort has been made to reduce dependence on oil. One of the options under development is the use of coal/liquid mixtures. A coal/oil mixture, manufactured in the UK, was tested at two power plants in Ireland in 1981. This proved technically feasible but uneconomic. Coal/water mixtures are now being investigated.

FISHERIES AND CONSERVATION

The decline of salmon in Irish rivers continued. In the Shannon, Lee and Erne rivers there was insufficient salmon eggs from wild fish to provide seed for ESB hatcheries. The hatcheries had to use some eggs from salmon reared in captivity in sea farms. The ESB has been warning for years that salmon as a wild species of fish would become extinct from the excessive and illegal offshore fishing along the west coast. This day of total extinction is fast approaching.
On the positive side, the ESB continued with its smolt production policy with plans to expand its rearing station on the Lee to produce an additional 350,000 salmon smolts each year.
ESB salmon farming results are satisfactory and the installation of a second farm at Mulroy Bay commenced, to give a potential annual output of 200 tonnes worth about £1m at market prices. A farm using new types of cages with a capacity of 150 tonnes was constructed at Killybegs with the co-operation of BIM and local interests. The use of this new type of cage greatly increases the range of suitable sites for sea cage salmon rearing.



Mr. Thomas Gilmartin.



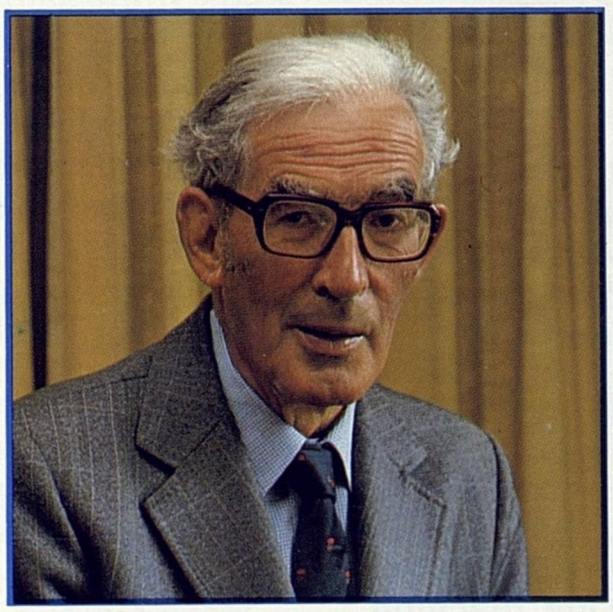
Mr. Denis Hatch.



Mr. John P. Wyley.



Mr. Anthony Ryder



Dr. John A. Ryan.

The prospects are good for developing a profitable major salmon farming industry along the west coast. The ESB continued its policy of involving sporting bodies and local communities in developing recreational facilities at reservoirs.
The Board's separate Annual Report on its fisheries and conservation activities gives a detailed account of the progress made in the year ended 31st March, 1985.

STAFF:

	1984/'85	1983/'84
Staff employed by the ESB at year-end:-		
Total:	12,454	12,792
Day-to-Day Operations	9,110	9,388
New Construction	2,642	2,619
Consultancy	250	250
Apprentices	452	535

BOARD MEMBERS

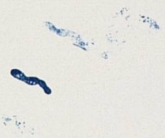
The third election under the Worker Participation (State Enterprises) Act, 1977 was held during the year. Mr. Seamus Conerney, Mr. Willie Cremins, Mr. Joseph LaCumbre and Mr. Noel O'Hara were elected and subsequently appointed to the Board by the Government from January 1985.
The Government also appointed Mr. Kevin Lynch a Board Member from 15th November, 1984.
The term of office of Dr. John A. Ryan ended on 30th April, 1985. Dr. Ryan was first appointed to the Board on 3rd May, 1951. Successive Governments reappointed him since then to become one of the longest-serving members in the history of the ESB.
Dr. Ryan brought to the ESB Boardroom the experience of a lifetime of high professional service in banking, distilling and many other businesses. He helped to shape the modern post-war ESB and the Board wishes to record with gratitude his great service to this Nation.
The Board also wishes to record its appreciation of the invaluable contributions of Mr. Thomas Gilmartin, Mr. Denis Hatch, Mr. Anthony Ryder and Mr. John P. Wyley, whose terms of office ended on 31st December, 1984 after serving two terms of three years each. They were the first Worker Members to be appointed to the Electricity Supply Board. Their commitment to the ESB was exemplary and they discharged the very difficult task of Worker Members with probity, diplomacy and tact.

This Report was approved by the Board at its meeting on 18th June for submission to the Tanaiste and Minister for Energy.

Signed: Charles T.G. Dillon *Chairman*

P.J. Moriarty *Chief Executive*

J.F. Williams *Secretary*



ESB

Bord Soláthair an Leictreachais

Accounts and Schedules for year ended 31st March, 1985

19

Contents

ACCOUNTS

1. Profit and Loss Account
2. Balance Sheet

SCHEDULES

A. Electricity Income and Expenditure Account
B. Appliance and Contracts Income and Expenditure Account
C. Consultancy Income and Expenditure Account
D. Statement of Source and Application of Funds
E. Statement of Non-Operating Items — Profit and Loss Account
F. Statement of Capital Assets
G. Statement of Current Assets and Current Liabilities
H. Statement of Sinking Funds for Borrowings
I. Statement of Borrowings
J. Statement of Interest
K. Statement of Capital Reserves
L. Statement of Generation Costs
M. Fisheries — Commercial and Conservation Operations
N. Value Added Statement
O. Notes on Accounts

P. Current Cost Profit and Loss Account
Q. Current Cost Balance Sheet
R. Notes on Current Cost Accounts
Auditors' Report

Profit and Loss Account

Account No. 1

1983/1984 £000's			1984/1985 £000's
	Operations		
38,477	Electricity Income and Expenditure Account (Schedule A)		42,893
(1,169)	Appliance and Contracts Income and Expenditure Account (Schedule B)		(1,155)
745	Consultancy Income and Expenditure Account (Schedule C)		748
38,053			42,486
(1,089)	Expenses on New Borrowings		(473)
36,964	Operations Surplus		42,013
(60,262)	Amortisation Charge (Schedule A)		(69,031)
	Non-Operating Items		
30,303	Income and Credits (Net) (Schedule E)	27,980	
(30,303)	Transferred to Capital Reserves and Sinking Fund	(27,980)	–
(23,298)	Surplus/(Deficit) for Year		(27,018)
(14,133)	Deficit brought forward from previous year		(37,431)
£(37,431)	Deficit carried forward to next year		£(64,449)

Note: Adjustments in year-end parities of foreign borrowings have been reflected in Repaid Capital Reserve (Schedule K)

Balance Sheet

Account No. 2

31st March, 1984				31st March, 1985
		Assets Employed:		
£000's	Reference		£000's	£000's
1,169,333	Schedule F	**Net Investment in Capital Assets** including work-in-progress		1,356,884
313,582	Schedule G	**Current Assets**	286,237	
		Less:		
204,072	Schedule G	**Current Liabilities**	208,689	
109,510		**Net Current Assets**		77,548
83,180	Schedule H	**Sinking Fund Investments,** at cost (including interest accrued £3,846)		77,083
£1,362,023				£1,511,515
		Financed as follows:		
1,135,634	Schedule I	**Borrowings**		1,256,505
		Reserves		
180,640	Schedule K	Capital	242,376	
83,180	Schedule H	Sinking funds for repayment of borrowings	77,083	
(37,431)	Account No. 1	Profit and Loss Account balance (deficit)	(64,449)	
226,389				255,010
£1,362,023				£1,511,515

Note: At 31st March, 1985 contractual capital commitments amounted to approximately £122,000,000 (1984 – £207,000,000)

Signed: Charles T. G. Dillon *Chairman*

Signed: P. J. Moriarty *Chief Executive*

D. Connaughton *Director, Finance*

18th June, 1985

Electricity Income and Expenditure Account

Schedule A

1983/1984						1984/1985
£		£	£	£	£	£
641,460,441	**Income** – Electricity Sales	696,505,527				
1,594,580	– Miscellaneous	1,880,355				
643,055,021						698,385,882
	Expenditure:	**Generation**	**Transmission**	**Distribution**	**Total**	
279,467,431	Fuel (including purchased electricity)	303,012,774			303,012,774	
142,209,377	Operation, maintenance and local charges	61,977,808	6,418,138	81,117,545	149,513,491	
20,500,000	Rates Levy	13,350,000	4,005,000	4,895,000	22,250,000	
43,655,241	General charges	19,154,943	4,797,055	26,267,456	50,219,454	
6,882,679	Stations now decommissioned	5,184,785			5,184,785	
40,264,640	Depreciation	27,012,415	4,658,000	14,501,000	46,171,415	
726,862	Fisheries net cost	816,592			816,592	
533,706,230		430,509,317	19,878,193	126,781,001	577,168,511	
70,871,952	Interest	35,446,976	11,984,274	30,893,515	78,324,765	
604,578,182		465,956,293	31,862,467	157,674,516		655,493,276
38,476,839						42,892,606
60,262,454	Amortisation Charge (Schedule O - Note 9)	30,577,927	10,778,146	27,675,367		69,031,440
£(21,785,615)	Surplus/(Deficit)					£(26,138,834)

Notes:

Fuel includes: Excise Duty on Mineral Hydrocarbon Oil £8,523,281 (Previous Year £8,547,379).

Charges include: Local Authority Rates £2,501,483 (£2,119,260), Bad Debts £970,198 (£958,873), Audit Fee £75,000 (£70,000), Board Members' Remuneration including full-time Chairman £49,068 (£47,775).

Appliance and Contracts Income and Expenditure Account

Schedule B

1983/1984 Appliance Sales	1983/1984 Appliance Repairs	1983/1984 Installations Contracts	1983/1984 Total		1984/1985 Total	1984/1985 Appliance Sales	1984/1985 Appliance Repairs	1984/1985 Installations Contracts
£	£	£	£		£	£	£	£
8,862,825	1,518,157	3,603,132	13,984,114	Income, exclusive of VAT	15,036,560	9,896,760	1,550,730	3,589,070
6,925,900	1,305,091	2,857,959	11,088,950	Direct Costs	12,016,689	7,920,246	1,301,320	2,795,123
1,936,925	213,066	745,173	2,895,164	Gross Profit	3,019,871	1,976,514	249,410	793,947
				Overheads:				
1,254,679	611,417	355,281	2,221,377	Payroll costs	2,254,335	1,253,365	595,102	405,868
147,348	–	–	147,348	Publicity	125,377	125,377	–	–
562,901	272,997	47,682	883,580	Premises costs	942,951	585,260	296,539	61,152
109,398	44,002	31,030	184,430	Sundry expenses	245,662	132,495	22,741	90,426
800,000	428,000	257,365	1,485,365	General charges and interest, as apportioned	1,480,409	780,700	432,900	266,809
2,874,326	1,356,416	691,358	4,922,100		5,048,734	2,877,197	1,347,282	824,255
–	782,729	75,506	858,235	Less: transfer to Electricity Income and Expenditure Account (See Schedule O – Note 12)	873,943	–	796,912	77,031
2,874,326	573,687	615,852	4,063,865		4,174,791	2,877,197	550,370	747,224
£(937,401)	£(360,621)	£129,321	£(1,168,701)	Surplus/(Deficit) transferred to Profit and Loss Account	£(1,154,920)	£(900,683)	£(300,960)	£46,723

Consultancy Income and Expenditure Account

Schedule C

1983/1984			1984/1985
£		£	£
12,085,390	**Income**		13,150,980
	Expenditure:		
9,094,651	Direct Costs	9,962,587	
	Overheads:		
845,688	Directly allocated	1,088,850	
1,400,000	General charges and interest, as apportioned	1,351,213	
11,340,339			12,402,650
£745,051	Surplus transferred to Profit and Loss Account		£748,330

Note: This Account includes the result of ESB Joint Venture with Saudi Consulting House up to 31st December, 1984; no material items have arisen since that date.

Statement of Source and Application of Funds

Schedule D

1983/1984 £	*Reference*		1984/1985 £
		Source:	
36,964,626	Account No. 1	Operations before Amortisation Charge	42,013,002
2,201,709	Schedule J	Provision towards premium on Stock Redemption	2,234,973
44,763,566	Schedule F	Depreciation	51,383,796
1,991,177	Schedule E	Credits on disposal of assets	2,583,252
12,487,439	Schedule E	Interest on Sinking Fund Investments	11,282,152
15,314,646	Schedule H	Decrease in Sinking Fund	6,096,481
113,723,163			115,593,656
12,773,933	Schedule E	Non-Repayable Supply Contributions	13,545,410
157,680,640	Schedule I	Borrowings	172,377,788
£284,177,736			£301,516,854
		Application:	
226,963,359	Schedule F	Capital expenditure	240,436,262
	Schedule I	Redemption of Borrowings	
89,142,043		(net of credits £568,748 on Stock Cancellation)	92,084,882
1,124,205	Schedule H	Payment of premium on Premium Stock	958,381
905,682	Schedule K	Discounts/Premiums on Borrowings	–
	Schedule G	Net Movement in Current Assets/Current Liabilities:	
		– Cash/Temporary Investments/ESB Stocks (40,252,866)	
		– Debtors/Creditors 10,394,458	
		– Inventories (2,104,263)	
(33,957,553)			(31,962,671)
£284,177,736			£301,516,854

Statement of Non-Operating Items — Profit and Loss Account

Schedule E

1983/1984		1984/1985	
£		£	£
	Income and Credits		
12,773,933	Non-Repayable Supply Contributions (Schedule K)	13,545,410	
3,050,462	Credits arising on ESB Stock Cancellations (Schedule H)	568,748	
12,487,439	Interest on Sinking Fund Investments (Schedule H)	11,282,152	
1,991,177	Credits arising on disposal of Assets Retired (Schedule K)	2,583,252	
£30,303,011			£27,979,562
(17,815,572)	To Capital Reserves	(16,697,410)	
(12,487,439)	To Sinking Fund	(11,282,152)	
£(30,303,011)			£(27,979,562)

Statement of Capital Assets
(Including Analysis of Depreciation)

Schedule F

ASSETS	Total at 31st March, 1984	Additions less Retirements during year	**Total at 31st March, 1985**
	£	£	**£**
Generation	456,530,909	16,902,661	**473,433,570**
Transmission	144,046,184	18,891,385	**162,937,569**
Distribution	349,929,124	40,942,088	**390,871,212**
General Buildings, Transport and Working Equipment	85,909,451	7,262,394	**93,171,845**
Fisheries	1,021,196	17,422	**1,038,618**
	1,037,436,864	£84,015,950	**1,121,452,814**
Work-in-Progress, including payments on account	465,239,948		**617,660,704**
Total Investment in Capital Assets (at cost)	1,502,676,812		**1,739,113,518**
Deduct Accumulated Depreciation, as below	333,343,679		**382,229,872**
Net Investment in Capital Assets	£1,169,333,133		**£1,356,883,646**

Work carried out in the year amounted to £240,436,262 (1983/84 £226,963,359)

DEPRECIATION

Accumulated Depreciation:

	£	£	£
Provision for depreciation of assets less assets retired as at 31st March, 1984			333,343,679
Movements in year:			
Depreciation of assets – Plant and Buildings	46,200,415		
– Tools, Vehicles and Decommissioned Stations	5,183,381	51,383,796	
Assets Retired – Generation	188,359		
– Transmission	80,237		
– Distribution	2,524,525		
– General Buildings, Transport & Working Equipment	1,206,435		
– Fisheries	–		
		(3,999,556)	47,384,240
			380,727,919
Transfer from Asset Renewal Reserve (Schedule K)			1,501,953
Total as at 31st March, 1985			**£382,229,872**

	Accumulated Depreciation as at 31st March, 1985 £
Generation:	**187,779,195**
Transmission:	**43,910,820**
Distribution:	**129,792,475**
General Buildings, Transport & Working Equipment:	**20,592,086**
Fisheries:	**155,296**
	£382,229,872

Statement of Current Assets and Current Liabilities

Schedule G

31st March, 1984						31st March, 1985
£				£	£	£
	Current Assets					
46,529,159	Cash at bank and in hand (net)					9,125,472
			Nominal Value			
	Temporary Investments at cost:	£ (1983/1984)	£			
13,825,426	Government Stocks	15,469,868	21,645,601			19,288,589
15,135,697	ESB Stocks to support market	15,213,606	7,058,769			6,823,355
	Accounts Receivable:					
	Electricity: billed			52,138,735		
118,669,865	: unbilled			81,080,516	133,219,251	
16,115,590	Appliance and Contracts (including £15.2m. Hire Purchase, maximum term 5 years)				16,005,056	
	Others: VAT Refund Due			5,522,316		
	: Sundry (completed) Repayable Work			10,361,035		
30,304,280	: Miscellaneous			15,062,767	30,946,118	
165,089,735						180,170,425
	Inventories:					
27,713,289	Fuel			33,324,046		
39,717,394	Plant/Network Stocks and Miscellaneous Spares and Sundries			32,507,355		
2,426,423	Appliances			1,921,442		
69,857,106						67,752,843
3,145,078	Repayable Work-in-Progress at cost					3,076,181
£313,582,201						£286,236,865
	Current Liabilities					
92,824,814	Accounts Payable					92,090,132
2,643,876	Progress Payments on Repayable Work-in-Progress					3,245,746
41,870,085	Temporary Borrowings and Borrowings for Hire Purchase financing					43,612,291
6,001,974	Supply Contributions and Deposits					6,074,583
27,768,944	Accrued Charges and Provisions					29,475,847
32,961,934	Accrued Interest on Borrowings					34,190,363
£204,071,627						£208,688,962

Statement of Sinking Funds for Borrowings

Schedule H

1983/1984 £		£	1984/1985 £
94,454,212	Opening Balance – Investments	78,324,008	
4,040,203	– Interest Accrued	4,855,761	
98,494,415			83,179,769
	Additions:		
60,262,454	Amortisation charge in year (Account No. 1)	69,031,440	
2,201,709	Provision for premium on ESB Stocks (Schedule J)	2,234,973	
3,050,462	Credits on cancellation of ESB Stocks	568,748	
12,487,439	Interest for year (including interest accrued)	11,282,152	
78,002,064			83,117,313
176,496,479			166,297,082
	Utilisation:		
	Redemption of borrowings viz:–		
	– Minister for Finance	1,755,646	
	– ESB Stocks (including credits on cancellation)	8,311,747	
	– Other Borrowings	78,188,020	
(92,192,505)	Reflected in Repaid Capital Reserve (Schedule K)		(88,255,413)
(1,124,205)	Premium Paid on Stock Redemption		(958,381)
	Closing Balance: (as per Balance Sheet)		

	Market £	Cost £		
Investments – Government Stocks	37,837,034	34,420,830		
– Euro Bonds	46,257,263	38,816,331		
78,324,008			73,237,161	
4,855,761	Interest accrued		3,846,127	
£83,179,769				£77,083,288

Note: Redemption of individual Borrowings appears in Schedule I.

Statement of Borrowings

Schedule I

Amount Borrowed £	Year(s) of Borrowing			Balance Outstanding 31st March, 1984 £	Borrowed during year £	Redeemed during year £	Adjustment for currency changes £	**Balance Outstanding 31st March, 1985 £**
Irish Pound Borrowings:								
68,450,000	1928-59	Advances	– Minister for Finance	37,886,674	–	1,755,646	–	**36,131,028**
500,000	1962	Loan	– New Ireland Assurance Co. Ltd. 6% – 1962/87	105,271	–	33,037	–	**72,234**
14,865,000	1972	Loan	– Central Bank of Ireland 7.25% – 1972/87	4,356,505	–	1,350,062	–	**3,006,443**
12,000,000	1962-63	Stock	– 6% – 1982/87	2,960,509	–	227,273	–	**2,733,236**
16,500,000	1964-65	Stock	– 6% – 1984/89	5,427,014	–	246,236	–	**5,180,778**
13,000,000	1966-67	Stock	– 7% – 1986/91	4,791,307	–	253,016	–	**4,538,291**
7,000,000	1968	Stock	– 7.25% – 1988/93	1,894,498	–	248,729	–	**1,645,769**
9,250,000	1970	Stock	– 9.5% – 1985/90	3,880,721	–	666,104	–	**3,214,617**
12,000,000	1972	Stock	– 9% – 1992/95	4,152,832	–	428,882	–	**3,723,950**
11,300,000	1975-76	Stock	– 13% – 1983/85	6,172,133	–	1,150,779	–	**5,021,354**
16,800,000	1977	Stock	– 13% – 1988	9,937,900	–	1,723,911	–	**8,213,989**
6,000,000	1978	Stock	– 9% – Premium (20%) 1984	4,791,905	–	4,791,905	–	**–**
12,000,000	1978	Stock	– 13% – 1990/92	9,962,096	–	1,316,496	–	**8,645,600**
16,500,000	1980	Stock	– 12% – Premium (25%) 1985	14,529,649	–	552,537	–	**13,977,112**
21,000,000	1981	Stock	– 13% – Premium (30%) 1986	19,300,000	–	882,579	–	**18,417,421**
14,000,000	1983	Stock	– 10% – Premium (25%) 1988	13,648,000	–	–	–	**13,648,000**
20,000,000	1983	Stock	– 13.5% – 2006/2008	20,000,000	–	221,517	–	**19,778,483**
761,000	1982-84	Project Finance	– 1982/87	418,656	162,603	173,818	–	**407,441**
				164,215,670	162,603	16,022,527	–	**148,355,746**
Floating Rate Facilities:								
19,500,000*	1978	– Domestic Banks	– 1981/88	13,125,000	–	1,625,000	–	**11,500,000**
30,000,000*	1981	– Domestic Banks	– 1987/89	30,000,000	–	–	–	**30,000,000**
15,000,000	1982	– Domestic Banks – Note Issue	– 1988	15,000,000	–	–	–	**15,000,000**
30,000,000*	1982	– Domestsic Banks	– 1988/92	30,000,000	–	–	–	**30,000,000**
10,000,000	1983	– Domestic Bank	– 1987/91	10,000,000	–	–	–	**10,000,000**
45,000,000*	1984	– Domestic Banks	– 1988/91	–	45,000,000	–	–	**45,000,000**
25,000,000	1984	– Domestic Bank	– 1994	–	25,000,000	–	–	**25,000,000**
12,000,000	1984	– Domestic Bank	– 1992/93	–	12,000,000	–	–	**12,000,000**
5,000,000	1984	– Domestic Bank	– 1989/92	–	5,000,000	–	–	**5,000,000**
10,000,000	1984	– Domestic Banks	– 1990/92	–	10,000,000	–	–	**10,000,000**
10,000,000*	1984	– Domestic Bank	– 1989/92	–	10,000,000	–	–	**10,000,000**
				98,125,000	107,000,000	1,625,000	–	**203,500,000**

* Multi-Currency Facilities (Equivalent to amount of indicated currency at drawdown).

– Continued overleaf

Statement of Borrowings

Schedule I (Continued)

Amount Borrowed	Year(s) of Borrowing			Balance Outstanding 31st March, 1984 £	Borrowed during year £	Redeemed during year £	Adjustment for currency changes £	**Balance Outstanding 31st March, 1985 £**
		Foreign Currency Borrowings:						
Project Finance:								
IR£20,000,000*	1978	– European Investment Bank 9.2%	– 1983/98	29,845,393	–	1,054,315	3,664,632	**32,455,710**
IR£10,000,000*	1979	– European Investment Bank 9.35%	– 1983/99	13,932,098	–	448,395	987,905	**14,471,608**
IR£15,000,000*	1979	– European Investment Bank 9.45%	– 1983/99	21,586,423	–	935,185	1,726,584	**22,377,822**
IR£20,000,000*	1979	– European Investment Bank 9.45%	– 1983/99	28,785,249	–	1,247,953	2,302,833	**29,840,129**
IR£10,785,000*	1979	– European Investment Bank 8.45%	– 1985/94	13,244,342	–	–	(–) 258,986	**12,985,356**
IR£5,715,000*	1979	– European Investment Bank 12.0%	– 1985/96	10,042,372	–	–	1,696,112	**11,738,484**
IR£3,000,000*	1980	– European Investment Bank 8.75%	– 1984/95	3,770,213	–	123,933	(–) 91,590	**3,554,690**
IR£20,000,000*	1980	– European Investment Bank 8.75%	– 1985/95	25,118,690	–	–	(–) 622,539	**24,496,151**
IR£30,000,000*	1981	– European Investment Bank 7.65%	– 1986/96	38,192,747	–	–	(–)1,364,545	**36,828,202**
IR£17,000,000*	1981	– European Investment Bank 9.3%	– 1985/2001	22,111,027	–	–	967,412	**23,078,439**
IR£22,000,000*	1981	– European Investment Bank 10.55%	– 1987/2001	27,086,611	–	–	(–) 175,445	**26,911,166**
IR£18,000,000*	1981	– European Investment Bank 14.0%	– 1987/2001	20,602,831	–	–	(–) 274,000	**20,328,831**
IR£16,000,000*	1982	– European Investment Bank 11.375%	– 1985/92	17,398,869	–	–	(–) 317,019	**17,081,850**
IR£20,000,000*	1982	– European Investment Bank 12.0%	– 1995/2002	18,930,971	–	–	23,157	**18,954,128**
IR£8,000,000*	1982	– European Investment Bank 7.0%	– 1986/94	9,590,067	–	–	(–) 342,633	**9,247,434**
IR£18,500,000*	1983	– European Investment Bank 6.4%	– 1988/98	19,100,118	–	–	(–) 682,407	**18,417,711**
IR£8,250,000*	1983	– European Investment Bank 6.5%	– 1984/95	8,182,893	–	290,469	(–) 283,581	**7,608,843**
IR£6,750,000*	1983	– European Investment Bank 12.15%	– 1989/98	6,757,937	–	–	(–) 103,223	**6,654,714**
IR£14,010,000*	1983	– European Investment Bank 10.4%	– 1989/98	14,122,924	–	–	(–) 9,017	**14,113,907**
US$14,500,000*	1969-73	– I.B.R.D., Washington 6.5%	– 1974/94	9,617,913	–	458,759	94,314	**9,253,468**
US$20,000,000*	1971-76	– I.B.R.D., Washington 7.25%	– 1976/87	7,518,605	–	1,776,438	715,371	**6,457,538**
US$15,000,000*	1972-77	– I.B.R.D., Washington 7.25%	– 1977/88	6,008,811	–	1,030,526	267,833	**5,246,118**
US$38,792,000	1981-85	– Export-Import Bank of the United States 8.0%	– 1986/98	31,787,052	1,245,779	–	5,394,115	**38,426,946**
US$10,840,000	1981-82	– Export-Import Bank of the United States 8.375%	– 1983/91	8,038,217	–	1,234,176	1,249,533	**8,053,574**
US$19,778,000	1981-85	– Export-Import Bank of the United States 8.0%	– 1988/2000	15,064,322	1,790,505	–	2,737,355	**19,592,182**
F.Fr.376,441,000	1973-83	– French Banks	– 1977/2004	24,016,776	–	3,000,497	(–) 191,748	**20,824,531**
Stg.£23,642,000	1971-85	– United Kingdom Banks/Suppliers	– 1975/90	10,075,310	3,750,962	2,837,616	14,030	**11,002,686**
Sw.Fr.109,921,000	1981-85	– Swiss Export Agency	– 1986/97	21,910,501	21,079,042	–	(–)1,210,336	**41,779,207**
IR£735,000*	1977-81	– Other Borrowings		314,846	–	105,008	(–) 75	**209,763**
				482,754,128	27,866,288	14,543,270	15,914,042	**511,991,188**

* Multi-Currency Facilities (Equivalent to amount of indicated currency at drawdown).

Statement of Borrowings

Schedule I (Continued)

Amount Borrowed	Year(s) of Borrowing			Balance Outstanding 31st March, 1984 £	Borrowed during year £	Redeemed during year £	Adjustment for currency changes £	**Balance Outstanding 31st March, 1985 £**
Fixed Term Loans:								
Registered Notes/Bonds and Bearer Bonds								
US$30,000,000	1972	– Japanese Banks 7.75%	– 1973/92	10,677,966	–	1,312,606	1,729,241	**11,094,601**
US$12,000,000	1977	– U.S. Syndicate 9.25%	– 1983/92	9,152,542	–	1,180,417	1,537,533	**9,509,658**
US$10,000,000	1980	– U.S. Bank 11.375%	– 1985	8,474,576	–	–	1,431,318	**9,905,894**
Sw.Fr.50,000,000	1973	– Swiss Banks 4.625%	– 1985	19,708,316	–	–	(–) 704,136	**19,004,180**
Sw.Fr.25,000,000	1980	– Banking Syndicate 5.75%	– 1984/86	6,897,910	–	3,785,728	(–) 261,555	**2,850,627**
B.Fr.1,000,000,000	1973-74	– Belgian Banks 8.75%	– 1980/89	9,642,085	–	2,001,601	282,190	**7,922,674**
D.M.75,000,000	1980	– German Bank 8.5%	– 1988	24,521,824	–	–	(–) 479,510	**24,042,314**
D.M.150,000,000	1979	– Banking Syndicate 9.2%	– 1986/91	49,043,648	–	–	(–) 959,020	**48,084,628**
D.M.120,000,000	1982	– Banking Syndicate 9.75%	– 1983/92	35,311,427	–	3,886,010	(–) 651,255	**30,774,162**
Yen5,000,000,000	1982	– Japanese Bond Issue 9.1%	– 1987/92	18,882,175	–	–	826,141	**19,708,316**
Yen5,000,000,000	1983	– Japanese Banks 8.5%	– 1987/92	18,882,175	–	–	826,141	**19,708,316**
D.G.75,000,000	1983	– Dutch Banks – Note Issue 8.75%	– 1988	21,748,586	–	–	(–) 396,273	**21,352,313**
D.M.50,000,000	1984	– German Bank 8.05%	– 1988/93	–	16,162,456	–	(–) 134,247	**16,028,209**
				232,943,230	16,162,456	12,166,362	3,046,568	**239,985,892**
Floating Rate Facilities:								
US$40,000,000*	1977	– Banking Syndicate	– 1980/88	16,949,152	–	19,752,200	2,803,048	**–**
US$30,000,000*	1974	– Banking Syndicate	– 1981/88	15,889,830	–	18,349,811	2,459,981	**–**
US$20,000,000*	1980-81	– Banking Syndicate	– 1984/87	16,949,152	–	2,933,631	2,824,498	**16,840,019**
US$20,000,000*	1980	– Domestic Banks	– 1984/88	16,949,152	–	3,983,990	2,884,268	**15,849,430**
US$20,000,000*	1981	– Floating Rate Note Issue	– 1987	16,949,152	–	–	2,862,636	**19,811,788**
Stg.£20,500,000*	1978	– Domestic Banks	– 1981/88	14,253,715	–	3,276,839	32,297	**11,009,173**
CAN$30,000,000	1981	– Canadian Bank	– 1987/89	19,920,318	–	–	1,795,208	**21,715,526**
CAN$25,000,000	1982	– Canadian Bank	– 1989	16,600,265	–	–	1,496,007	**18,096,272**
US$10,000,000	1983	– Middle East Bank	– 1988/91	8,474,576	–	–	1,431,318	**9,905,894**
Stg.£12,000,000	1983	– Sterling Acceptance Credit	– 1989/91	14,660,965	–	–	17,934	**14,678,899**
US$25,000,000	1984	– Middle East Bank	– 1987/89	–	21,186,441	–	3,578,294	**24,764,735**
				157,596,277	21,186,441	48,296,471	22,185,489	**152,671,736**
TOTAL – FOREIGN CURRENCY BORROWINGS				873,293,635	65,215,185	75,006,103	41,146,099	**904,648,816**
TOTAL – IRISH POUND BORROWINGS				262,340,670	107,162,603	17,647,527	–	**351,855,746**
TOTAL – ALL BORROWINGS				£1,135,634,305	£172,377,788	£92,653,630	£41,146,099	**£1,256,504,562**

* Multi-Currency Facilities (Equivalent to amount of indicated currency at drawdown).

– Continued overleaf

Statement of Borrowings

Schedule I (Continued)

Currency and Repayment Profile of Borrowings

	Repayable Within 1 Year £000's	Repayable Within 2 to 5 Years £000's	Repayable Within 6 to 10 Years £000's	Repayable After 10 Years £000's	Total £000's	Currency as % of Total Borrowings %
Irish Pounds	24,117	129,859	155,737	42,143	351,856	28
European						
Sterling	6,105	30,685	1,590	23,793	62,173	5
Deutsche Marks	8,049	100,175	71,319	12,515	192,058	15
Swiss Francs	22,810	39,735	66,978	21,803	151,326	12
Belgian Francs	2,093	6,073	–	–	8,166	1
French Francs	2,722	7,407	5,623	5,072	20,824	2
Dutch Guilders	2,659	32,804	11,254	16,788	63,505	5
Luxembourg Francs	–	995	6,226	6,893	14,114	1
ECU's	–	431	2,839	3,385	6,655	–
Others						
U.S. Dollars	28,827	121,461	60,062	51,068	261,418	21
Canadian Dollars	–	39,812	–	–	39,812	3
Japanese Yen	1,460	22,860	36,525	22,854	83,699	7
Miscellaneous	100	414	385	–	899	–
	98,942	532,711	418,538	206,314	1,256,505	
Repayment Profile	8%	42%	33%	17%		100%

See Note No. 9 – Amortisation of Borrowings

Statement of Interest

Schedule J

1983/1984 £		£	£	1984/1985 £
	Interest on:			
	Advances from Minister for Finance		1,688,697	
	Borrowings in Irish pounds	35,383,248		
	Add: Provision for funding of premium on redemption of ESB Stocks	2,234,973		
			37,618,221	
	Borrowings in other currencies		85,247,304	
			124,554,222	
	Less: Interest from temporary cash investment		5,690,804	
£102,998,696				**£118,863,418**
	Allocated as follows:			
	Interest:			
	Income and Expenditure Accounts:			
	– Electricity		78,324,765	
	– Appliance and Contracts		262,600	
	– Consultancy		637,500	
	Fisheries		77,490	
	Capital Works		39,561,063	
£102,998,696				**£118,863,418**

Statement of Capital Reserves

Schedule K

	£	£	£
Non-Repayable Supply Contributions:			
Contributions from State under Electricity (Supply) Acts towards capital cost of supplying rural areas – as at 31st March, 1984		27,889,826	
Other contributions – as at 31st March, 1984	85,964,021		
Transferred in year	13,545,410		
		99,509,431	
			127,399,257
Repaid Capital Reserve:			
Amortisation of Borrowings, less write-off of intangible assets, adjustment for changes in currency parities and discounts on stock issues – as at 31st March, 1984		54,084,950	
Movements in year:			
Amortisation of Borrowings (Schedule H)	88,255,413		
Adjustment for changes in currency parities (Schedule O – Note 8)	(41,146,099)		
		47,109,314	
			101,194,264
Asset Renewal Reserve:			
Balance as at 31st March, 1984		12,701,273	
*Credits arising on disposal of assets retired (Schedule E)		2,583,252	
*Less amount allocated to depreciation fund (Schedule F)		(1,501,953)	
			13,782,572
Total as at 31st March, 1985 (as per Balance Sheet)			**£242,376,093**

*The policy on Asset Renewal Reserve is explained in Schedule O – Note 3.

Statement of Generation Costs

Schedule L

Generating Stations	Fuel	Operation	Maintenance	Local Charges	WORKS COST 1984/1985	WORKS COST 1983/1984	Depreciation	TOTAL COST 1984/1985	TOTAL COST 1983/1984
	£	£	£	£	**£**	£	£	**£**	£
Coal/Oil/Gas									
Marina	21,431,846	1,921,545	2,282,682	483,181	**26,119,254**	30,602,207	866,140	**26,985,394**	31,447,059
Arigna	2,511,792	672,076	323,599	94,530	**3,601,997**	3,178,023	10,690	**3,612,687**	3,187,390
Great Island	14,581,119	1,622,759	1,970,785	402,844	**18,577,507**	15,773,404	880,865	**19,458,372**	16,510,178
Tarbert	75,225,784	1,813,224	3,372,214	615,113	**81,026,335**	46,627,673	3,109,383	**84,135,718**	49,538,708
Poolbeg	43,035,652	2,231,316	4,786,717	1,068,994	**51,122,679**	54,174,628	5,187,254	**56,309,933**	57,042,347
Aghada	52,248,331	1,546,226	2,390,066	476,324	**56,660,947**	78,462,080	8,429,065	**65,090,012**	86,754,934
North Wall	27,093,067	1,357,611	876,918	284,118	**29,611,714**	20,229,206	3,070,639	**32,682,353**	22,562,716
Sod Peat (Machine)									
Portarlington	1,623,011	1,029,589	1,057,547	168,190	**3,878,337**	4,318,509	8,743	**3,887,080**	4,323,557
Allenwood	3,741,292	1,359,522	945,512	209,211	**6,255,537**	6,882,360	9,552	**6,265,089**	6,889,192
Milled Peat									
Ferbane	13,240,301	2,079,090	2,211,019	340,192	**17,870,602**	16,945,421	23,913	**17,894,515**	17,041,845
Rhode	9,626,700	1,567,827	2,073,394	280,387	**13,548,308**	14,737,474	24,504	**13,572,812**	14,756,976
Bellacorick	7,167,048	1,156,236	1,022,816	180,325	**9,526,425**	8,895,480	206,977	**9,733,402**	8,970,460
Shannonbridge	17,155,050	1,926,915	1,793,837	316,086	**21,191,888**	18,050,174	2,216,616	**23,408,504**	20,054,796
Lanesborough	12,901,158	1,513,045	1,073,964	226,681	**15,714,848**	9,629,130	1,980,536	**17,695,384**	10,654,058
Sod Peat (Hand-Won)									
Four 5MW Stations	1,162,159	1,081,235	487,923	179,852	**2,911,169**	2,988,916	18,814	**2,929,983**	3,007,365
Total – Fuel Stations	302,744,310	22,878,216	26,668,993	5,326,028	**357,617,547**	331,494,685	26,043,691	**383,661,238**	352,741,581
Hydro									
Shannon		794,238	1,601,151	297,071	**2,692,460**	2,643,519	43,868	**2,736,328**	2,695,890
Erne		414,260	747,740	182,159	**1,344,159**	1,242,739	144,236	**1,488,395**	1,375,675
Liffey		98,366	475,247	62,406	**636,019**	552,132	34,111	**670,130**	590,134
Lee		279,393	309,019	92,501	**680,913**	619,152	80,141	**761,054**	698,061
Clady		66,637	111,768	14,205	**192,610**	144,852	21,650	**214,260**	166,071
Pumped Storage									
Turlough Hill		559,772	804,817	193,821	**1,558,410**	1,219,453	644,718	**2,203,128**	1,852,980
Total – Hydro Stations		2,212,666	4,049,742	842,163	**7,104,571**	6,421,847	968,724	**8,073,295**	7,378,811
Total – All Stations	302,744,310	25,090,882	30,718,735	6,168,191	**364,722,118**	337,916,532	27,012,415	**391,734,533**	360,120,392
Electricity Purchased in bulk (net)								**268,464**	222,225
Rates Levy								**13,350,000**	12,300,000
General Charges								**19,154,943**	17,619,459
Costs (current and remaining) of Stations now decommissioned								**5,184,785**	6,882,679
Fisheries (Net Cost before Amortisation)								**816,592**	726,862
TOTAL COST								**£430,509,317**	**£397,871,617**

NOTE: Station works cost per unit sent out is included with the Generating Statistics under the heading "Particulars and Performance of Plant".

Fisheries – Commercial and Conservation Operations

Schedule M

Total Cost 1983/1984 £		£	Total Cost 1984/1985 £	Commercial £	Conservation £
999,433	Direct Costs		**1,067,528**	424,787	642,741
	Overheads and General Charges:				
216,762	Payroll, expenses and charges	193,994			
12,000	Depreciation	29,000			
50,194	Interest on Borrowings	77,490	**300,484**	135,280	165,204
1,278,389			**1,368,012**	560,067	807,945
	Less:				
551,527	Sales of fish, letting of fishing rights and miscellaneous income		**551,420**	530,952	20,468
726,862	Net Cost before Amortisation, as per Electricity Income and Expenditure Account		**816,592**	29,115	787,477
6,956	Amortisation Charge		**9,379**	3,137	6,242
£733,818	**Net Cost for Year**		**£825,971**	£32,252	£793,719

Value Added Statement

Schedule N

1983/1984 £000's		£000's	1984/1985 £000's
	Sources of Income:		
641,460	Electricity Sales (Schedule A)	696,506	
13,984	Appliance and Contracts Trading (Schedule B)	15,037	
12,085	Consultancy (Schedule C)	13,151	
1,595	Miscellaneous	1,880	
669,124			**726,574**
	Less Costs of:		
279,467	Fuel (including Excise Duty on Mineral Hydrocarbon Oil £8,523)	303,013	
86,834	Materials and Services (including Rates Levy £22,250)	96,624	
44,764	Depreciation of Assets	51,384	
411,065			**451,021**
£258,059	**Value Added**		**£275,553**
	Distribution of Value Added:		
149,334	Employees – Payroll (Inclusive of deductions for PAYE/PRSI etc.)		**154,238**
	Lenders		
71,761	– Interest	79,302	
60,262	– Amortisation of Borrowings	69,031	
132,023			**148,333**
(23,298)	Reduction/(Increase) in Deficit brought forward		**(27,018)**
£258,059			**£275,553**

Basis of Accounting:

1. The Financial Statements are prepared in accordance with generally accepted accounting principles; however, an amortisation charge is made which is calculated to spread recovery from Income of amounts borrowed together with the effect of any currency movements on such borrowings. This treatment is considered to be appropriate to a public utility and is consistent with the requirements of the Electricity (Supply) Acts 1927 - 1982.
   The Financial Statements are expressed in Irish pounds (£s).

Principal Accounting Policies:

2. **Capital Assets:**
   Capital Assets are valued at cost. Cost includes prime cost, overheads and interest costs during construction. Assets include land (£19.6m) most of which is held freehold.
   Leased assets are not capitalised and payments under such leases are charged to the Electricity Income and Expenditure Account: the amount of leased assets is not significant.

3. **Depreciation of Capital Assets:**
   Depreciation is designed to recover historical cost over allotted lifespans.
   Methods used are appropriate to the nature of the Board's business and to the character and extent of its capital assets.
   Assets are grouped and allotted lifespans in line with international practice. Major asset classifications and their allotted lifespans are:–

: Generation Plant (including Thermal Station Structures)	20 years
: Distribution Plant and Structures	25 years
: Transmission Plant and Structures	30 years
: General Buildings and Hydro Station Structures	50 years

   Transmission asset lifespans have been reviewed and extended in the light of experience from 25 to 30 years, operative from 1984/85; the effect of the change is a reduction in the depreciation charge this year of £1m.
   Depreciation is provided:
   : On the straight-line method for Transmission, Distribution and General Assets.
   : On a projected plant usage basis for Generating Units.
   : On all assets from date of commissioning.
   Assets when retired from service are charged against Accumulated Depreciation.
   Asset Renewal Reserve (Schedule K): The proceeds of disposal and stores value of assets retired are credited to Asset Renewal Reserve; shortfalls arising in the depreciation fund are recovered therefrom.
   Depreciation continues to be provided on decommissioned stations which, together with other costs pertaining thereto, are disclosed separately.

4. **Inventories:**
   Stocks are valued at average cost.
   Spares held to provide for major plant breakdowns are capitalised as part of generating plant and depreciated accordingly.

5. **Repayable Work-in-Progress:**
   Installations Contracts are valued at direct cost together with appropriate overheads; sundry works at direct cost.

6. **Accounts Receivable:**
   The figure for Accounts Receivable in the Statement of Current Assets and Current Liabilities is net of a provision for doubtful debts, considered adequate in relation to the size and nature of the business. Bad debts are written off as they arise.

7. **Capital Borrowings:**
   The Statement of Borrowings includes borrowings initially contracted for a period in excess of twelve months, irrespective of phased repayment arrangements, and of the lapsed portion of repayment period. Discounts on Borrowings have been charged against the Repaid Capital Reserve. Other borrowing costs are charged against Profit and Loss Account.

8. **Borrowings in Foreign Currencies:**
   Irish Pound Equivalent is at exchange rates ruling at year end. Changes are reflected in the Capital Reserve.

9. **Amortisation of Borrowings:**
   This charge is made to reflect certain provisions of Section 21 (2) of the Electricity (Supply) Act, 1927.

It is determined as follows:
: The charge for ESB stock issues is in accordance with contractual commitments.
: The charge for other borrowings is calculated at 5% of their Irish Pound value as at the previous year-end.
: The charge to cover cumulative effect of exchange rates adjustments is calculated at 5% of the aggregate adjustment for changes in currency parities over the previous five years.

The sinking fund provision towards the premium element payable on redemption of ESB Premium Stock is included in the charge for interest.

Sinking Fund Investments are stated at cost.

10. Non-Repayable Supply Contributions:
Non-Repayable Supply Contributions are credited to Capital Reserves (Schedule K) via the Profit and Loss Account (Account No. 1).

11. Hire Purchase Transactions:
Profit on Hire Purchase sales is taken in the year of sale. Credit for interest is taken on a reducing balance basis over the Hire Purchase term.
Hire Purchase financing operations are reflected in the Appliance Sales Activity.

12. Apportionments:
(a) Capital Expenditure:
Capital Expenditure bears interest on the average value of (1) Work-in-Progress (2) stocks held and (3) advances made to suppliers in respect of capital works at the rates appropriate to the financing of individual projects, and a proportion of general overhead expenses calculated at a percentage rate on the prime cost of work paid for during the year.
(b) Appliance and Contracts Income and Expenditure Account:
This account bears appropriate proportions of general overhead expenses and interest; premises costs include a charge for depreciation.
Overhead elements of Appliance and Installations Contracts which are appropriate to the Electricity Income and Expenditure Account have been allocated directly as they occur. An amount, calculated at 75p per customer, is transferred to the latter account, in recognition of the total safety and social role of Appliance Repairs and Installations Contracts.
(c) Consultancy and Fisheries bear appropriate proportions of general overhead expenses and interest.

13. Taxation:
The Board is liable for Corporation Tax at the reduced rate applicable to manufacturing companies. Because of large continuing capital expenditure, liability to tax will not arise in the foreseeable future and a tax equalisation reserve is not deemed necessary (unutilised capital allowances at 31st March, 1985 are estimated at £746m). Had a tax equalisation reserve been provided, the accumulated figure would now be an estimated £19.6m (31st March, 1984 – £17.2m).

14. Exceptional Expenditure:
Essential maintenance and repairs are charged to the Electricity Income and Expenditure Account in the year in which the liability arises, on an estimated basis if necessary. Costs incurred to improve system efficiency are charged to the Electricity Income and Expenditure Account over the number of years corresponding to the benefits secured: similar treatment has been applied to Moneypoint Generating Station pre-commissioning costs.

15. Superannuation Scheme:
The Board contributes towards a pension scheme for staff under the provisions of the Electricity Supply Board (Superannuation) Act 1942 as amended: the scheme is subject to regular actuarial review. The Board's liability is confined to such contributions.

16. Accounting Year:
Income and Expenditure are aligned on a 52 or 53 week year as appropriate. The year 1984/1985 is a 52 week year (1983/1984 – 52 weeks).

Current Cost Profit and Loss Account

Schedule P

1983/1984			1984/1985
£000's		£000's	**£000's**
(23,298)	**Surplus/(Deficit) as per Profit and Loss Account,** after Interest and Amortisation		**(27,018)**
	Current Cost Operating Adjustments:		
42,896	Depreciation	47,925	
8,000	Cost of Sales	3,594	
9,980	Monetary Working Capital	3,091	
(60,876)			**(54,610)**
(84,174)			**(81,628)**
35,734	Gearing Adjustment		**32,766**
£(48,440)	**Current Cost Surplus/(Deficit)**		**£(48,862)**

Current Cost Balance Sheet

Schedule Q

31st March, 1984				31st March, 1985	
	Assets Employed:				
£000's			£000's	£000's	**£000's**
1,663,492	**Fixed Assets**			1,944,524	
113,699	**Net Current Assets**			77,740	
83,180	**Sinking Fund Investments**			77,083	
£1,860,371					**£2,099,347**
	Financed as follows:				
1,135,634	**Borrowings**			1,256,505	
	Reserves (See below):				
605,535	Current Cost Reserve		716,863		
119,202	Other Reserves		125,979		
724,737				842,842	
£1,860,371					**£2,099,347**

Current Cost Reserve

	£000's	**£000's**
Opening Balance		**605,535**
Balance Sheet Items – Revaluations:		
Cumulative to this year – Fixed Assets (Incl. W.I.P.) – Note 2	587,640	
– Inventories – Note 3	192	
	587,832	
Less cumulative to last year – Included in Opening Balance	(498,348)	**89,484**
Profit and Loss Account Items:		
Cost of Sales Adjustment	3,594	
Monetary Working Capital Adjustment	3,091	
Depreciation Adjustment	47,925	
	54,610	
Less: Gearing Adjustment	(32,766)	**21,844**
		£716,863

Other Reserves

	£000's	**£000's**
Total Reserves per Historical Balance Sheet		**255,010**
Net current cost adjustment to Profit and Loss Account – Cumulative to Last Year	(107,187)	
– This Year's Items	(21,844)	**(129,031)**
Other Reserves per Current Cost Balance Sheet		**£125,979**

Signed: Charles T. G. Dillon *Chairman*

Signed: P. J. Moriarty *Chief Executive*
D. Connaughton *Director, Finance*

18th June, 1985

1. **Introduction**:
The principles and method used in the calculation of the Current Cost Accounts (Schedules P. & Q.) are in compliance with Statement of Standard Accounting Practice No. 16. Apart from the particular features covered in these notes the accounting policies, bases and methods are the same as in the Historical Cost Accounts.

The current cost system, while not a system of accounting for general inflation, takes account of price changes specific to a business in both Profit and Loss Account and Balance Sheet. It aims to determine, by means of certain adjustments to the historical cost results, the current cost profit or loss after allowing for the impact of price changes on the funds needed to maintain the productive assets of the business.

2. **Fixed Assets**:
Valuation of assets is based on indexation calculated by reference to the Transportable Goods Index issued by the Central Statistics Office as at February 1985 except for non specialised buildings which have been valued by a qualified internal valuer.

Fixed Assets and Work-in-Progress

31st March, 1985				**1984**
Fixed Assets:	**Gross £000's**	**Depreciation £000's**	**Net £000's**	**Net £000's**
Historical Value	1,121,453	382,230	739,223	704,093
Revaluation Change	1,661,404	1,149,127	512,277	453,923
Current Cost Value	£2,782,857	£1,531,357	£1,251,500	£1,158,016
Work-in-Progress:				
Historical Value			617,661	465,240
Revaluation Change			75,363	40,236
Current Cost Value			£693,024	£505,476
Current Cost Value of Fixed Assets and Work-in-Progress			£1,944,524	£1,663,492

3. **Net Current Assets**:

31st March, 1985	**£000's**	**1984 £000's**
Historical Value	77,548	109,510
Revaluation Change	192	4,189
Current Cost Value	£77,740	£113,699

4. **Depreciation**:
Total depreciation charged in the Current Cost Profit and Loss Account represents the current cost of the proportion of fixed assets consumed during the year. The depreciation adjustment of £47.925m. (£42.896m. in 1983/84) is the difference between the depreciation charge in the Historical Cost and Current Cost Accounts.

5. **Stocks and Cost of Sales Adjustment**:
Stocks are stated at value to the business at Balance Sheet date. The Cost of Sales adjustment is the difference between the replacement cost (at date of consumption) and the corresponding historical cost of stocks consumed. For fuel, the adjustment is the average replacement cost; for other stocks the adjustment uses an internal index based on actual input data.

6. **Monetary Working Capital Adjustment**:
The Monetary Working Capital Adjustment represents the additional monetary working capital required by a business as a consequence of price changes during the year in order to maintain its operations. Computation of the adjustment uses internal indices developed from the Board's actual recorded cost data.

7. **Gearing Adjustment**:
A proportion of the net operating assets of a business is financed by borrowings. The gearing adjustment dilutes the operating adjustments to reflect the effect of these borrowed funds. A gearing adjustment has been included as being reasonable in the overall context of the Board's financing.

Auditors' Report

As Auditors appointed by the Minister for Energy, with the consent of the Minister for Finance, we have audited the Profit and Loss Account, Balance Sheet, and attached schedules A to O of the Electricity Supply Board, in accordance with approved auditing standards, and have obtained all the information and explanations which we considered necessary.

In our opinion, the Profit and Loss Account and Balance Sheet, together with the Statement of Source and Application of Funds (Schedule D), which have been prepared under the Historical Cost Convention, give, when read in conjunction with the relevant schedules and notes appearing thereon and the basis of accounting and principal accounting policies, a true and fair view of the results of the Board for the year ended 31st March, 1985 and of the state of the Board's affairs as at that date.

In our opinion, the Board has kept proper books with which the above mentioned financial statements are in agreement.

In our opinion, the supplementary current cost statement for the year ended 31st March, 1985, together with the notes thereon, as set out on Schedules P to R, have been properly prepared in accordance with the policies and methods described in the notes, to give the information required by Statement of Standard Accounting Practice No. 16.

1 Stokes Place,
St. Stephen's Green,
DUBLIN 2.
18th June, 1985

Stokes Kennedy Crowley & Co.,
Chartered Accountants

APPENDICES
LIST OF CONTENTS

Installed Capacity M.W.	i
Plant Availability	ii
Plant Forced Outage Rate	iii
Thermal Efficiency	iv
Station Staff Numbers per MW of Installed Capacity	v
Age of Generating Plant	vi
Generation Statistics	vii
Particulars and Performance of Generating Plant	viii
Energy Sources 1976 – 1985	ix
Weekly System Demand	x
System Load Duration	xi
System Daily Load Curves	xii
Distribution System Table	xiii
Transmission System Table	xiv
Map of System	xv
Growth of ESB Table 1930 – 1985	xvi
System Load Factor Percentage	xvii
Analysis of Units Sold	xviii
Growth of ESB Graph 1976 – 1985	xix
Unit Price Indices-Graph	xx
5 Year Statistics and Ratios	xxi
Revenue Expenditure – Bar Chart	xxii
Cumulative Investment in Fixed Assets – Bar Chart	xxiii
Summary of Electricity Trading Figures	xxiv
ESB Input to Ireland's Economy	xxv
Performance Indicators – Trends	xxvi

Installed Capacity MW

Appendix i

1980/81	1981/82	1982/83	1983/84	1984/85
3117	3287	3175	3260	3247

Plant Availability

Appendix ii

1980/81	1981/82	1982/83	1983/84	1984/85
69.3%	74.1%	74.6%	76.0%	78.6%

Plant Forced Outage Rate

Appendix iii

1980/81	1981/82	1982/83	1983/84	1984/85
15.9%	11.4%	12.1%	8.0%	6.2%

Thermal Efficiency (Exported)

Appendix iv

	1980/81	1981/82	1982/83	1983/84	1984/85
Gas	36.0	37.0	35.1	37.3	38.7
Oil	35.8	35.8	34.6	35.2	36.5
Milled Peat	23.4	23.0	23.8	24.0	25.2
Sod Peat	20.8	20.0	21.2	21.5	22.6
Overall	32.4	33.2	32.1	33.3	34.2

Station Staff Numbers per MW of Installed Capacity

Appendix v

	1980/81	1981/82	1982/83	1983/84	1984/85
Peat	2.49	2.67	2.46	2.21	2.20
Oil	0.60	0.61	0.62	0.51	0.50
Gas	0.66	0.54	0.48	0.45	0.45

Age of Generating Plant 31/3/1985

Fuel Type \ Age	Under 5 Years MW	5 to 10 Years MW	10 to 15 Years MW	15 to 20 Years MW	20 to 25 Years MW	25 to 30 Years MW	Over 30 Years MW	Total MW
Oil	–	500	148	120	–	–	–	768
Peat	90	40	–	40	190	80	52	492
Gas	775**	385**	240	–	60*	–	–	1460
Hydro	1	–	292	–	–	31	188	512
Coal	–	–	–	–	–	15	–	15
Total MW	866	925	680	160	250	126	240	3247

* 60MW Converted from Oil to Gas at Marina

** Combined Cycle plant at Marina and North Wall uses new heat recovery boilers to drive refurbished turbines.

Generation Statistics for the Year 1984/85

Station	Year 1984/85 Generated Million Units	Year 1984/85 Station Use Million Units	Year 1984/85 Sent Out Million Units	Year 1983/84 Sent Out Million Units
Ardnacrusha	256.0	2.5	253.5	364.5
Cliff	57.8	0.8	57.0	76.8
Cathaleen's Fall	146.4	1.7	144.7	190.6
Carrigadrohid	16.9	0.5	16.4	23.2
Inniscarra	46.2	0.8	45.4	63.7
Pollaphuca	10.8	1.0	9.8	24.4
Golden Falls	4.6	0.2	4.4	8.6
Leixlip	7.8	0.2	7.6	16.2
Clady	11.6	0.1	11.5	12.0
Ferbane	401.4	34.0	367.4	324.0
Rhode	327.5	26.5	301.0	333.1
Bellacorick	239.7	16.4	223.3	195.2
Shannonbridge	619.4	53.9	565.5	423.6
Lanesboro	508.6	40.5	468.1	239.1
Portarlington	48.1	4.6	43.5	58.6
Allenwood	124.4	8.9	115.5	113.6
Cahirciveen	15.9	1.8	14.1	8.6
Miltown Malbay	–	–	–	2.5
Screeb	4.3	0.6	3.7	4.4
Gweedore	10.0	0.9	9.1	13.8

Station	Year 1984/85 Generated Million Units	Year 1984/85 Station Use Million Units	Year 1984/85 Sent Out Million Units	Year 1983/84 Sent Out Million Units
Marina	960.8	13.4	947.4	1,101.1
Aghada	2,251.4	91.7	2,159.7	2,960.3
Poolbeg	1,737.6	88.9	1,648.7	1,518.8
North Wall	1,193.4	18.5	1,174.9	783.6
Great Island	318.0	18.1	299.9	301.7
Tarbert	1,786.1	110.7	1,675.4	1,037.0
Arigna	61.3	4.3	57.0	56.1
Turlough Hill (generation)	354.4	5.0	349.4	379.9
Turlough Hill (pumping)	556.5	–	556.5	578.3
ESB Import	–	–	–	–
ESB Export	–	–	–	–
Purchased	8.8	–	8.8	6.5
System Demand [1]	10,972.7	546.5	10,426.2	10,055.3 [2]
Maximum Daily Generation Million Units			40.2	37.3
Maximum Load Generated in MW			2,092	1,994

Note 1 System demand is total units generated by all stations including Turlough Hill plus ESB Import and units purchased, less Turlough Hill pumping and ESB Export.

Note 2 This figure includes a small number of units related to plant decommissioned.

Particulars and Performance of Generating Plant

Hydro Stations

Station	Location	Average annual generation million units	Plant Particulars		Plant Performance for year ended 31/3/'85		
			Generating Sets		Units sent out millions	Plant load factor %	Works cost per unit sent out (pence)
			No.	Capacity (MW)			
Ardnacrusha	Shannon	315	5	86	253.5	34.1	1.062
Pollaphuca	Liffey	45	2	30	9.8	4.1	2.919
Golden Falls			1	4	4.4	13.3	
Leixlip			1	4	7.6	22.3	
Cliff	Erne	275	2	20	57.0	33.1	0.666
Cathaleen's Fall			2	45	144.7	37.3	
Carrigadrohid	Lee	77	1	8	16.4	24.2	1.102
Inniscarra			2	19	45.4	27.8	
Clady	Clady	13	1	4	11.5	33.2	1.674
Turlough Hill – Pumped Storage	Co. Wicklow	–	4	292	349.4	–	–

Continued overleaf

Particulars and Performance of Generating Plant

Steam Stations

Station	Location	Plant Particulars					Plant Performance for year ended 31/3/'85			
		Generating Sets		Boilers			Units sent out millions	Plant load factor %	Fuel cost per unit sent out (pence)	Works cost per unit sent out (pence)*
		No.	Total Capacity MW	No.	Total Capacity Tonne/hour	Fuel Type				
Arigna	Co. Roscommon	1	15	1	75	Coal	57.0	46.8	4.408	6.321
Great Island	Co. Wexford	3	240	3	853	Oil	299.9	15.2	4.862	6.195
Marina	Cork City	1	60	1	250	Gas/Oil	947.4	7.6	2.262	2.757
		1	30	1	132	HR**		91.7		
		1	85	Combustion Turbine		Gas				
Aghada	Co. Cork	1	270	1	800	Gas	2,159.7	78.5	2.419	2.624
		3	255	Combustion Turbines		Gas/Oil		17.9		
Poolbeg	Dublin City	3	510	3	1560	Gas/Oil	1,648.7	37.0	2.610	3.101
		2	28	Combustion Turbines		Oil				
Tarbert	Co. Kerry	2	500	2	1600	Oil	1,675.4	40.9	4.490	4.836
North Wall	Dublin City	1	104	Combustion Turbine		Gas/Oil	1,174.9	18.3	2.306	2.520
		3	42	1	174	HR**		80.5		
		1	104	Combustion Turbine		Gas/Oil				

Excludes plant decommissioned as of the end of the year : Ringsend 270MW, Tarbert 120MW, Marina 30MW.

*Works cost per unit is affected by items such as load factor and load profile; the figures in this column cannot, therefore, be used directly for comparing station performances.

**Heat Recovery: Operated on combined cycle with associated combustion turbine.

Particulars and Performance of Generating Plant

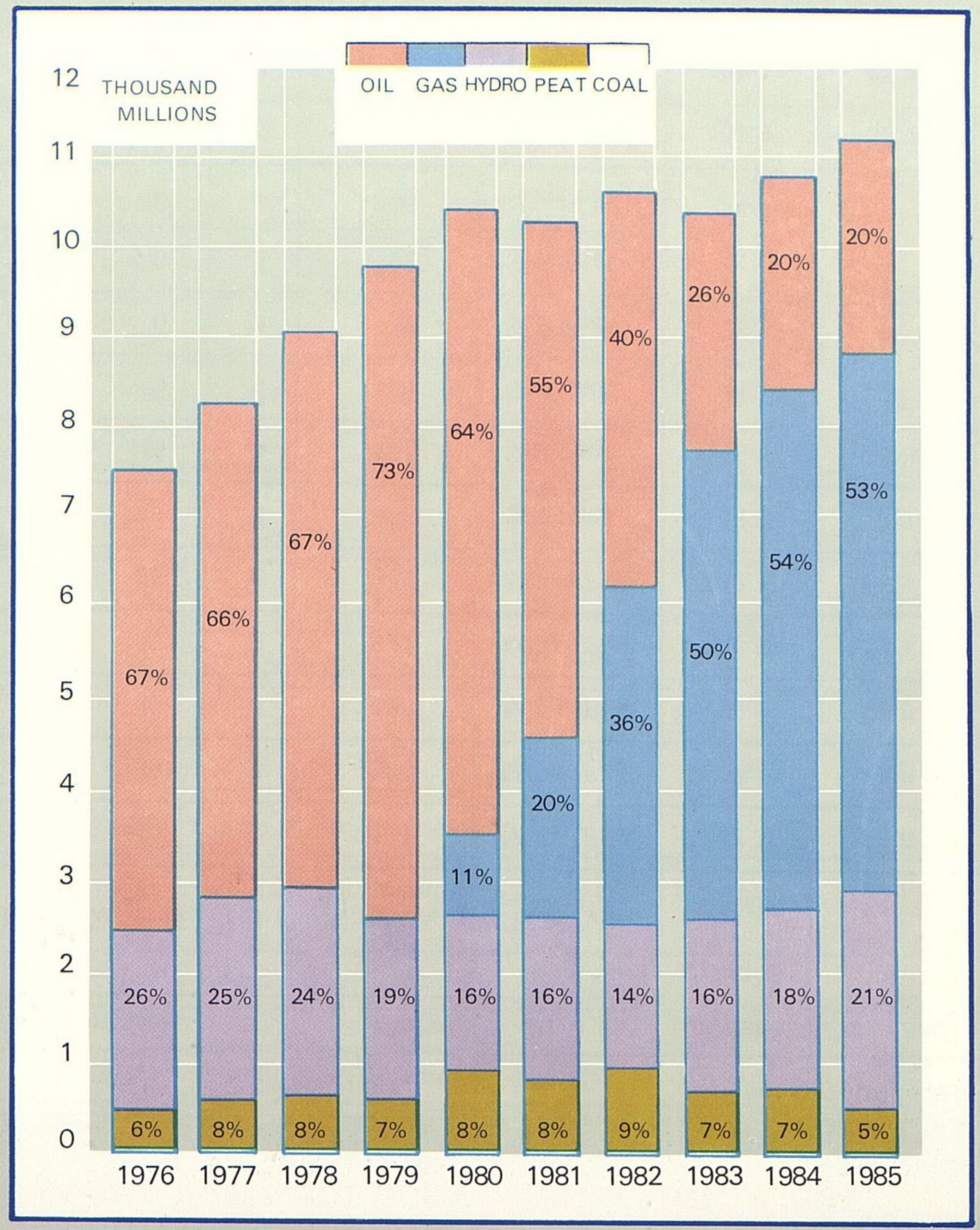
Steam Stations

Station	Location	Plant Particulars					Plant Performance for year ended 31/3/'85			
		Generating Sets		Boilers			Units sent out millions	Plant load factor %	Fuel cost per unit sent out (pence)	Works cost per unit sent out (pence)*
		No.	Total Capacity MW	No.	Total Capacity Tonne/hour	Fuel Type				
Bellacorick	Co. Mayo	2	40	2	191	Milled Peat	223.3	68.6	3.209	4.265
Ferbane A	Co. Offaly	3	60	3	300	Milled Peat	207.4	43.6	3.996	5.335
Ferbane B	Co. Offaly	1	30	1	130	Milled Peat	160.0	66.0	3.094	4.252
Shannonbridge	Co. Offaly	3	125	3	522	Milled Peat	565.5	56.7	3.034	3.748
Lanesboro	Co. Longford	2	85	2	349	Milled Peat	468.1	68.5	2.756	3.357
Portarlington	Co. Laois	1	12	3	205	Sod Peat	43.5	23.2	3.729	8.910
Allenwood	Co. Kildare	2	40	4	273	Sod Peat	115.5	35.6	3.239	5.416
Cahirciveen	Co. Kerry	1	5	1	28	Sod Peat	14.1	17.3	4.334	10.856
Gweedore	Co. Donegal	1	5	1	28	Sod Peat	9.1			
Miltown Malbay	Co. Clare	1	5	1	28	Sod Peat				
Screeb	Co. Galway	1	5	1	28	Sod Peat	3.7			
Rhode A	Co. Offaly	2	40	2	191	Milled Peat	102.9	32.1	3.708	5.614
Rhode B	Co. Offaly	1	40	1	173	Milled Peat	198.1	61.7	2.934	3.924

Excludes plant decommissioned as of the end of the year : Lanesboro 20MW, Portarlington 25MW.

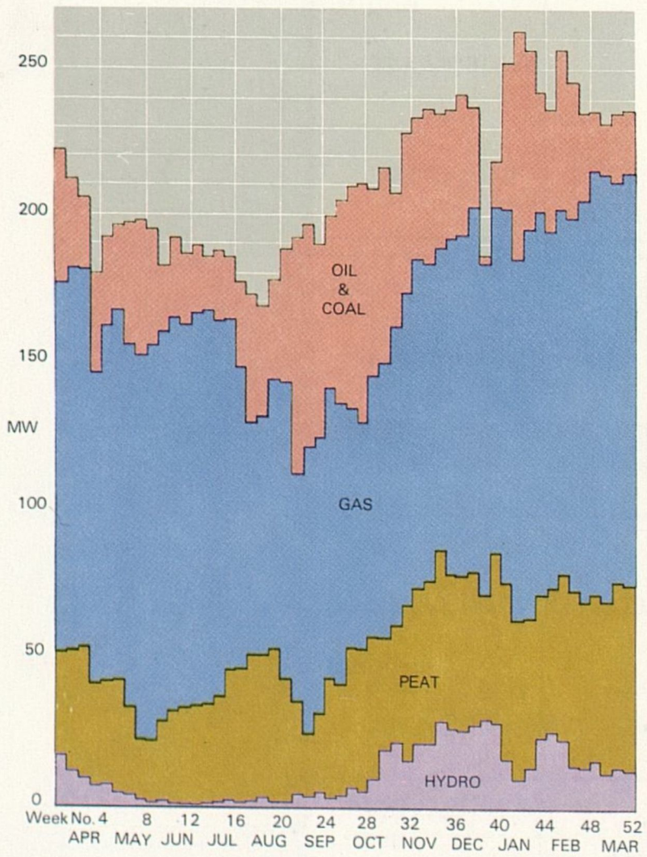
*Works cost per unit is affected by items such as load factor and load profile; the figures in this column cannot, therefore, be used directly for comparing station performances.

Energy Sources - Units Generated 1976 to 1985



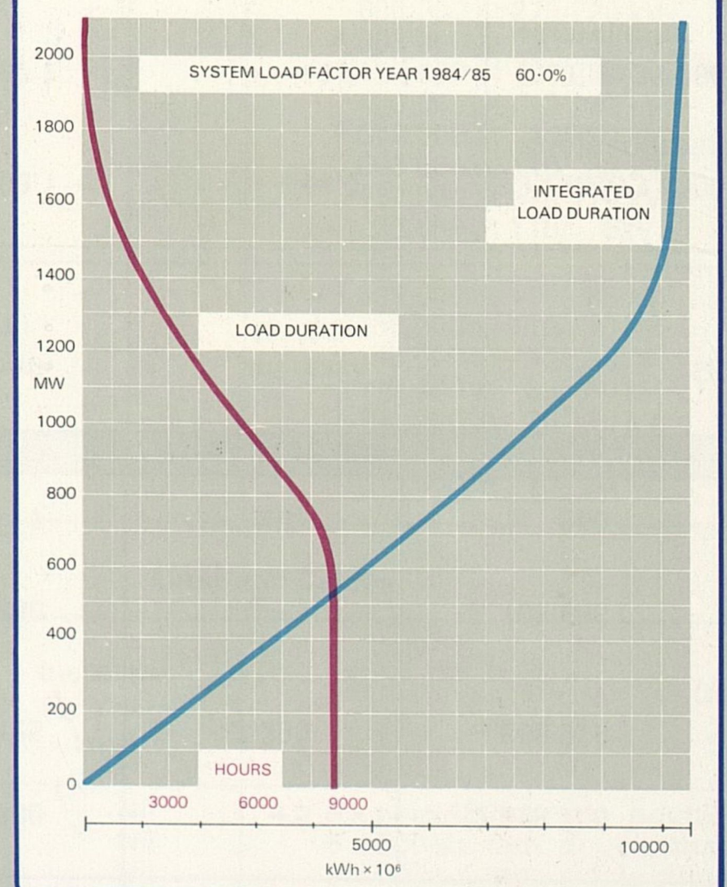
Appendix x

Weekly System Demand. 1984/'85



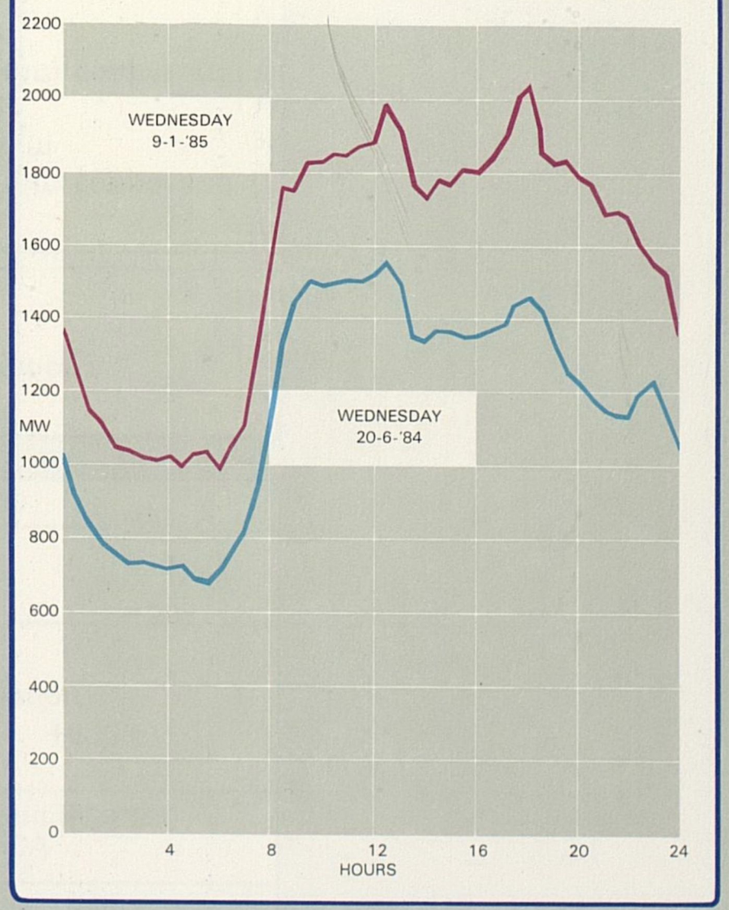
Appendix xi

System Load Duration and Integrated Load Duration Curves. 1984/'85



Appendix xii

System Daily Load Curves. 1984/'85



Distribution System in Commission at 31st March, 1985
(Including Rural Networks)

Stations

Transformer Stations	No. in Commission	Increase for Year	Total Capacity in kVA	Increase for Year in kVA
38kV Stations	380	+6	2,828,700	+36,200
10kV Stations (excl. U.R.D.)	125,125	+3,390	3,866,918	+132,677
10kV Stations U.R.D.	1,880	−1	108,636	−50
5kV Stations	7	Nil	900	Nil

Lines and Cables

Lines and Cables	Length km.	Increase for Year km.	Description
38kV Lines	5,593.1	+64.0	3 x 25 to 3 x 300 sq. mm. copper and single core aluminium
38kV Cables	297.7	+1.6	3 x 95 to 3 x 680 sq. mm. copper and aluminium
10kV Lines	74,610.4	+870.3	Single and three phase
10kV & 5kV Cables	3,187.9	+81.2	2 x 16 to 3 x 240 sq. mm. copper and aluminium
3.3kV Cables	3.7	Nil	3 x 185 sq. mm.

Transmission System at 31st March, 1985

Stations

Transformer/Switching Stations	No. in Commission	Increase for Year	Total Capacity in kVA	Increase in Capacity for Year in kVA
220 kV Stations	16	+ 1	600,000 at 275/220 kV 4,003,000 at 220/110 kV 1,180,000 at 20/220 kV 420,000 at 13/220 kV 1,072,000 at 10/220 kV 693,000 at 110/ 38 kV 412,000 at 10/110 kV 20,000 at 110/ 6kV	Nil + 500,000 Nil Nil Nil Nil Nil Nil
110 kV Stations	78	+ 2	3,009,000 at 110/ 38 kV 136,500 at 110/ 10 kV 40,000 at 110/ 6kV 112,400 at 38/ 10 kV 1,191,500 at 10/110 kV 88,000 at 10/38/110 kV 5,000 at 10/ 38 kV	+ 25,500 Nil Nil Nil Nil Nil Nil

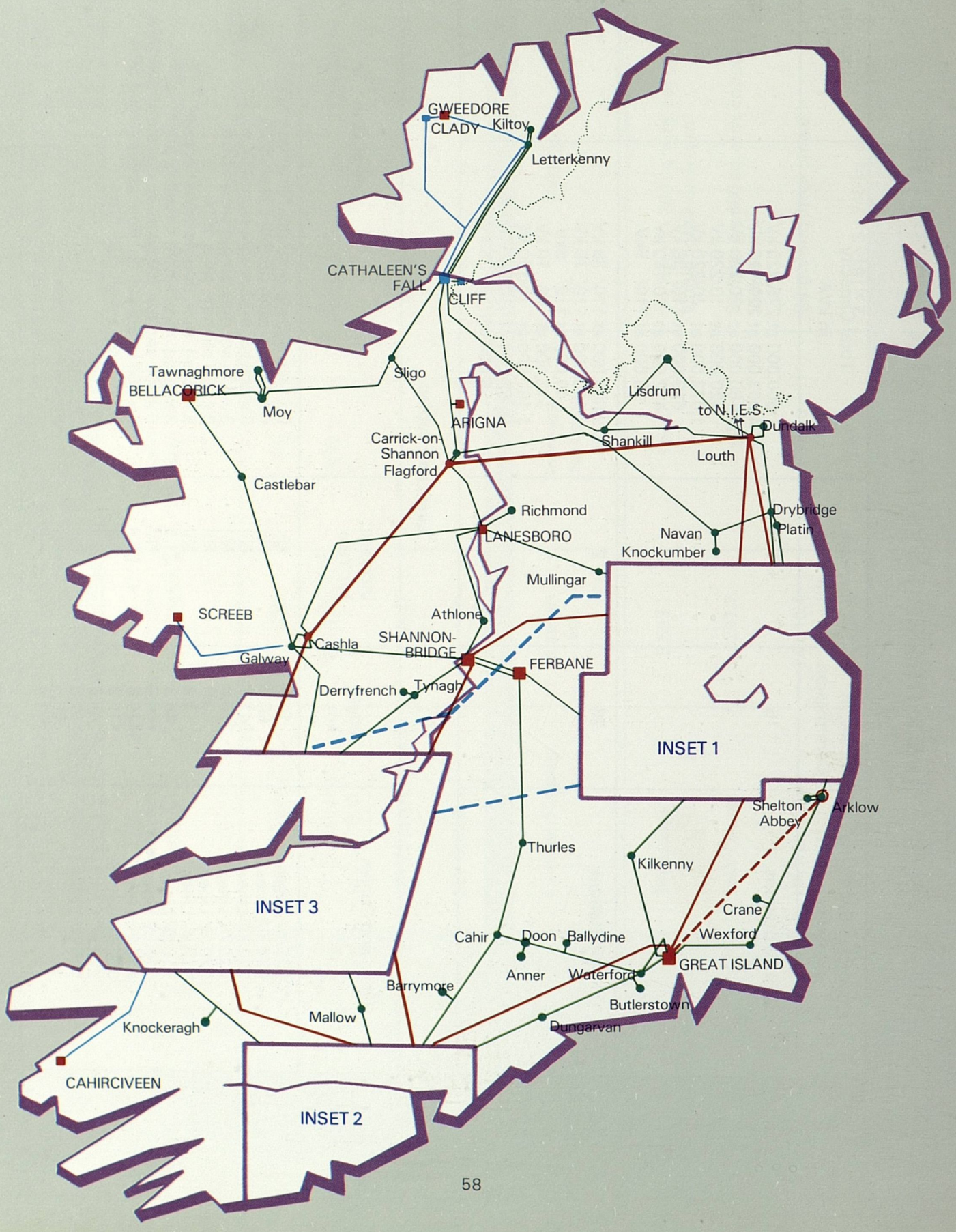
Lines and Cables

Lines and Cables	Length km.	Increase for Year km.	Description
275 kV Lines	10.5	Nil	6 x twin 485 sq. mm. double circuit SCA
220 kV Lines	68.0	Nil	6 x 600 sq. mm. double circuit SCA
220 kV Lines	1041.1	Nil	3 x 600 sq. mm. single circuit SCA
220 kV Lines	276.8	Nil	3 x 425 sq. mm. single circuit SCA
220 kV Lines	3.9	Nil	3 x 425 sq. mm. twin, SCA
110 kV Lines	1.8	Nil	6 x 95 sq. mm. double circuit copper
110 kV Lines	48.3	− 21.5	3 x 95 sq. mm. single circuit copper
110 kV Lines	109.6	Nil	6 x 200 and 6 x 300 sq. mm. double circuit SCA
110 kV Lines	3479.6	+ 62.8	3 x 200 to 3 x 425 sq. mm. single circuit SCA
220 kV Cables	19.2	Nil	High pressure oil pipe-type
220 kV Cables	44.3	Nil	Oil filled
110 kV Cables	43.8	+ 0.2	Oil filled
110 kV Cables	25.6	Nil	Pipe compression
110 kV Cables	1.6	+ 0.2	Cross-linked polyethylene

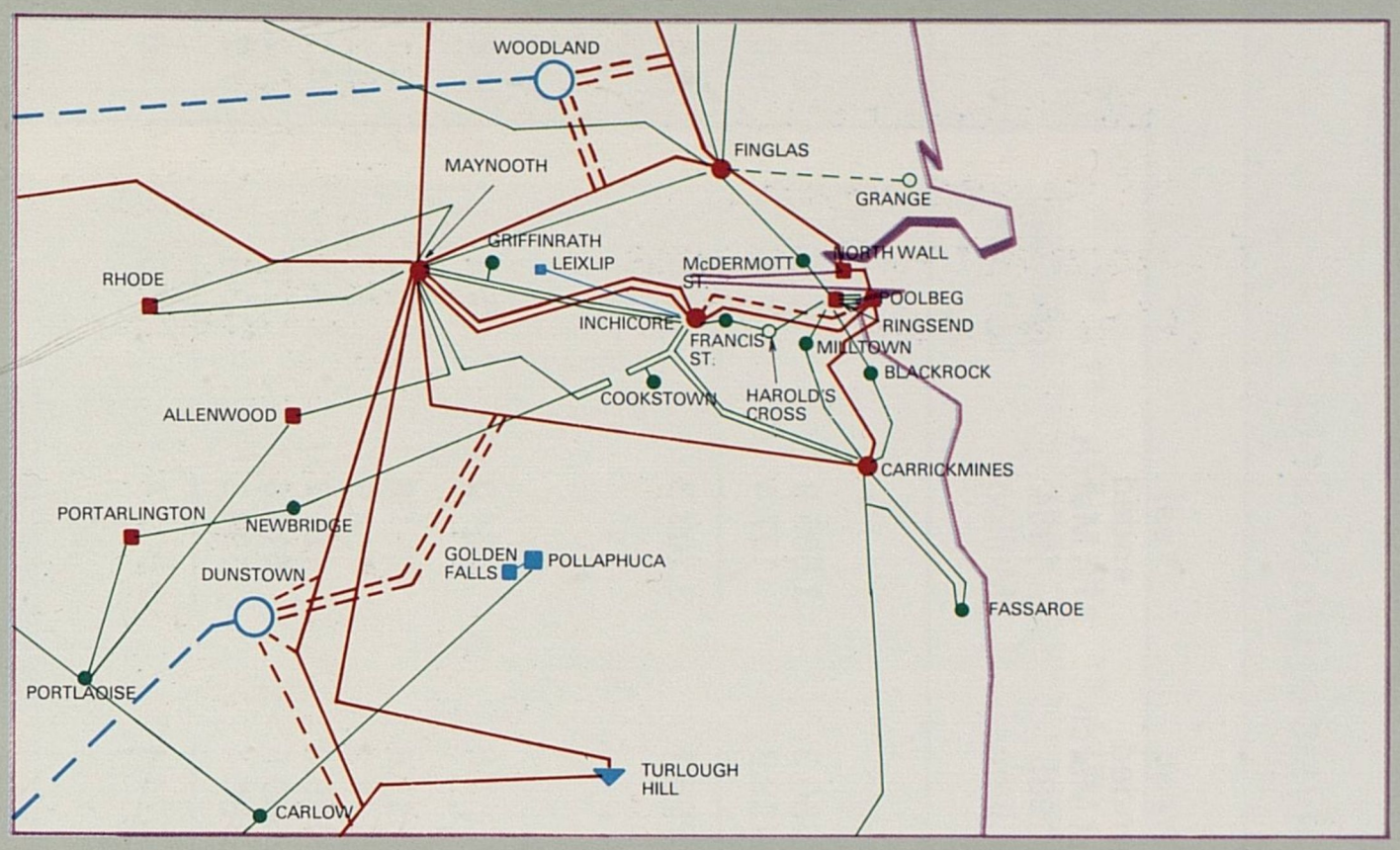
General outline of the

Generation and Transmission Systems 31st March, 1985

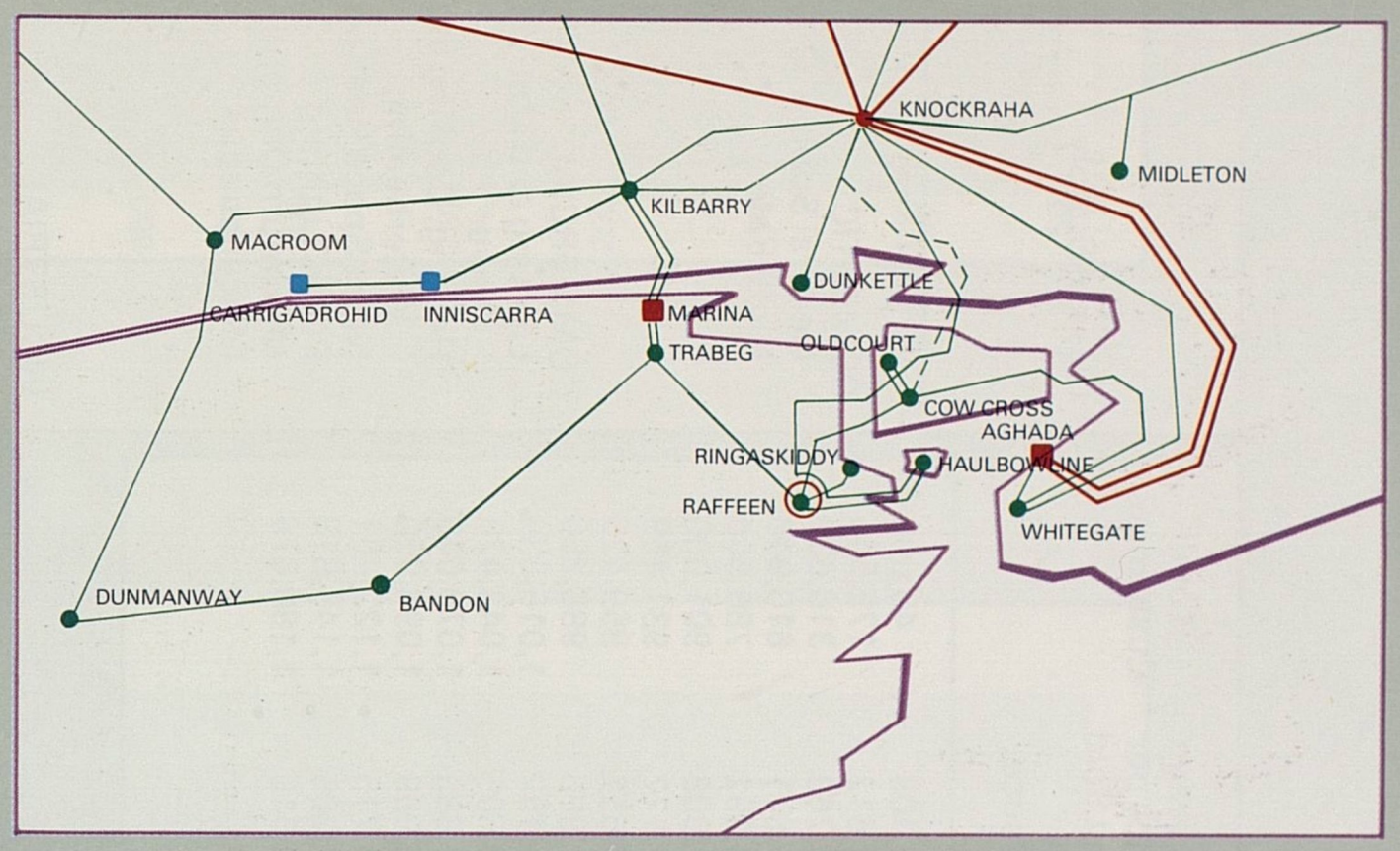
- Hydro Stations
- Steam Stations
- Steam Stations Projected
- Pumped Storage Station
- 400 kV Transformer Stations Projected
- 220 kV Transformer Stations
- 220 kV Transformer Stations Projected
- 110 kV Transformer Stations
- 110 kV Transformer Stations Projected
- 400 kV Lines Projected
- 220 kV Lines
- 220 kV Lines Projected
- 110 kV Lines
- 110 kV Lines Projected
- Other High Voltage Lines
- 275 kV Lines



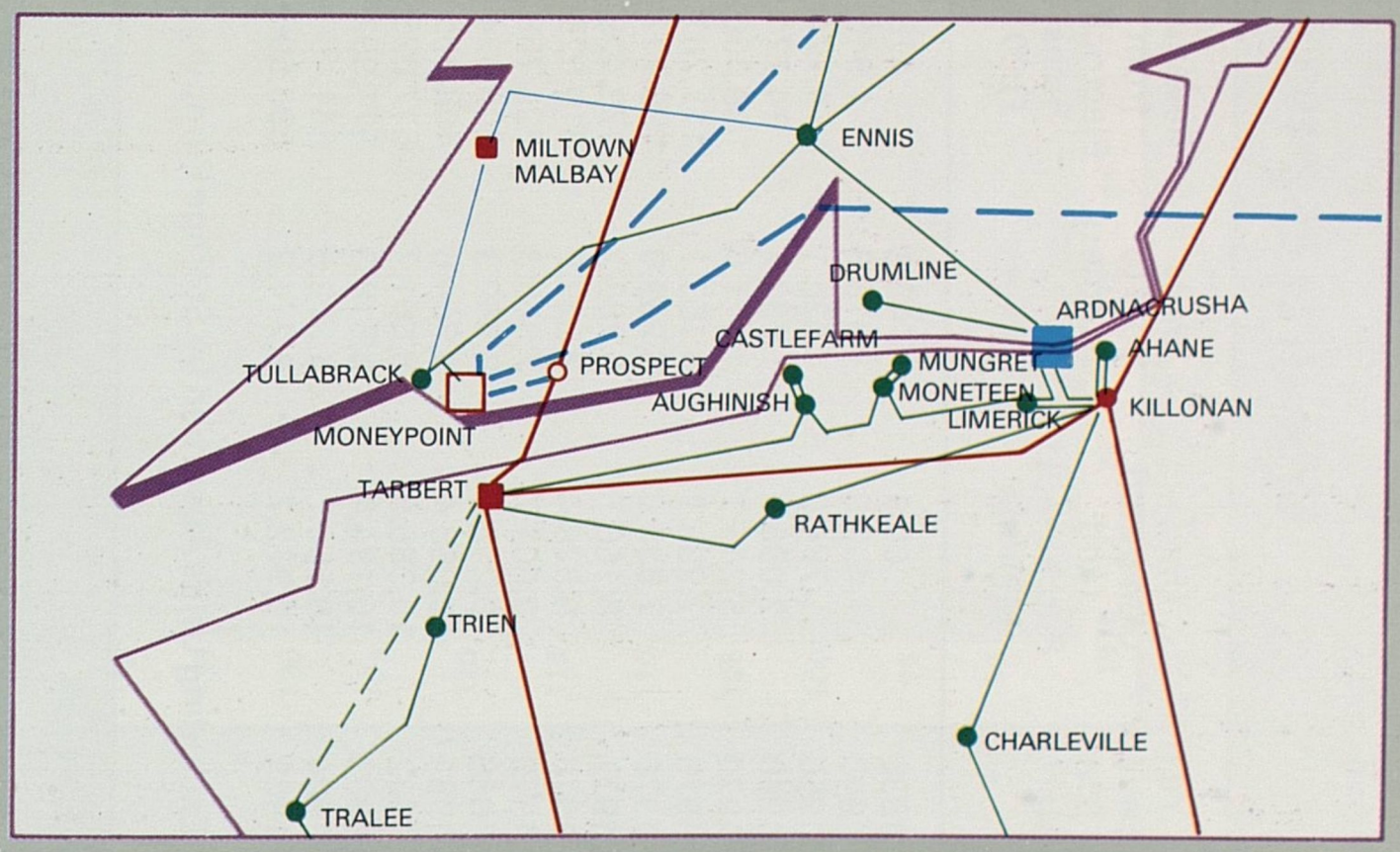
INSET 1



INSET 2



INSET 3



Appendix xvi

Growth of ESB 1930 -1985

Year Ended 31st March	Units Generated (and Purchased)* Millions	Units Sold to Customers Millions	Revenue from Electricity Sales £000	Average Price per Unit Sold Pence	Total Customers
1930	60.9	43.2	478	1.108	48,606
1940	407.0	318.6	1,946	0.612	172,545
1950	784.8	626.1	4,774	0.763	310,639
1960	2,096.0	1,692.2	14,724	0.871	610,946
1970	5,245.7	4,411.6	39,400	0.892	786,500
1975	7,298.7	6,153.1	111,261	1.808	901,000
1976	7,534.6	6,259.0	136,277	2.177	931,469
1977	8,160.5	6,783.2	173,429	2.557	959,428
1978	8,828.4	7,329.9	210,029	2.865	986,256
1979	9,602.7	7,965.3	222,768	2.797	1,015,636
1980	10,213.6	8,560.3	300,024	3.505	1,043,428
1981	10,038.4	8,364.6	408,965	4.889	1,070,049
1982	10,385.9	8,661.7	517,029	5.969	1,096,950
1983	10,194.4	8,518.3	571,992	6.715	1,122,461
1984	10,559.2	8,903.5	641,460	7.205	1,145,818
1985	10,972.7	9,274.2	696,506	7.510	1,168,679

*Excluding Units Absorbed by Storage Pumping

Appendix xvii

System Load Factor Percentage

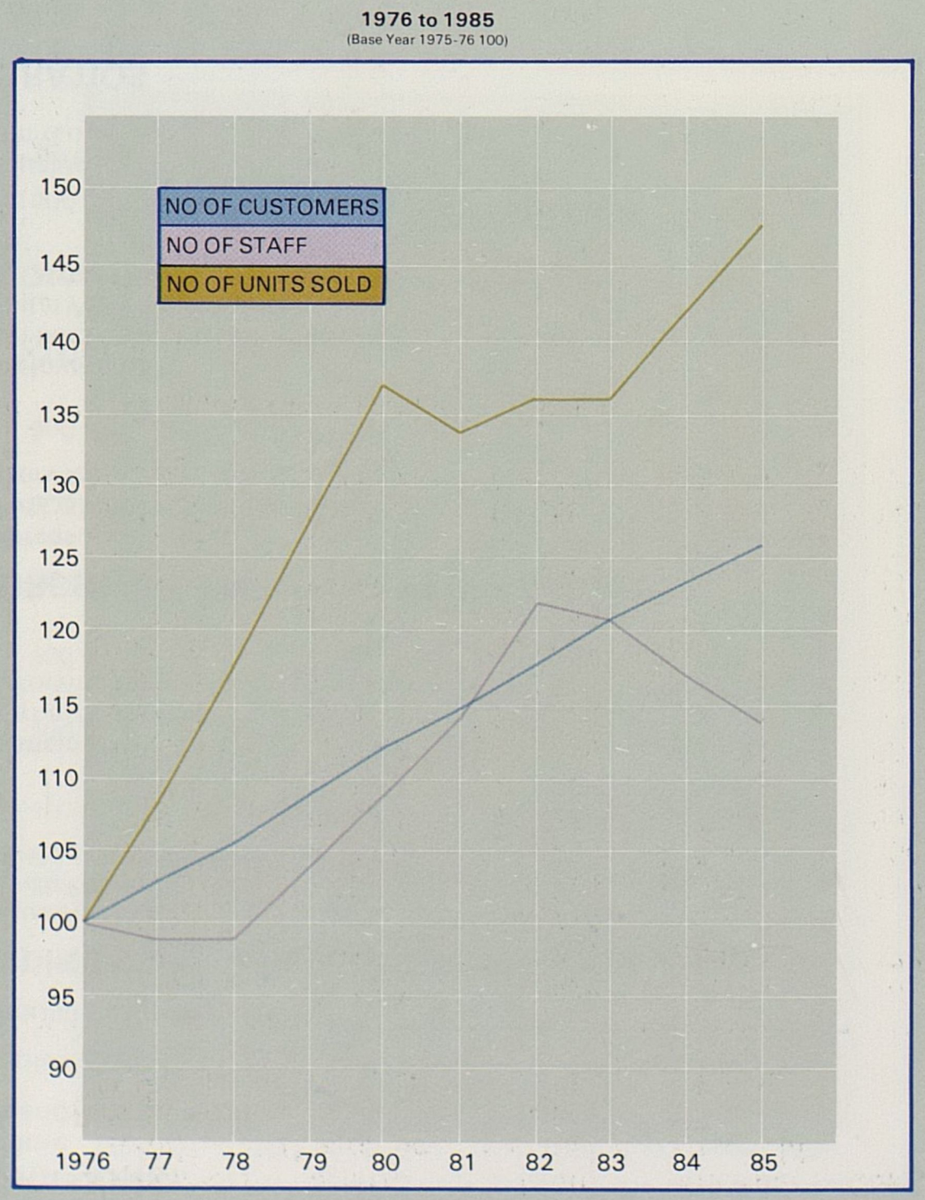
1976	57.1	1981	60.7
1977	57.1	1982	58.3
1978	56.1	1983	60.6
1979	56.8	1984	60.6
1980	59.3	1985	60.0

Appendix xviii

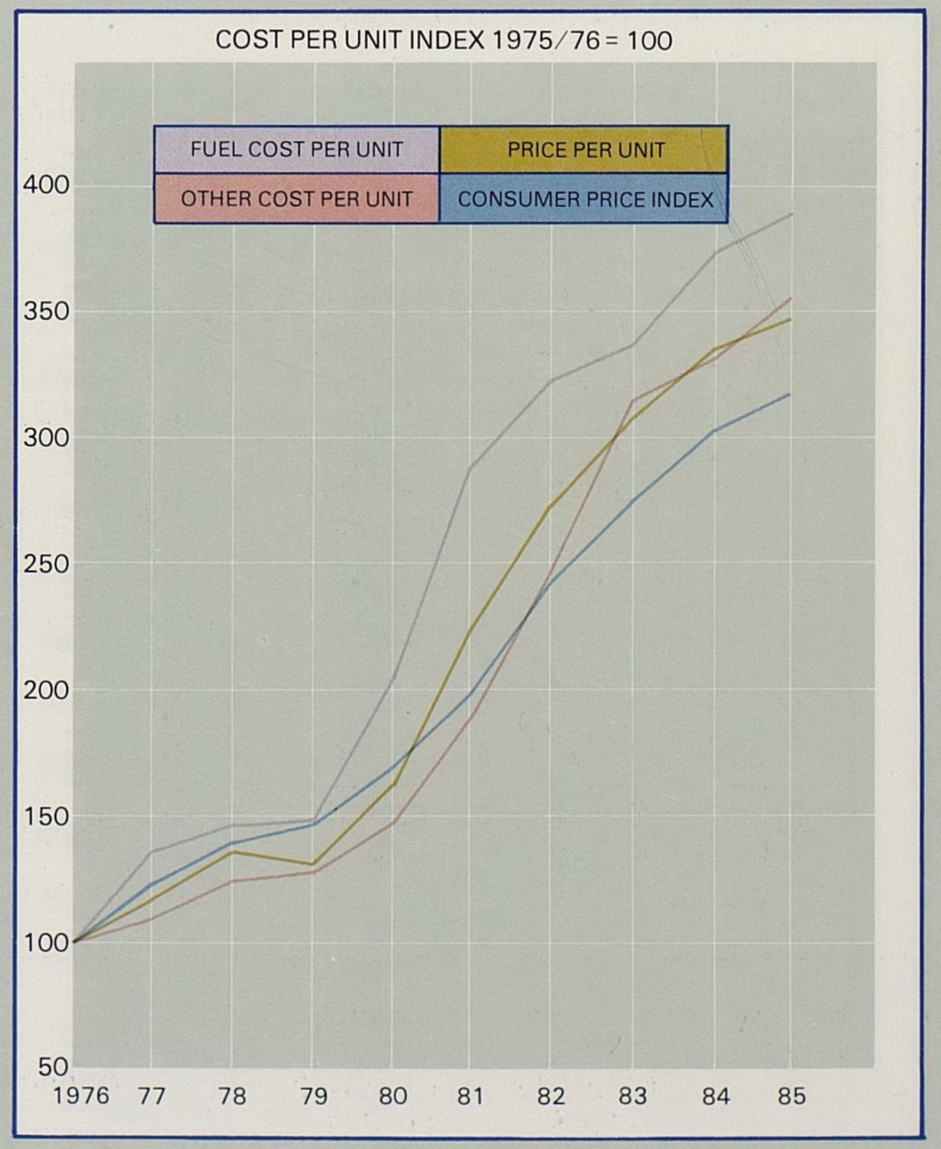
Analysis of Units Sold

Class of Supply	Year ended 31st March 1985 Millions	Year ended 31st March 1984 Millions	Increase Millions	% Increase
DOMESTIC				
General Supply	3,656.3	3,565.9	90.4	2.5
Night Rate	138.8	137.4	1.4	1.0
	3,795.1	3,703.3	91.8	2.5
COMMERCIAL				
Lighting and Motive Power	559.8	534.0	25.8	4.8
Heating, Cooking and Waterheating	351.6	351.8	– 0.2	– 0.1
Night Space Heating	175.8	183.5	– 7.7	– 4.2
Public Lighting	126.3	121.2	5.1	4.2
Maximum Demand	680.5	617.6	62.9	10.2
Miscellaneous	180.4	194.3	– 13.9	– 7.2
	2,074.4	2,002.4	72.0	3.6
INDUSTRIAL				
Maximum Demand				
High Tension	2,543.1	2,342.4	200.7	8.6
Low Tension	744.4	739.7	4.7	0.6
Miscellaneous	117.2	115.7	1.5	1.3
	3,404.7	3,197.8	206.9	6.5
TOTAL	9,274.2	8,903.5	370.7	4.2

Growth of ESB 1976 to 1985



Unit Price Indices 1976 to '85 (Base Year 1975/76 100)

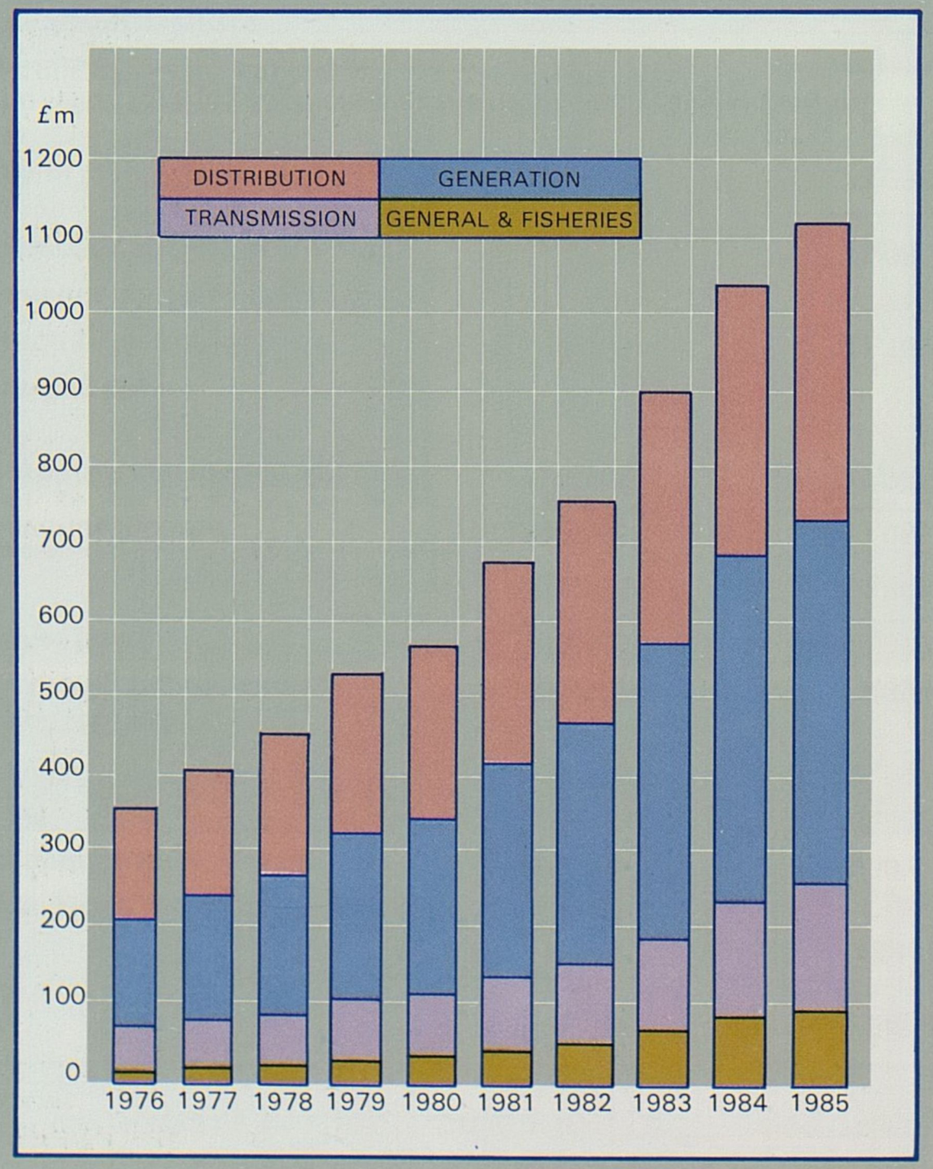


5-Year Summary—Financial Statistics and Key Ratios

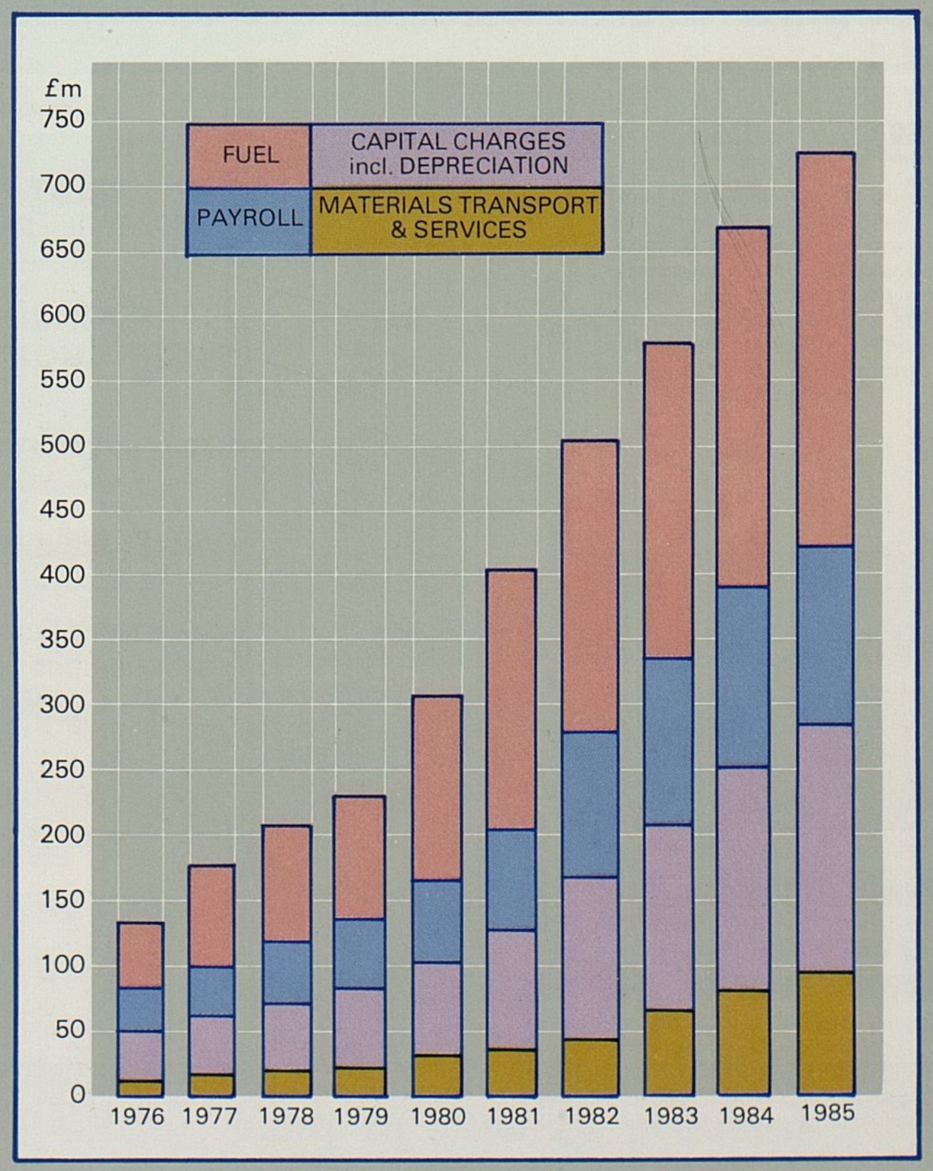
(On Historical Cost Accounting Basis)

	1980/'81 £m.	1981/'82 £m.	1982/'83 £m.	1983/'84 £m.	1984/'85 £m.
FINANCIAL STATISTICS					
OPERATIONS:					
Income	425	538	598	669	727
Expenditure	419	532	604	692	754
Surplus/(Deficit)	6	6	(6)	(23)	(27)
Cumulative Surplus/(Deficit)	(14)	(8)	(14)	(37)	(64)
FUNDING CAPITAL DEVELOPMENT PROGRAMME:					
Requirements:					
Capital Expenditure	151	210	241	227	240
Working Capital Movement	46	(4)	(14)	(34)	(32)
	197	206	227	193	208
Financing:					
Internal Resources	46	54	49	35	40
Borrowings	151	152	178	158	168
	197	206	227	193	208
SOURCES AND EMPLOYMENT OF CAPITAL:					
Sources:					
*Debt Liabilities Outstanding	601	750	916	1052	1179
Reserves	171	195	215	226	255
	772	945	1131	1278	1434
Employment:					
Net Fixed Assets in Commission	446	500	608	704	739
Capital Work-in-Progress	164	287	380	465	618
Net Current Assets	162	158	143	109	77
	772	945	1131	1278	1434
*Inclusive of Cumulative Currency Gain/(Loss)	(67)	(109)	(147)	(188)	(200)
KEY RATIOS					
Return on Average Net Assets (%)	10.3	11.6	9.9	9.0	8.9
Debt/Net Assets (%)	78.0	79.0	81.0	82.0	82.0
Current Ratio (Times)	2.3	2.1	1.9	1.5	1.4
Interest Cover (Times) (excl. interest Capitalised)	1.8	1.8	1.7	1.5	1.5
Foreign/Total Borrowings (%)	71.0	75.0	76.0	77.0	72.0
Internal Resources/Cap. Expenditure (%)	30.0	26.0	20.0	16.0	17.0
Average Electricity Credit Period (Days from Date Billed)	33.0	26.5	26.2	26.0	27.3

Cumulative Investment in Fixed Assets



Revenue Expenditure 1976 to 1985



Summary of Electricity and Trading Figures

	Year Ended 31st March, 1985	Year Ended 31st March, 1984
Electricity		
Expenditure:	£000's	£000's
Fuel	303,013	279,467
Payroll	138,551	134,897
Capital Charges including Depreciation	193,527	171,399
Other Costs	89,433	79,077
	724,524	664,840
Revenue Income	698,386	643,055
Surplus/(Deficit) (Sch. A)	(26,138)	(21,785)
Trading etc.		
Trading Results (Sch. B)	(1,155)	(1,169)
Consultancy Result (Sch. C)	748	745
Expenses on New Borrowings	(473)	(1,089)
Result for all Activities	(27,018)	(23,298)

The result for the year increases the total deficit carried forward to 1985/86 to £64,449,000.

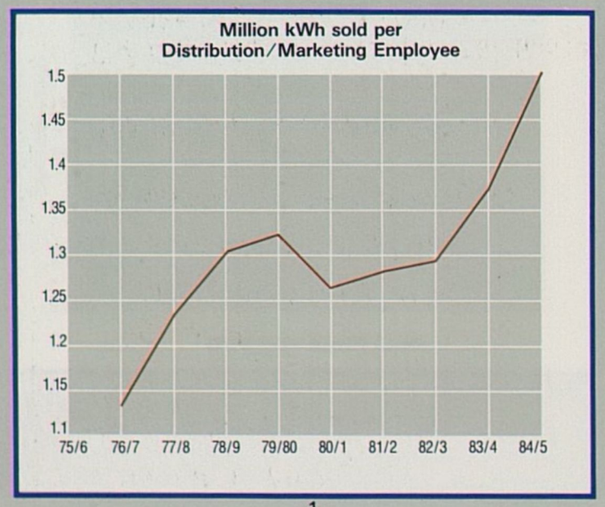
ESB Input to Ireland's Economy

Fuel:	1981/82 £ millions	1982/83 £ millions	1983/84 £ millions	1984/85 £ millions
Natural Gas, Peat, Oil, Native Coal	97	150	199	201
Irish Suppliers of Goods and Services including Capital Work	107	115	111	120
Government Tax on Oil	16	10	9	9
Rates Levy and Local Rates	1	17	23	25
Payroll Costs including Capital Projects	159	186	194	203
Interest paid to Irish Lenders & Stockholders	22	27	34	39
	402	505	570	597

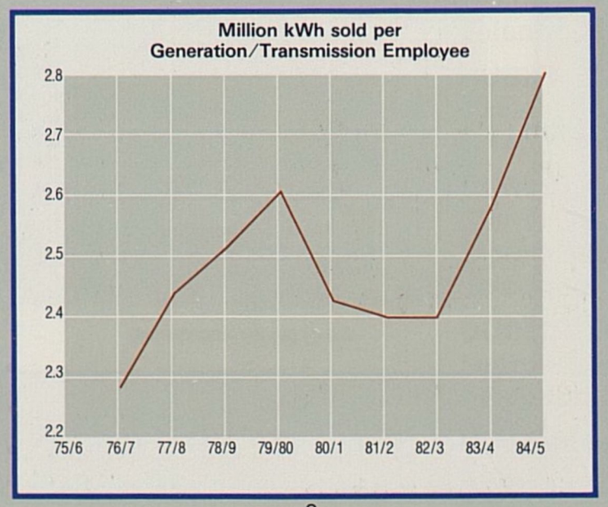
Performance Indicators – Trends

This graphic summary highlights steady progress on the Board's corporate objective of price improvement.

Employee Indicators



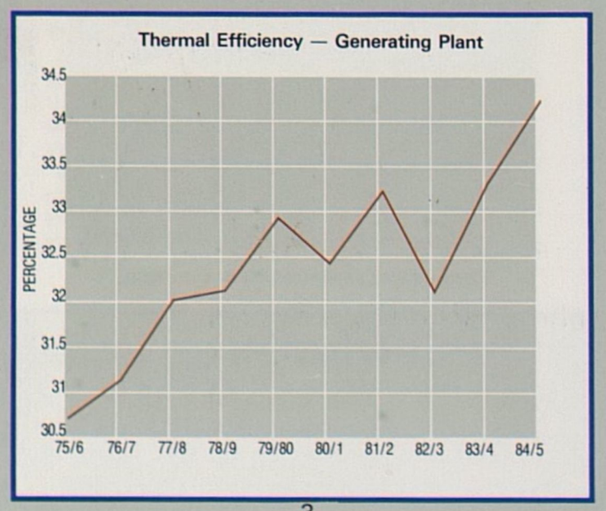
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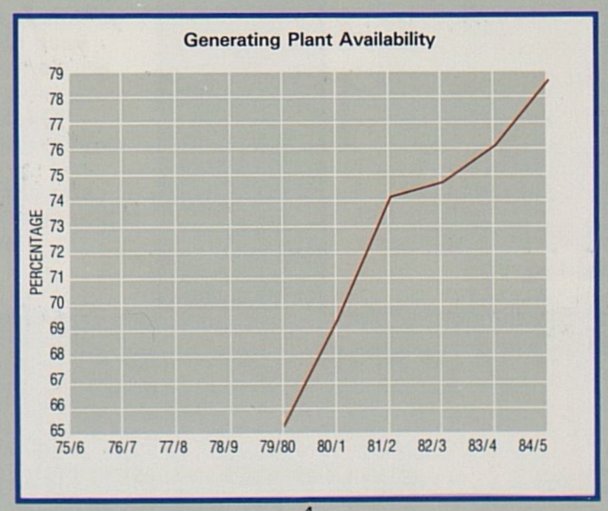
2

These graphs show the improving trend in sales per employee. Although this was temporarily interrupted during the years of the recession, over the full 8-year period sales increased by 33% per Distribution/Marketing employee and by 22% per Generation/Transmission employee.

Generating Plant Efficiency



3

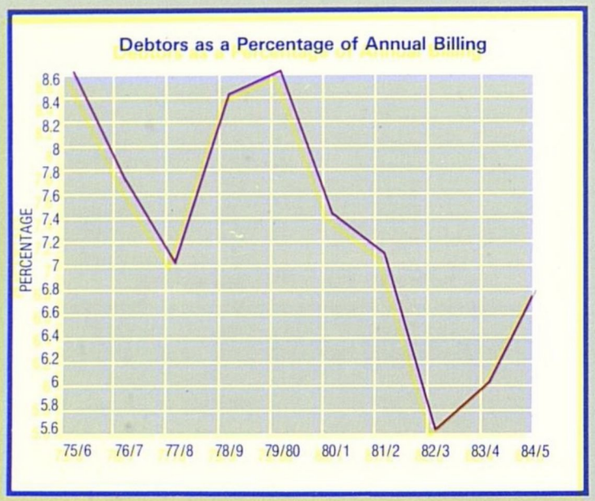


4

Thermal Efficiency shows the efficiency at which primary fuels are converted into electricity. This has shown steady improvement over the years and at 34.2% compares favourably with utilities worldwide.
The availability of plant, particularly high merit plant, to produce electricity when required by the National Control Centre, is critical to the task of supplying electricity at minimum cost. The high level of overall availability now being achieved is aided by some exceptional performance by individual stations such as Aghada at 87.3% and Marina Combined Cycle at 96.5%.

Performance Indicators – Trends

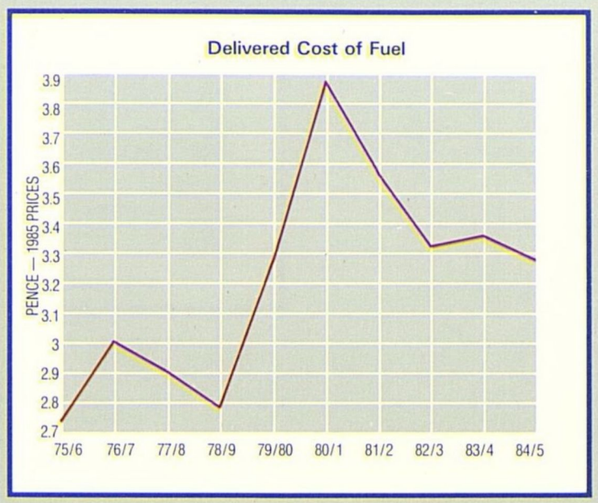
Debtor Management



5

Although there are considerable variations in the level of debtors there has been a long-term improvement even in years of economic difficulties. This has resulted from concentrated efforts by the Board to encourage early payment by the provision of a variety of payment systems suited to customer needs and through the positive inducement of the WinElectric Scheme.

Cost of Fuel



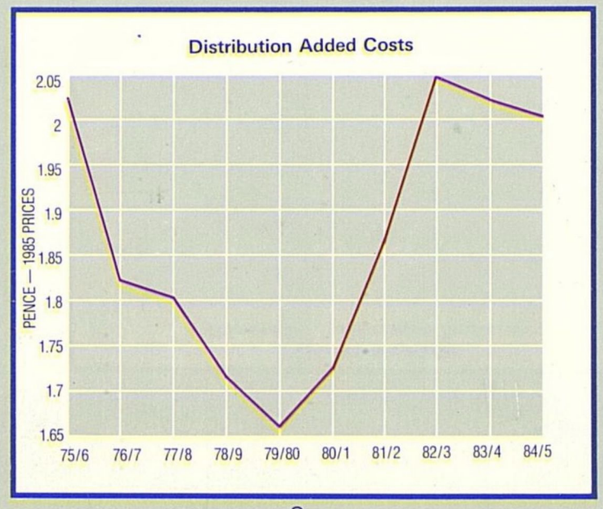
6

Fuel costs, which had begun to improve after the first oil crisis of 1973/74, rose dramatically in the two years following the second oil crisis of 1979, when the average cost of imported and native fuel increased by 40% in real terms. The past four years has shown some welcome improvement.

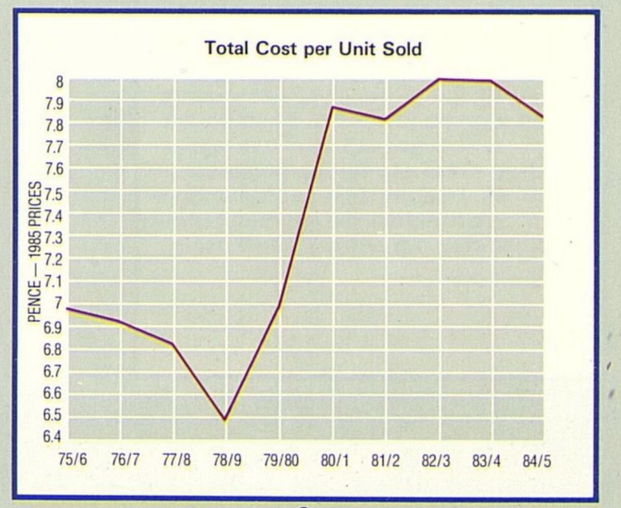
The Cost of Electricity



7



8



9

Many of the cost factors in electricity production and distribution are fixed in the short term.
These three graphs show the dramatic effect on electricity costs by the recession and the second oil crisis, with its associated stagnation on electricity demand.
The welcome recovery in demand, coupled with the impact of the Board's cost reduction programme initiated in its 5-Year Strategic Plan, have begun the process of reducing the cost of electricity in real terms as shown in Chart 9.

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