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MAINPOWER NEW ZEALAND LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

MAINPOWER NEW ZEALAND LTD**Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2004****Statement of Accounting Policies Specific to MainPower's Lines Business Activities**Reporting Entity

MainPower New Zealand Limited is a company registered under the Companies Act 1993.

The financial statements have been prepared in accordance with, and for the purposes of, complying with the requirements of the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

MainPower New Zealand Limited is a reporting entity for the purposes of the Financial Reporting Act 1993.

Special Purpose Financial Statements

These financial statements have been prepared for the specific purpose of complying with the requirements of the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

Allocations of the costs, revenues, assets and liabilities of the Company have been made in accordance with the mandatory methodology as required by the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

This approach defines the line business as the company's core business, and makes an assessment of the costs, revenues, assets and liabilities that would be avoided by the line business if all non-core businesses were to cease operation. The costs, revenues, assets and liabilities that would be avoided are allocated to those non-core businesses. Costs, revenues, assets and liabilities that would not be avoided are allocated to the line business.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis, modified by the revaluation of certain fixed assets, have been followed.

Accounting Policies

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

1.1 Fixed Assets and Depreciation

All fixed assets are initially recorded at cost. Distribution assets are subsequently revalued on an Optimised Deprival Valuation (ODV) basis and are revalued at least once every three years.

Distribution assets were revalued by PricewaterhouseCoopers on an Optimised Deprival Valuation (ODV) basis as at 31 March 2004.

Depreciation is provided on all tangible fixed assets at rates that will allocate the assets' cost or valuation, to their residual values, over their estimated useful lives. All other assets are depreciated on a diminishing value basis.

Depreciation rates for major classes of assets used in the preparation of the financial statements are based on periods not exceeding:

Distribution System	-	70 years
Motor Vehicles	-	5 years
Plant and Equipment	-	14 years
Office Furniture and Equipment	-	10 years

The electricity distribution system economic lives have been set consistent with the Ministry of Economic Development's ODV Handbook. The economic lives range from 15 – 70 years for the different components of the distribution system.

Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

MAINPOWER NEW ZEALAND LTD**Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2004****1.2 Income Tax**

The income tax expense charged to the Statement of Financial Performance includes the current year's provision after allowing for permanent differences. Deferred taxation is determined on a partial basis using the liability method. Deferred tax assets attributable to timing differences or tax losses are only recognised if there is virtual certainty of realisation.

1.3 Goods and Services Tax

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which include GST invoiced.

1.4 Allocation of Costs, Revenues, Assets and Liabilities

The allocation of costs, revenues, assets and liabilities are in accordance with Requirement 6 of the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, pursuant to Part 4A of the Commerce Act 1986.

1.5 Business Accounting Separation**Lines Business**

The Lines business provides and maintains the electricity distribution network throughout the North Canterbury and Kaikoura regions.

1.6 Rebate Shares**i) Redemption**

Rebate Shares are only held by Qualifying Customers and the Trustees of the MainPower Trust. They are not transferable and are subject to compulsory redemption at a nominal value of ten (10) cents when a person ceases to be a Qualifying Customer of MainPower.

ii) Rebates

The Rebate Share entitles a Qualifying Customer to a rebate of fixed and variable distribution line charges. The accumulated rebate paid to Qualifying Customers is disclosed separately in the Statement of Financial Performance.

1.7 Capital Contributions

Where Distribution System network assets are gifted to MainPower in recognition of MainPower accepting responsibility for the continued maintenance of those assets, MainPower recognises the gift as income and treats the asset as an addition to the company's asset base.

1.8 Changes in Accounting Policies

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

Note:

The Statement of Financial Performance, Statement of Financial Position and supporting notes for the financial year ended 31 March 2003 excludes the financial performance applicable to the Kaiapoi Electricity Network. Disclosure of the Statement of Financial Performance, Statement of Financial Position and supporting notes for the financial year ended 31 March 2004 includes the financial performance of the Kaiapoi Electricity Network.

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Financial Performance
For The Year Ended 31 March 2004**

	Note	2004 \$000	2003 \$000
Operating Revenue	1a	28,950	26,626
Operating Expenditure	1b	(22,978)	(20,904)
Operating Surplus Before Interest & Taxation		5,972	5,722
Interest Expense		-	-
Taxation	1c	(1,181)	(1,321)
Operating Surplus After Taxation		4,791	4,401
Net Surplus After Taxation	4	4,791	4,401

**Lines Business Statement of Movements in Equity
for the Year Ended 31 March 2004**

	Note	2004 \$000	2003 \$000
Equity at Start of the Year		95,540	95,717
Net Surplus	4	4,791	4,401
Increase/(Decrease) in Asset Revaluation Reserve		19,165	(4,578)
Total Recognised Revenues and Expenses		23,956	(177)
Equity at the End of the Year		119,496	95,540

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Financial Position
As At 31 March 2004**

	Note	2004 \$000	2003 \$000
Equity			
Share Capital	2	23,411	23,411
Reserves	3	78,975	59,810
Retained Earnings	4	17,110	12,319
Total Shareholders' Equity		119,496	95,540
Minority Interests in Subsidiaries		-	-
Total Equity		119,496	95,540
Capital Notes		-	-
Total Capital Funds		119,496	95,540
Non Current Liabilities	10	144	90
Current Liabilities			
Accounts Payable and Accruals	9	1,820	1,759
Total Equity and Liabilities		121,460	97,389
Non Current Assets			
Fixed Assets	5	112,844	90,343
Total Non Current Assets		112,844	90,343
Current Assets			
Bank and Short term deposits		7,373	5,260
Short Term Investments		-	-
Receivables and Prepayments	6	1,243	1,786
Inventory		-	-
Other Current Assets		-	-
Total Current Assets		8,616	7,046
Other Tangible Assets	7	-	-
Total Tangible Assets		121,460	97,389
Intangible Assets	8	-	-
Total Assets		121,460	97,389

MAINPOWER NEW ZEALAND LTD
Lines Business Statement of Cash Flows
For The Year Ended 31 March 2004

	2004	2003
	\$000	\$000
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from Customers	19,004	16,996
Interest Received	379	284
	19,383	17,280
Cash was disbursed to:		
Payments to Suppliers and Employees	(10,957)	(11,370)
Income Taxes Paid	(2,055)	(895)
Interest Paid	-	-
	(13,012)	(12,265)
Net Cash Inflow from Operating Activities	12	5,015
Cash Flows from Investing Activities		
Cash was provided from:		
Sale of Fixed Assets	6	15
Cash was Applied to:		
Purchase of Fixed Assets	(4,264)	(4,682)
Net Cash Outflow from Investing Activities	(4,258)	(4,667)
Cash Flows from Financing Activities		
Cash was Applied to:		
Dividend Paid to Other Business Activities	-	-
Repayment Loans	-	-
Net Cash Outflow from Financing Activities	-	-
 SUMMARY		
Inflow from Operating Activities	6,371	5,015
Outflow from Investing Activities	(4,258)	(4,667)
Outflow from Financing Activities	-	-
Net Increase in Cash Holdings	2,113	348
 Add Opening Bank and Short Term Deposits	 5,260	 4,912
Closing Bank and Short Term Deposits	7,373	5,260

MAINPOWER NEW ZEALAND LTD

Lines Business

Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2004

1a	Operating Revenue	2004 \$000	2003 \$000
	Line Charges	24,451	22,988
	A C Loss Rental Rebates	608	474
	Interest	379	284
	Revenue from "Other" Business	-	-
	Other Operating Revenue	3,512	2,880
	Total Operating Revenue	28,950	26,626
1b	Operating Expenditure		
	Transmission Charges	6,290	5,493
	Transfer Payments		
	Asset Maintenance	2,358	2,229
	Consumer Disconnection	-	-
	Metering	1	4
	Load Control	20	30
	Royalty and Patents	-	-
	Avoid Transmission Charges	-	-
	Other	-	-
	Total Transfer Payments	2,379	2,263
	Non Related Parties		
	Asset Maintenance	59	9
	Consumer Disconnection	-	-
	Metering	-	-
	Load Control	-	-
	Royalty and Patents	-	-
	Total Specified Expenses to Non Related Parties	59	9
	Salaries, Wages and Redundancies	1,202	1,176
	Consumer Billing and Information System	147	152
	Depreciation		
	System Assets	4,196	3,895
	Other	231	244
	Total Depreciation	4,427	4,139
	Amortisation		
	Goodwill	-	-
	Other Intangibles	-	-
	Total Amortisation	-	-
	Corporate and Administration	568	495
	Human Resources Expenses	351	241
	Marketing and Advertising	87	13
	Merger and Acquisition Expenses	-	-
	Takeover Defence Expenses	-	-
	Research and Development Expenses	-	-
	Consultancy and Legal Expenses	113	81
	Donations	-	-
	Directors Fees	146	123

MAINPOWER NEW ZEALAND LTD

Lines Business

Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2004

1b	Operating Expenditure (continued)	2004 \$000	2003 \$000
	Auditors Fees		
	Principal Auditors	27	20
	Other Auditors	-	-
	Other Audit Services	-	-
	<u>Total Auditors Fees</u>	<u>27</u>	<u>20</u>
	Cost of Credit		
	Bad Debts Written Off	15	2
	Doubtful Debts	-	-
	<u>Total Cost of Offering Credit</u>	<u>15</u>	<u>2</u>
	Local Authority Rates	125	95
	AC Loss – Rental Rebates	-	-
	Rebates to Consumers Due to Ownership Interest	6,545	6,561
	Subvention Payments	-	-
	Unusual Expenses	371	-
	Other Expenditure	126	41
	<u>Total Operating Expenditure</u>	<u>22,978</u>	<u>20,904</u>
	Operating Surplus Before Interest and Income Tax	5,972	5,722
	Interest Expense		
	Interest Expense on Borrowings	-	-
	Finance Leases	-	-
	Other	-	-
	<u>Total Interest Expense</u>	<u>-</u>	<u>-</u>
	Operating Surplus Before Income Tax	5,972	5,722
	Income Tax	1,181	1,321
	<u>Net Surplus After Taxation</u>	<u>4,791</u>	<u>4,401</u>
1c	Taxation		
	<u>Operating Surplus Before Taxation</u>	<u>5,972</u>	<u>5,722</u>
	Prima Facie Taxation @ 33 cents	1,971	1,888
	Movement in Income Tax Due to		
	Permanent Differences	(25)	(769)
	Taxation Relating to Previous Periods	-	-
	Timing Differences Not Recognised	(765)	202
	Deferred Tax Adjustment	-	-
	<u>Total Taxation Expense per Statement of Financial Performance</u>	<u>1,181</u>	<u>1,321</u>
	The Taxation Charge is Represented by:		
	Current Taxation	1,181	1,321
	Deferred Taxation	-	-
	<u>Total Taxation Expense per Statement of Financial Performance</u>	<u>1,181</u>	<u>1,321</u>
2.	Share Capital		
	Issued and Fully Paid Capital		
	Ordinary Shares	23,406	23,406
	Redeemable Preference Shares	5	5
	<u>Total Issued Capital</u>	<u>23,411</u>	<u>23,411</u>
	Share Capital Movements		
	Opening Balance	23,411	23,411
	<u>Total Issued Capital</u>	<u>23,411</u>	<u>23,411</u>

MAINPOWER NEW ZEALAND LTD

Lines Business

Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2004

	2004 \$000	2003 \$000
3. Reserves		
Company Establishment Reserve		
Balance at 31 March	4,647	4,647
Asset Revaluation Reserve		
Opening Balance	55,163	59,741
Revaluation Distribution System	19,165	(4,578)
Closing Balance	74,328	55,163
Total Reserves	78,975	59,810
The Company Establishment Reserve represents the difference between the issued and paid up capital and the net assets vested in the Company from the former North Canterbury Electric Power Board at 1 May 1993.		
4. Retained Earnings		
Opening Balance	12,319	7,918
Net Surplus	4,791	4,401
Total Retained Earnings	17,110	12,319
5. Fixed Assets		
Distribution System	110,196	88,882
Accumulated Depreciation	-	-
	110,196	88,882
Load Control Equipment	1,873	744
Accumulated Depreciation	-	-
	1,873	744
System Fixed Assets	112,069	89,626
Accumulated Depreciation	-	-
System Fixed Assets	112,069	89,626
Motor Vehicles	344	334
Accumulated Depreciation	259	230
	85	104
Consumer Billing and Information System Assets	1,642	1,501
Accumulated Depreciation	1,362	1,231
	280	270
Office Equipment	969	836
Accumulated Depreciation	664	610
	305	226
Furniture and Fittings	319	314
Accumulated Depreciation	214	197
	105	117
Land and buildings	-	-
Capital works under construction	-	-
Other Fixed Assets	-	-
Accumulated Depreciation	-	-
	-	-
Total Fixed Assets	112,844	90,343

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2004**

	2004	2003
	\$000	\$000
6. Accounts Receivable		
Lines Receivables	1,167	1,720
Prepayments	-	-
Taxation	-	-
<u>Other Accounts Receivable</u>	<u>76</u>	<u>66</u>
Total Accounts Receivable	1,243	1,786
7. Other Tangible Assets	-	-
8. Intangible Assets		
Goodwill	-	-
Other Intangibles	-	-
<u>Total Intangible Assets</u>	<u>-</u>	<u>-</u>
9. Current Liabilities		
Bank Overdraft	-	-
Short Term Borrowings	-	-
Payables and Accruals	1,814	1,509
Provision for Dividend	-	-
Provision for Income Tax	6	250
<u>Other Current Liabilities</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	1,820	1,759
10. Non Current Liabilities		
Payables and Accruals	-	-
Borrowings	-	-
Deferred Tax	-	-
<u>Other</u>	<u>144</u>	<u>90</u>
Total Non Current Liabilities	144	90

11. Transactions with Related Parties**(i) MainPower Trust**

The major related party of MainPower is the MainPower Trust and during the current financial year there were no related party transactions and no related party debts written off or forgiven and no transaction took place at nil or nominal value.

(ii) MainPower Contracting Limited

MainPower Contracting Limited is a wholly owned subsidiary. MainPower Contracting is recognised as a leading power systems contractor, and undertakes a wide range of electricity network construction and maintenance for MainPower and for the contestable power systems contracting market as a whole.

There were no related party debts written off or forgiven and no transaction took place at nil or nominal value.

The amount owing by MainPower New Zealand Limited to MainPower Contracting Limited at balance date was \$779,411 (2003 \$447,168) while the amount owing by MainPower Contracting Limited to MainPower New Zealand Limited at balance date was \$16,162 (2003 \$13,847). Both amounts are payable on normal trading terms.

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2004**

The following services were supplied by MainPower Contracting Limited to the Lines Business.

	2004	2003
	\$000	\$000
1. Asset Maintenance	2,358	2,229
2. Meter Maintenance	1	4
3. Load Control Maintenance	20	30
4. Construction of Distribution Substations	606	545
5. Construction of Distribution Transformers	1,046	930
6. Construction of Low Voltage Reticulation	473	398
7. Construction of Distribution Lines and Cables	1,463	1,687
8. Construction of Subtransmission Assets	-	-
9. Construction of Other System Assets	148	66
10. Construction of Medium Voltage Switchgear	-	-
11. Construction of Zone Substations	-	-
12. Consumer Connections and Disconnection	-	-

12. Reconciliation of Net Surplus to Net Cash Inflow from Operating Activities

<u>Reported Surplus After Taxation</u>	4,791	4,401
Non Cash Items		
Depreciation	4,427	4,139
Customer Contributions	(3,505)	(2,592)
<u>Movement in Gratuities</u>	54	(3)
	976	1,544
Movements in Working Capital Items		
(Increase)/Decrease Accounts Receivable	543	(217)
<u>Increase/(Decrease) Accounts Payable</u>	61	(713)
	604	(930)
<u>Net Cash Inflow from Operations</u>	<u>6,371</u>	<u>5,015</u>

13. Financial Instruments

Credit Risk: Financial instruments which potentially subject the company to concentrations of credit risk principally relate to bank deposits and receivables. Bank deposits are placed with high credit quality financial institutions. Concentrations of credit risk with respect to Receivables are subject to normal terms of trade. Regular monitoring of receivables is undertaken.

Foreign Exchange and Currency Instruments: The Company is not exposed to foreign exchange or currency risk.

Off-Balance Sheet Financial Instruments: The Company does not have any off-balance sheet financial instruments.

Fair Values: The fair value of the on-balance sheet financial instruments is represented by the carrying values.

14. Commitments and Contingent Liabilities

There are no significant capital commitments or contingent liabilities as at 31 March 2004 (2003, Nil).

15. Significant Events After Balance Date

There are no events subsequent to the balance date that would have or may have an effect on the operation of MainPower, the results of MainPower's operations or the state of the affairs of MainPower.

16. Segmental Reporting

The predominant activity of MainPower is the distribution of electricity. All operations are conducted within New Zealand.

MAINPOWER NEW ZEALAND LTD

**DISCLOSURE OF FINANCIAL PERFORMANCE MEASURES AND
EFFICIENCY PERFORMANCE MEASURES PURSUANT TO THE COMMERCE ACT
(ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS)
NOTICE 2004, REQUIREMENT 14.**

	For The Year Ended 31 March	2004	2003	2002	2001
1.	Financial Performance Measures				
	As defined in the Electricity (Information Disclosure) Regulations 1999 (as amended):				
a)	Return on Funds	5.51%	6.00%	3.96%	2.84%
b)	Return on Equity	4.46%	4.60%	3.12%	1.87%
c)	Return on Investment	25.80%	(0.39)%	3.11%	4.75%
2	Efficiency Performance Measures				
a)	Direct line costs per kilometre:	\$758	\$748	\$643	\$732
b)	Indirect line costs per customer:	\$74	\$63	\$63	\$53

Note: *Disclosure of Financial Performance Measures and Efficiency Performance Measures for the financial years ended 31 March 2003, 2002 and 2001 excludes the Financial Performance Measures and Efficiency Performance Measures applicable to the Kaiapoi Electricity Network. Disclosure of Financial Performance Measures and Efficiency Performance Measures for the financial year ended 31 March 2004 includes the Financial Performance Measures and Efficiency Performance Measures applicable to the Kaiapoi Electricity Network.*

REQUIREMENT 15 - PART 7
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table March 2004	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	5,972				
Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIT)	5,972				
Interest on cash, bank balances, and short-term investments (ISTI)	379				
OSBIT minus ISTI	5,593	a	5,593		5,593
Net surplus after tax from financial statements	4,791				
Net surplus after tax adjusted pursuant to requirement 18 (NSAT)	4,791	n		4,791	
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add
Subvention payment	0	s	add	0	add
Depreciation of SFA at BV (x)	4,196				
Depreciation of SFA at ODV (y)	4,196				
ODV depreciation adjustment	0	d	add	0	add
Subvention payment tax adjustment	0	s*t		deduct	deduct
Interest tax shield	-125	q			deduct
Revaluations	19,165	r			add
Income tax	1,181	p			deduct
Numerator			5,593	4,791	23,702
			OSBIT ^{ADJ} = a + g + s + d	NSAT ^{ADJ} = n + g + s - s*t + d	OSBIT ^{ADJ} = a + g - q + r + s + d - p - s*t
Fixed assets at end of previous financial year (FA ₀)	90,343				
Fixed assets at end of current financial year (FA ₁)	112,844				
Adjusted net working capital at end of previous financial year (ANWC ₀)	277				
Adjusted net working capital at end of current financial year (ANWC ₁)	-571				
Average total funds employed (ATFE)	101,447	c	101,447		101,447
(or requirement 33 time-weighted average)					
Total equity at end of previous financial year (TE ₀)	95,540				
Total equity at end of current financial year (TE ₁)	119,496				
Average total equity	107,518	k		107,518	
(or requirement 33 time-weighted average)					
WUC at end of previous financial year (WUC ₀)	0				
WUC at end of current financial year (WUC ₁)	0				
Average total works under construction	0	e	deduct	0	deduct
(or requirement 33 time-weighted average)					
Revaluations	19,165	r			
Half of revaluations	9,583	r/2			deduct
Intangible assets at end of previous financial year (IA ₀)	0				
Intangible assets at end of current financial year (IA ₁)	0				
Average total intangible asset	0	m		add	0
(or requirement 33 time-weighted average)					
Subvention payment at end of previous financial year (S ₀)	0				
Subvention payment at end of current financial year (S ₁)	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
Average subvention payment & related tax adjustment	0	v		add	0
System fixed assets at end of previous financial year at book value (SFA _{bov0})	89,626				
System fixed assets at end of current financial year at book value (SFA _{bov1})	112,069				
Average value of system fixed assets at book value	100,848	f	deduct	100,848	deduct
(or requirement 33 time-weighted average)					
System Fixed assets at year beginning at ODV value (SFA _{odv0})	89,626				
System Fixed assets at end of current financial year at ODV value (SFA _{odv1})	112,069				
Average value of system fixed assets at ODV value	100,848	h	add	100,848	add
(or requirement 33 time-weighted average)					
Denominator			101,447	107,518	91,864
t = maximum statutory income tax rate applying to corporate entities subscript '1' = end of the current financial year	ROF = return on funds	bv = book value ROE = return on equity	ave = average RO = return on c	odv = optimised deprival valuation subscript '0' = end of the previous financial year	Ave TE ^{ADJ} = k - e - m + v - f + h ATFE ^{ADJ} = c - e - f + h
Financial Performance Measure:			5.51	4.46	25.80
			ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100	ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100

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

MAINPOWER NEW ZEALAND LTD**ANNUAL ODV RECONCILIATION REPORT****PURSUANT TO THE COMMERCE ACT (ELECTRICITY INFORMATION DISCLOSURE
REQUIREMENTS) NOTICE 2004
REQUIREMENT 16, PART 8**

	2004	2003
	\$000	\$000
System Fixed Assets - at 1 April	89,626	91,038
Add System Fixed Assets acquired during the year at cost	7,474	7,060
Less System Fixed Assets disposed of during the year at ODV	-	-
Less Depreciation on System Fixed Assets at ODV	(4,196)	(3,894)
Add Revaluations of System Fixed Assets	<u>19,165</u>	<u>(4,578)</u>
Equal System Fixed Assets – at 31 March	<u>\$112,069</u>	<u>\$89,626</u>

MAINPOWER NEW ZEALAND LTD**DISCLOSURE OF ENERGY DELIVERED EFFICIENCY PERFORMANCE MEASURES AND STATISTICS
PURSUANT TO THE COMMERCE ACT (ELECTRICITY INFORMATION DISCLOSURE
REQUIREMENTS) NOTICE 2004, REQUIREMENT 20, PART 4**

For the Year Ended 31 March	2004	2003	2002	2001
1. Energy Delivery Efficiency Performance Measures				
(a) Load Factor				
<u>Electrical energy entering the distribution system</u> Maximum demand * Hours per year	69.69%	62.00%	63.84%	68.77%
(b) Loss Ratio				
<u>Distribution losses</u> Energy entering the system	4.56%	5.90%	6.02%	5.84%
(c) Capacity Utilisation				
<u>Maximum demand</u> Total transformer capacity	24.02%	28.25%	26.54%	27.30%

2. Statistics**(a) System length, by voltage:**

Voltage	Circuit Length Kms			
	2004	2003	2002	2001
400/230	691	583	830	734
11000/22000	3,179	3,161	3,211	3,260
33000	310	309	286	270
Total	4,180	4,053	4,327	4,264

(b) Circuit length of overhead electric lines, by voltage:

Voltage	Circuit Length Kms			
	2004	2003	2002	2001
400/230	326	284	427	424
11000	3,047	3,056	3,116	3,163
33000	307	307	284	268
Total	3,680	3,647	3,827	3,855

(c) Circuit length of underground electric lines, by voltage:

Voltage	Circuit Length Kms			
	2004	2003	2002	2001
400/230	365	299	403	310
11000	132	105	95	97
33000	3	2	2	2
Total	500	406	500	409

For the Year Ended 31 March	2004	2003	2002	2001
(d) Transformer capacity, (kilovolt amperes):	309,926kVA	274,560kVA	257,475kVA	247,220kVA
(e) Maximum demand (Kilowatts):	74,430kW	77,576kW	68,342kW	67,502kW
(f) Total electricity entering into the system, before losses of electricity(Kilowatt hours):	454,357,817	421,312,647	382,191,173	406,682,882
(g) Total amount of electricity supplied from the system, after losses of electricity on behalf of energy retailers (Kilowatt hours):				
Retailer A	308,454,012	272,241,665	238,037,318	271,701,870
Retailer B	9,979,410	11,866,784	26,432,514	47,800,513
Retailer C	110,696,900	108,195,832	88,200,962	47,931,809
Retailer D	1,950,240	1,324,564	3,044,717	2,882,470
Retailer E	-	249,519	1,264,321	10,226,885
Retailer F	2,571,320	2,576,003	2,213,909	2,360,221
Retailer G	-	-	-	8,891
Total	<u>433,651,882</u>	<u>365,454,367</u>	<u>359,193,741</u>	<u>332,912,659</u>
(h) Total customers	29,082	25,997	25,047	25,638

Note: Disclosure of Energy Delivered Efficiency Performance Measures and Statistics for the financial years ended 31 March 2003, 2002 and 2001 excludes the Energy Delivered Efficiency Performance Measures and Statistics applicable to the Kaiapoi Electricity Network. Disclosure of Energy Delivered Efficiency Performance Measures and Statistics for the financial year ended 31 March 2004 includes the Energy Delivered Efficiency Performance Measures and Statistics applicable to the Kaiapoi Electricity Network.

MAINPOWER NEW ZEALAND LTD

**DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES
PURSUANT TO THE COMMERCE ACT (ELECTRICITY INFORMATION DISCLOSURE
REQUIREMENTS) NOTICE 2004, REQUIREMENT 21, PART 4.**

Requirement 21 (1)

- Total number of interruptions, together with a breakdown of that total according to interruption class.

NETWORK OR GENERATION OWNER	Disc Reg Class	CLASSIFICATION of INTERRUPTIONS	
MainPower	B	Planned Shut-downs	212
	C + G	Unplanned Interruptions	82
	Subtotal		294
Trans Power	A	Planned Shut-downs	0
	D	Unplanned Interruptions	1
	Subtotal		1
Other ECNZ	G	Other Interruptions	
	E	Unplanned Interruptions	
Subtotal			
TOTAL			295

- Interruption targets for the following financial year for-
 - Planned interruptions by the disclosing entity (Class B); and
 - Unplanned interruptions originating within the works of the disclosing entity (Class C).
- Average interruption targets for the following financial year and the subsequent 4 financial years for each of-
 - Planned interruptions by the disclosing entity (Class B); and
 - Unplanned interruptions originating within the works of the disclosing entity (Class C).

	Class B Interruptions	Class C Interruptions
Target 31/03/2005	180	75
31/03/2005 Avg forecast	182	77
31/03/2006 Avg forecast	165	75
31/03/2007 Avg forecast	160	74
31/03/2008 Avg forecast	155	72
31/03/2009 Avg forecast	155	72

- The proportion (expressed as a percentage) of the total number of Class C interruptions not restored within-
 - 3 hours and;
 - 24 hours.

Not restored within 3 hours- % of Class C	Not restored within 24 hours- % of Class C
7.3%	1.2%

- With respect to faults per 100 circuit kilometers of prescribed voltage electric line, the following information:
 - The total number of faults; and
 - The total number of faults targeted for the following financial year; and
 - The average total number of faults for that financial year and the subsequent 4 financial years; and
 - A breakdown of the fault information in accordance with paragraphs (a) to (c) by different nominal line voltages.
- The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

7. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Lines	Cable	Total
	Faults per 100 km	Faults per 100 km	Faults per 100 km
33 kV	4.03	0.00	4.00
11 kV	2.03	1.45	2.01
TOTALS	2.19	1.42	2.18

	Faults/100km	Faults/100km 33kV	Faults/100km 11kV
Target 31/03/2005	2.02	1.6	2.00
31/03/2005 Avg forecast	2.07	1.8	2.07
31/03/2006 Avg forecast	2.02	1.3	2.00
31/03/2007 Avg forecast	1.99	1.3	1.98
31/03/2008 Avg forecast	1.94	1.0	1.95
31/03/2009 Avg forecast	1.94	1.0	1.95

- 8, 12, 16. The SAIDI, SAIFI, CAIDI for the total number of interruptions.
- 9, 13, 17. SAIDI targets for the following financial year for-
 (a) Planned interruptions by the disclosing entity (Class B); and
 (b) Unplanned interruptions originating within the works of the disclosing entity (Class C).
- 10, 14, 18. Average SAIDI targets for the following financial year and the subsequent 4 financial years for each of-
 (a) Planned interruptions by the disclosing entity (Class B); and
 (b) Unplanned interruptions originating within the works of the disclosing entity (Class C).
- 11, 15, 19. The SAIDI for the total number of interruptions within each interruption class.

NETWORK OR GENERATION OWNER	Disc Reg Class	CLASSIFICATION OF INTERRUPTIONS	SAIDI		SAIFI		CAIDI
			Numerator (Cust-min)	Result (min/Conn Cust)	Numerator (Cust-int)	Result (Int/Conn Cust)	Result (min/Cust int)
MainPower	B	Planned Shut-downs	1,410,024	48.59	6,126	0.21	230.17
	C + G	Unplanned Interruptions	1,318,724	45.45	27,760	0.96	47.50
		Subtotal	2,728,748	94.04	33,886	1.17	80.53
TransPower	A	Planned Shut-downs	0	0.00	0	0.00	0.00
	D	Unplanned Interruptions	162,448	5.60	1,136	0.04	143.00
		Subtotal	162,448	5.60	1,136	0.04	143.00
Other	G	Other Interruptions	0	0.00	0	0.00	0.00
ECNZ	E	Unplanned Interruptions	0	0.00	0	0.00	0.00
		Subtotal	0	0.00	0	0.00	0.00
TOTAL			2,891,196	99.64	35,022	1.21	82.55
Common Denominator = No of Cust.			29,018				

<u>Class B</u>	SAIDI	SAIFI	CAIDI
Target 31/03/2005	54	0.26	207
31/03/2005 Avg forecast	56	0.28	200
31/03/2006 Avg forecast	54	0.24	225
31/03/2007 Avg forecast	52	0.24	216
31/03/2008 Avg forecast	50	0.23	217
31/03/2009 Avg forecast	50	0.23	217

<u>Class C</u>	SAIDI	SAIFI	CAIDI
Target 31/03/05	52	1.04	50.0
31/03/2005 Avg forecast	54	1.07	50.5
31/03/2006 Avg forecast	51	1.00	51.0
31/03/2007 Avg forecast	50	0.98	51.0
31/03/2008 Avg forecast	49	0.97	50.5
31/03/2009 Avg forecast	49	0.97	50.5

Requirement 21 (3)

1. Total number of interruptions, together with a breakdown of that total according to interruption class.

Interruption Class		Number of Interruptions			
		2004	2003	2002	2001
MainPower	Planned Shut-Down (Class B)	212	167	154	94
	Unplanned Interruption (Class C)	82	102	74	191
Trans Power	Planned Shut-Down (Class A)	0	3	3	-
	Unplanned Interruption (Class D)	1	2	-	-
Generation	Unplanned Interruption (Class E)	0	-	-	-
Generation Other	Unplanned Interruption (Class F)	0	-	-	-
Other	Other Interruptions (Class G)	0	-	-	-
	Unplanned Interruption (Class G)	0	-	-	-
Total	Interruptions	295	274	231	285

2. The total number of faults per 100 circuit kilometres of prescribed voltage electric line.

Nominal Voltage	Faults per 100 km Total			
	2004	2003	2002	2001
33 kV	4.00	0.35	1.40	1.78
11 kV	2.01	3.23	2.09	5.52
TOTAL	2.18	2.97	2.03	5.24

3. The total number of faults per 100 circuit kilometres of Underground prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Faults per 100 km Underground			
	2004	2003	2002	2001
33 kV	-	-	-	-
11 kV	1.45	-	3.15	5.30
TOTAL	1.42	-	3.08	5.19

4. The total number of faults per 100 circuit kilometres of Overhead prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

Nominal Voltage	Faults per 100 km Overhead			
	2004	2003	2002	2001
33 kV	4.03	0.35	1.41	1.79
11 kV	2.03	3.34	2.06	5.53
TOTAL	2.19	3.06	2.01	5.24

5. The SAIDI for the total of interruptions: **99.64 284.35 213.73 151.96**

6. The SAIDI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Minutes per Connected Customer			
		2004	2003	2002	2001
MainPower	Planned Shut-Down (Class B)	48.59	60.83	108.62	60.48
	Unplanned Interruption (Class C)	45.44	77.87	52.12	91.48
Trans Power	Planned Shut-Down (Class A)	0.00	74.38	52.98	-
	Unplanned Interruption (Class D)	6.12	71.27	-	-
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-

7. The SAIFI for the total number of interruptions: **1.21 2.70 1.45 2.08**

8. The SAIFI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Interruption per Connected Customer (%)			
		2004	2003	2002	2001
MainPower	Planned Shut-Down (Class B)	0.21	0.26	0.37	0.27
	Unplanned Interruption (Class C)	0.96	1.46	0.87	1.81
Trans Power	Planned Shut-Down (Class A)	0.00	0.19	0.21	-
	Unplanned Interruption (Class D)	0.04	0.79	-	-
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-

9. The CAIDI for the total of all interruptions: **82.55** **105.39** **147.82** **73.16**

10. The CAIDI for the total number of interruptions within each interruption class:

Network or Generation Owner	Classification	Minutes per Customer Interruption			
		2004	2003	2002	2001
MainPower	Planned Shut-Down (Class B)	230.17	236.45	297.04	224.48
	Unplanned Interruption (Class C)	47.50	53.44	59.67	50.61
Trans Power	Planned Shut-Down (Class A)	0.00	387.19	256.28	-
	Unplanned Interruption (Class D)	143.00	90.03	-	-
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-

Note: Disclosure of Reliability Performance Measures for the financial years ended 31 March 2003, 2002 and 2001 excludes the Reliability Performance Measures applicable to the Kaiapoi Electricity Network. Disclosure of Reliability Performance Measures for the financial year ended 31 March 2004 includes the Reliability Performance Measures applicable to the Kaiapoi Electricity Network.

FORM 4

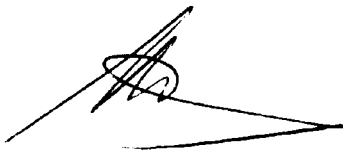
CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY DISCLOSING ENTITIES (OTHER THAN TRANSPower)

We, P A COX and A BERGE directors of MainPower New Zealand Limited certify that, having made all reasonable enquiries, to the best of our knowledge:

- a) The attached audited financial statements of MainPower New Zealand Ltd, prepared for the purposes of Requirement 6 of the Commerce Commission's Electricity Information Disclosure Requirements 2004, comply with those Requirements; and

- b) The attached information, being the Derivation Table, Financial Performance Measures, Efficiency Performance Measures, Energy Delivery Efficiency Performance Measures, Statistics, and Reliability Performance Measures in relation to MainPower New Zealand Ltd, and having been prepared for the purposes of Requirements 14, 15, 20 and 21 of the Electricity Information Disclosure Requirements 2004 comply with those Requirements.

The valuations on which those financial performance measures are based are as at 31 March 2004.



P A COX
Director

23 December 2004



A BERGE
Managing Director

Deloitte**AUDIT REPORT****TO THE READERS OF THE FINANCIAL STATEMENTS OF MAINPOWER NEW ZEALAND LIMITED**

We have audited the accompanying financial statements of MainPower New Zealand Limited. The financial statements provide information about the past financial performance of MainPower New Zealand Limited and its financial position as at 31 March 2004. This information is stated in accordance with the accounting policies set out on pages 1 and 2.

Directors' Responsibilities

The Commerce Commission's Electricity Information Disclosure Requirements 2004 made under section 57T of the Commerce Act 1986 require the Directors to prepare financial statements which give a true and fair view of the financial position of MainPower New Zealand Limited as at 31 March 2004, and results of operations and cash flows for the year then ended.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to MainPower New Zealand Limited's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary. We obtained sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor and the provision of financial advice, we have no relationship with or interests in MainPower New Zealand Limited.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been maintained by MainPower New Zealand Limited as far as appears from our examination of those records; and
- the financial statements referred to above:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of MainPower New Zealand Limited as at 31 March 2004 and the results of its operations and cash flows for the year then ended; and
 - comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 23 December 2004 and our unqualified opinion is expressed as at that date.



Chartered Accountants
Christchurch, New Zealand.

Deloitte**AUDITORS' OPINION OF PERFORMANCE MEASURES OF MAINPOWER NEW ZEALAND LIMITED**

We have examined the attached information, being-

- (a) the derivation table; and
- (b) the annual ODV reconciliation report; and
- (c) the financial performance measures; and
- (d) the financial components of the efficiency performance measures.

that were prepared by MainPower New Zealand Limited and dated 23 December 2004 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

In our opinion, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with those Electricity Information Disclosure Requirements 2004.



Chartered Accountants
Christchurch, New Zealand.
23 December 2004



PricewaterhouseCoopers
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188 Quay Street
Private Bag 92162
Auckland, New Zealand
www.pwc.com
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CERTIFICATION BY AUDITOR IN RELATION TO THE VALUATION

We have examined the valuation report of MainPower New Zealand Limited (Lines Business) and dated 17 December 2004 which report contains valuations of system fixed assets as at 31 March 2004.

In our opinion, having made all reasonable enquiry, and to the best of our knowledge, the valuations contained in the report, including the total valuation of system fixed assets of \$110,195,789 have been made in accordance with the ODV Handbook (as defined in the Commerce Commission's Electricity Information Disclosure Requirements 2004).

A handwritten signature in black ink that reads "PricewaterhouseCoopers". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers
Auckland, New Zealand
17 December 2004

**STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION
 SUPPLIED TO THE COMMERCE COMMISSION
 PURSUANT TO REQUIREMENT 36(1) OF THE COMMERCE ACT
 (ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS) NOTICE 2004**

I, ALLAN BERGE, of 23 Belmont Avenue, Rangiora, being a director of MainPower New Zealand Limited, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by MainPower New Zealand Limited under the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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



Managing Director

Declared at Rangiora this 23rd day of December 2004.

before me



**B. R. HASSALL
 RANGIORA
 JUSTICE OF THE PEACE
 FOR NEW ZEALAND**