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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 2006****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 2006****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.

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Financial Performance
For The Year Ended 31 March 2006**

	Note	2006 \$000	2005 \$000
Operating Revenue	1a	32,098	30,997
Operating Expenditure	1b	<u>25,413</u>	<u>25,927</u>
Operating Surplus Before Interest & Taxation		6,685	5,070
Interest Expense		4	-
Taxation	1c	<u>1,430</u>	<u>(989)</u>
Operating Surplus After Taxation		<u>5,251</u>	<u>4,081</u>
Net Surplus After Taxation	4	<u><u>5,251</u></u>	<u><u>4,081</u></u>

**Lines Business Statement of Movements in Equity
for the Year Ended 31 March 2006**

	Note	2006 \$000	2005 \$000
Equity at Start of the Year		123,577	119,496
Net Surplus	4	5,251	4,081
Redemption of Shares	2	<u>1</u>	<u>-</u>
Total Recognised Revenues and Expenses		<u>5,250</u>	<u>4,081</u>
Equity at the End of the Year		<u><u>128,827</u></u>	<u><u>123,577</u></u>

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Financial Position
As At 31 March 2006**

	Note	2006 \$000	2005 \$000
Equity			
Share Capital	2	23,410	23,411
Reserves	3	78,975	78,975
Retained Earnings	4	<u>26,442</u>	<u>21,191</u>
Total Shareholders' Equity		128,827	123,577
Minority Interests in Subsidiaries		<u>-</u>	<u>-</u>
Total Equity		128,827	123,577
Capital Notes		<u>-</u>	<u>-</u>
Total Capital Funds		128,827	123,577
Non Current Liabilities	10	<u>191</u>	<u>161</u>
Current Liabilities			
Accounts Payable and Accruals	9	<u>2,716</u>	<u>2,695</u>
Total Equity and Liabilities		131,734	126,433
Non Current Assets			
Fixed Assets	5	<u>129,011</u>	<u>121,548</u>
Total Non Current Assets		<u>129,011</u>	<u>121,548</u>
Current Assets			
Bank and Short term deposits		442	2,720
Short Term Investments		-	-
Receivables and Prepayments	6	2,281	2,165
Inventory		-	-
Other Current Assets		<u>-</u>	<u>-</u>
Total Current Assets		2,723	4,885
Other Tangible Assets	7	-	-
Total Tangible Assets		131,734	126,433
Intangible Assets	8	-	-
Total Assets		131,734	126,433

MAINPOWER NEW ZEALAND LTD**Lines Business Statement of Cash Flows
For The Year Ended 31 March 2006**

	2006	2005
	\$000	\$000
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from Customers	20,632	18,853
Interest Received	95	303
	<u>20,727</u>	<u>19,156</u>
Cash was disbursed to:		
Payments to Suppliers and Employees	(12,820)	(12,623)
Income Taxes Paid	(1,101)	(915)
Interest Paid	(4)	-
	<u>(13,925)</u>	<u>(13,538)</u>
Net Cash Inflow from Operating Activities	12 <u>6,802</u>	<u>5,618</u>
Cash Flows from Investing Activities		
Cash was provided from:		
Sale of Fixed Assets	20	-
Cash was Applied to:		
Purchase of Fixed Assets	(9,100)	(10,271)
Net Cash Outflow from Investing Activities	<u>(9,080)</u>	<u>(10,271)</u>
Cash Flows from Financing Activities		
Cash was Applied to:		
Dividend Paid to Other Business Activities	-	-
Repayment Loans	-	-
Net Cash Outflow from Financing Activities	<u>-</u>	<u>-</u>
SUMMARY		
Inflow from Operating Activities	6,802	5,618
Outflow from Investing Activities	(9,080)	(10,271)
Outflow from Financing Activities	-	-
Net (Decrease)Increase in Cash Holdings	<u>(2,278)</u>	<u>(4,653)</u>
Add Opening Bank and Short Term Deposits	<u>2,720</u>	<u>7,373</u>
Closing Bank and Short Term Deposits	<u>442</u>	<u>2,720</u>

MAINPOWER NEW ZEALAND LTD

Lines Business
Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2006

1a	Operating Revenue	2006 \$000	2005 \$000
	Line Charges	26,911	26,461
	A C Loss Rental Rebates	853	382
	Interest	95	303
	Revenue from "Other" Business	-	-
	Other Operating Revenue	4,239	3,851
	Total Operating Revenue	32,098	30,997
1b	Operating Expenditure		
	Transmission Charges	6,796	6,886
	Transfer Payments		
	Asset Maintenance	2,459	3,157
	Consumer Disconnection	-	-
	Metering	2	3
	Load Control	23	36
	Royalty and Patents	-	-
	Avoid Transmission Charges	-	-
	Other	-	-
	Total Transfer Payments	2,484	3,196
	Non Related Parties		
	Asset Maintenance	67	91
	Consumer Disconnection	-	-
	Metering	-	-
	Load Control	12	-
	Royalty and Patents	-	-
	Total Specified Expenses to Non Related Parties	79	91
	Salaries, Wages and Redundancies	1,545	1,386
	Consumer Billing and Information System	206	187
	Depreciation		
	System Assets	5,505	5,170
	Other	268	239
	Total Depreciation	5,773	5,409
	Amortisation		
	Goodwill	-	-
	Other Intangibles	-	-
	Total Amortisation	-	-
	Corporate and Administration	623	671
	Human Resources Expenses	273	279
	Marketing and Advertising	13	8
	Merger and Acquisition Expenses	-	-
	Takeover Defence Expenses	-	-
	Research and Development Expenses	-	-
	Consultancy and Legal Expenses	104	123
	Donations	-	-
	Directors Fees	160	142

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2006**

1b	Operating Expenditure (continued)	2006	2005
		\$000	\$000
	Auditors Fees		
	Principal Auditors	38	36
	Other Auditors	-	-
	Other Audit Services	-	-
	Total Auditors Fees	<u>38</u>	<u>36</u>
	Cost of Credit		
	Bad Debts Written Off	1	3
	Doubtful Debts	-	-
	Total Cost of Offering Credit	<u>1</u>	<u>3</u>
	Local Authority Rates	110	132
	AC Loss – Rental Rebates	-	-
	Rebates to Consumers Due to Ownership Interest	7,093	7,171
	Subvention Payments	-	-
	Unusual Expenses	-	93
	Other Expenditure	115	114
	Total Operating Expenditure	<u>25,413</u>	<u>25,927</u>
	Operating Surplus Before Interest and Income Tax	6,685	5,070
	Interest Expense		
	Interest Expense on Borrowings	-	-
	Finance Leases	-	-
	Other	4	-
	Total Interest Expense	<u>4</u>	<u>-</u>
	Operating Surplus Before Income Tax	6,681	5,070
	Income Tax	<u>1,430</u>	<u>989</u>
	Net Surplus After Taxation	<u>5,251</u>	<u>4,081</u>
1c	Taxation		
	Operating Surplus Before Taxation	<u>6,681</u>	<u>5,070</u>
	Prima Facie Taxation @ 33 cents	2,205	1,673
	Movement in Income Tax Due to		
	Permanent Differences	78	190
	Taxation Relating to Previous Periods	-	-
	Timing Differences Not Recognised	(853)	(874)
	Deferred Tax Adjustment	-	-
	Total Taxation Expense	<u>-</u>	<u>-</u>
	per Statement of Financial Performance	<u>1,430</u>	<u>989</u>
	The Taxation Charge is Represented by:		
	Current Taxation	1,430	989
	Deferred Taxation	<u>-</u>	<u>-</u>
	Total Taxation Expense		
	per Statement of Financial Performance	<u>1,430</u>	<u>989</u>

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2006**

	2006	2005
	\$000	\$000
2. Share Capital		
Issued and Fully Paid Capital		
Ordinary Shares	23,406	23,406
Redeemable Preference Shares	4	5
	<hr/>	<hr/>
Total Issued Capital	23,410	23,411
Share Capital Movements		
Opening Balance	23,411	23,411
Redemption of Shares	(1)	-
Total Issued Capital	<hr/>	<hr/>
	23,410	23,411
3. Reserves		
Company Establishment Reserve		
Balance at 31 March	4,647	4,647
	<hr/>	<hr/>
Asset Revaluation Reserve		
Opening Balance	74,328	74,328
Revaluation Distribution System	-	-
	<hr/>	<hr/>
Closing Balance	74,328	74,328
	<hr/>	<hr/>
Total Reserves	78,975	78,975
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	21,191	17,110
Net Surplus	5,251	4,081
	<hr/>	<hr/>
Total Retained Earnings	26,442	21,191
5. Fixed Assets		
Distribution System	135,772	123,901
Accumulated Depreciation	10,092	4,900
	<hr/>	<hr/>
	125,680	119,001
Load Control Equipment	2,462	1,878
Accumulated Depreciation	583	270
	<hr/>	<hr/>
	1,879	1,608
System Fixed Assets	138,234	125,779
Accumulated Depreciation	10,675	5,170
	<hr/>	<hr/>
System Fixed Assets	127,559	120,609
Motor Vehicles	666	541
Accumulated Depreciation	339	292
	<hr/>	<hr/>
	327	249
Consumer Billing and Information System Assets	1,945	1,790
Accumulated Depreciation	1,624	1,498
	<hr/>	<hr/>
	321	292
Office Equipment	1,517	1,017
Accumulated Depreciation	802	720
	<hr/>	<hr/>
	715	297

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2006**

	2006 \$000	2005 \$000
5. Fixed Assets (continued)		
Furniture and Fittings	330	329
Accumulated Depreciation	241	228
	<u>89</u>	<u>101</u>
Land and buildings	-	-
Capital works under construction	-	-
Other Fixed Assets	-	-
Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>
Total Fixed Assets	<u>129,011</u>	<u>121,548</u>
6. Accounts Receivable		
Lines Receivables	2,005	1,960
Prepayments	47	58
Taxation	-	-
Other Accounts Receivable	229	147
	<u>2,281</u>	<u>2,165</u>
Total Accounts Receivable	<u>2,281</u>	<u>2,165</u>
7. Other Tangible Assets	<u>-</u>	<u>-</u>
8. Intangible Assets		
Goodwill	-	-
Other Intangibles	-	-
Total Intangible Assets	<u>-</u>	<u>-</u>
9. Current Liabilities		
Bank Overdraft	-	-
Short Term Borrowings	-	-
Payables and Accruals	2,506	2,615
Provision for Dividend	-	-
Provision for Income Tax	210	80
Other Current Liabilities	-	-
	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>2,716</u>	<u>2,695</u>
10. Non Current Liabilities		
Payables and Accruals	-	-
Borrowings	-	-
Deferred Tax	-	-
Other Non Current Liabilities	191	161
	<u>191</u>	<u>161</u>
Total Non Current Liabilities	<u>191</u>	<u>161</u>

MAINPOWER NEW ZEALAND LTD**Lines Business****Notes to and Forming Part of the Financial Statements
For The Year Ended 31 March 2006****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 \$877,857 (2005 \$796,455) while the amount owing by MainPower Contracting Limited to MainPower New Zealand Limited at balance date was \$23,057 (2005 \$15,703). Both amounts are payable on normal trading terms.

MainPower Contracting Limited provides contracting services to MainPower New Zealand Limited, the value of which amounted to \$7,510,427 (2005 \$6,972,150).

End of year work in progress amounts to \$184,902 (2005 \$78,285).

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

	2006	2005
	\$000	\$000
1. Asset Maintenance	2,459	3,157
2. Meter Maintenance	2	3
3. Load Control Maintenance	23	36
4. Construction of Distribution Substations	519	252
5. Construction of Distribution Transformers	1,318	1,475
6. Construction of Low Voltage Reticulation	1,121	999
7. Construction of Distribution Lines and Cables	1,766	927
8. Construction of Subtransmission Assets	-	-
9. Construction of Other System Assets	29	48
10. Construction of Medium Voltage Switchgear	-	-
11. Construction of Zone Substations	-	-
12. Consumer Connections and Disconnection	-	-

(iii) VirCom Energy Management Services Limited

VirCom Energy Management Services Limited from time to time will provide contracting services to MainPower New Zealand Limited, the value of which amounted to \$129,913 (2005 \$105,364).

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 VirCom Energy Management Services Limited at balance date was \$15,558 (2005 \$9,139) while the amount owing by VirCom Energy Management Services Limited to MainPower New Zealand Limited at balance date was \$20,524 (2005 \$5,645). Both amounts are payable on normal trading terms.

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

	2006	2005
	\$000	\$000
Reported Surplus After Taxation	5,251	4,081
Non Cash Items		
Depreciation	5,773	5,409
Customer Contributions	(4,156)	(3,842)
Movement in Gratuities	30	17
Redemption of Shares	(1)	-
	<u>1,646</u>	<u>1,584</u>
Movements in Working Capital Items		
(Increase)/Decrease Accounts Receivable	(116)	(922)
Increase/(Decrease) Accounts Payable	21	875
	<u>(95)</u>	<u>(47)</u>
Net Cash Inflow from Operations	<u>6,802</u>	<u>5,618</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 2006 (2005, \$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.**

1.	For The Year Ended 31 March Financial Performance Measures	2006	2005	2004	2003
	As defined in the Electricity (Information Disclosure) Regulations 1999 (as amended):				
a)	Return on Funds	5.27%	4.09%	5.51%	6.00%
b)	Return on Equity	4.16%	3.36%	4.46%	4.60%
c)	Return on Investment	4.16%	3.32%	25.80%	(0.39)%
2	Efficiency Performance Measures				
a)	Direct line costs per kilometre:	\$799	\$988	\$758	\$748
b)	Indirect line costs per customer:	\$72	\$73	\$74	\$63

Note: *Disclosure of Financial Performance Measures and Efficiency Performance Measures for the financial years ended 31 March 2003 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 years ended 31 March 2006, 2005 and 2004 includes the Financial Performance Measures and Efficiency Performance Measures applicable to the Kaiapoi Electricity Network.*

SCHEDULE 1 - PART 7 2004 EST OF ACTUAL
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table March 2006	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	6,685				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	6,685				
Interest on cash, bank balances, and short-term investments (ISTI)	95				
OSBIIT minus ISTI	6,590	a	6,590		6,590
Net surplus after tax from financial statements	5,251				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	5,251	n		5,251	
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)	5,505				
Depreciation of SFA at ODV (y)	5,505				
ODV depreciation adjustment	0	d	add	0	add
Subvention payment tax adjustment	0	s*t		deduct	deduct
Interest tax shield	-31	q			deduct
Revaluations	0	r			add
Income tax	1,430	p			deduct
Numerator			6,590	5,251	5,191
			OSBIIT ^{ADJ} = a + g + s + d	NSAT ^{ADJ} = n + g + s - s*t + d	OSBIIT ^{ADJ} = a + g - q + r + s + d - p - s*t
Fixed assets at end of previous financial year (FA ₀)	121,548				
Fixed assets at end of current financial year (FA ₁)	129,011				
Adjusted net working capital at end of previous financial year (ANWC ₀)	-450				
Adjusted net working capital at end of current financial year (ANWC ₁)	-225				
Average total funds employed (ATFE)	124,942	c	124,942		124,942
	(or regulation 33 time-weighted average)				
Total equity at end of previous financial year (TE ₀)	123,577				
Total equity at end of current financial year (TE ₁)	128,827				
Average total equity	126,202	k		126,202	
	(or regulation 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 regulation 33 time-weighted average)				
Revaluations	0	r			
Half of revaluations	0	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 regulation 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 _{bv,0})	120,609				
System fixed assets at end of current financial year at book value (SFA _{bv,1})	127,559				
Average value of system fixed assets at book value	124,084	f	deduct	124,084	deduct
	(or regulation 33 time-weighted average)				
System Fixed assets at year beginning at ODV value (SFA _{odv,0})	120,609				
System Fixed assets at end of current financial year at ODV value (SFA _{odv,1})	127,559				
Average value of system fixed assets at ODV value	124,084	h	add	124,084	add
	(or regulation 33 time-weighted average)				
Denominator			124,942	126,202	124,942
			ATFE ^{ADJ} = c - e - f + h	Ave TE ^{ADJ} = k - e - m + v - f + h	ATFE ^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:			5.27	4.16	4.16
			ROF = OSBIIT ^{ADJ} /ATFE ^{ADJ} x 100	ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	ROI = OSBIIT ^{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**

	2006	2005
	\$000	\$000
System Fixed Assets - at 1 April	120,609	112,069
Add System Fixed Assets acquired during the year at cost	12,455	13,710
Less System Fixed Assets disposed of during the year at ODV	-	-
Less Depreciation on System Fixed Assets at ODV	(5,505)	(5,170)
Add Revaluations of System Fixed Assets	-	-
Equal System Fixed Assets – at 31 March	<u>\$127,559</u>	<u>\$120,609</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	2006	2005	2004	2003
1. <u>Energy Delivery Efficiency Performance Measures</u>				
(a) Load Factor				
<u>Electrical energy entering the distribution system</u> Maximum demand * Hours per year	69.65%	70.84%	69.69%	62.00%
(b) Loss Ratio				
<u>Distribution losses</u> Energy entering the system	5.11%	5.45%	4.56%	5.90%
(c) Capacity Utilisation				
<u>Maximum demand</u> Total transformer capacity	22.36%	22.82%	24.02%	28.25%

2. Statistics

(a) System length, by voltage:

Voltage	Circuit Length Kms			
	2006	2005	2004	2003
400/230	841	627	691	583
11000/22000	3,269	3,241	3,179	3,161
33000	310	310	310	309
Total	4,420	4,178	4,180	4,053

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

Voltage	Circuit Length Kms			
	2006	2005	2004	2003
400/230	240	237	326	284
11000	3,117	3,094	3,047	3,056
33000	307	307	307	307
Total	3,664	3,638	3,680	3,647

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

Voltage	Circuit Length Kms			
	2006	2005	2004	2003
400/230	601	390	365	299
11000	152	147	132	105
33000	3	3	3	2
Total	756	540	500	406

For the Year Ended 31 March	2006	2005	2004	2003
(d) Transformer capacity, (kilovolt amperes):	355,895kVA	335,695kVA	309,926kVA	274,560kVA
(e) Maximum demand (Kilowatts):	79,576kW	76,620kW	74,430kW	77,576kW
(f) Total electricity entering into the system, before losses of electricity(Kilowatt hours):	485,537,696	475,505,176	454,357,817	421,312,647
(g) Total amount of electricity supplied from the system, after losses of electricity on behalf of energy retailers (Kilowatt hours):				
Retailer A	333,074,678	323,096,589	308,454,012	272,241,665
Retailer B	10,524,845	10,167,829	9,979,410	11,866,784
Retailer C	38,029,633	73,637,560	110,696,900	108,195,832
Retailer D	2,183,651	1,396,115	1,950,240	1,324,564
Retailer E	-	-	-	249,519
Retailer F	76,916,134	41,300,025	2,571,320	2,576,003
Retailer G	-	-	-	-
Total	<u>460,728,941</u>	<u>449,598,118</u>	<u>433,651,882</u>	<u>365,454,367</u>
(h) Total customers	30,671	30,283	29,082	25,997

Note: Disclosure of Energy Delivered Efficiency Performance Measures and Statistics for the financial years ended 31 March 2003 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 years ended 31 March 2006, 2005 and 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.**

Disclosure for Statistics Year Ending 31/03/2006

Requirement 21(1)

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	201
	C + G	Unplanned Interruptions	107
		Subtotal	308
Trans Power	A	Planned Shut-downs	0
	D	Unplanned Interruptions	3
	Subtotal	3	
Other Other	G	Other Interruptions	
	E	Unplanned Interruptions	
	Subtotal	311	
		TOTAL	311

2. Interruption targets for the following financial year for-
- (a) Planned interruptions by the line owner (Class B); and
- (b) Unplanned interruptions originating within the works of the line owner (Class C).
3. Average interruption targets for the following financial year and the subsequent 4 financial years for each of-
- (a) Planned interruptions by the line owner (Class B); and
- (b) Unplanned interruptions originating within the works of the line owner (Class C).

	Class B Interruptions	Class C Interruptions
Target 31/03/07	185	80
31/03/2007 Avg forecast	185	80
31/03/2008 Avg forecast	175	75
31/03/2009 Avg forecast	170	75
31/03/2010 Avg forecast	170	70
31/03/2011 Avg forecast	165	70

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

Not restored within 3 hours- % of Class C	Not restored within 24 hours- % of Class C
10.2%	0%

5. With respect to faults per 100 circuit kilometers of prescribed voltage electric line, the following information:
- (a) The total number of faults; and
- (b) The total number of faults targeted for the following financial year; and
- (c) The average total number of faults for that financial year and the subsequent 4 financial years; and
- (d) A breakdown of the fault information in accordance with paragraphs (a) to (c) by different nominal line voltages.
6. 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 Faults per 100 km	Cable Faults per 100 km	Total Faults per 100 km
33 kV	0.98	40.50	1.30
11 kV	3.03	4.01	3.06
TOTALS	2.85	4.60	2.92

	Faults/100km	Faults/100km 33kV	Faults/100km 11kV
Target 31/03/07	2.23	0.65	2.38
31/03/2007 Avg forecast	2.23	0.65	2.38
31/03/2008 Avg forecast	2.09	0.65	2.23
31/03/2009 Avg forecast	2.09	0.65	2.23
31/03/2010 Avg forecast	1.95	0.32	2.11
31/03/2011 Avg forecast	1.95	0.32	2.11

- 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 line owner (Class B); and
 (b) Unplanned interruptions originating within the works of the line owner (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 line owner (Class B); and
 (b) Unplanned interruptions originating within the works of the line owner (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	1,021,518	33.3056	4,749	0.1548	215.1017
	C + G	Unplanned Interruptions	2,142,964	69.8694	46,683	1.5221	45.9046
		Subtotal	3,164,482	103.1751	51,432	1.6769	61.5275
Trans Power	A	Planned Shut-downs	0	0	0	0	0
	D	Unplanned Interruptions	184,038	6.0004	5,169	0.1685	35.6042
		Subtotal	184,038	6.0004	5,169	0.1685	35.6042
Other Other	G	Other Interruptions	0	0.00	0	0.00	0.00
		Unplanned Interruptions	0	0.00	0	0.00	0.00
	E	Subtotal	0	0.00	0	0.00	0.00
TOTAL			3,348,520	109.1754	56,601	1.8454	59.1600
Common Denominator = No of Cust.			30,671				

Class B	SAIDI	SAIFI	CAIDI
Target 31/03/07	52	0.32	162
31/03/2007 Avg forecast	52	0.32	162
31/03/2008 Avg forecast	38	0.25	152
31/03/2009 Avg forecast	37	0.23	160
31/03/2010 Avg forecast	35	0.21	166
31/03/2011 Avg forecast	33	0.21	157

Class C	SAIDI	SAIFI	CAIDI
Target 31/03/07	60	0.85	70.5
31/03/2007 Avg forecast	60	0.85	70.5
31/03/2008 Avg forecast	57	0.75	76.0
31/03/2009 Avg forecast	56	0.72	77.7
31/03/2010 Avg forecast	55	0.69	79.7
31/03/2011 Avg forecast	55	0.69	79.7

Requirement 21 (3)

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

Interruption Class		Number of Interruptions			
		2006	2005	2004	2003
MainPower	Planned Shut-Down (Class B)	201	236	212	167
	Unplanned Interruption (Class C)	107	58	82	102
Trans Power	Planned Shut-Down (Class A)	-	1	-	3
	Unplanned Interruption (Class D)	3	2	1	2
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-
Total	Interruptions	311	297	295	274

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

Nominal Voltage	Faults per 100 km Total			
	2006	2005	2004	2003
33 kV	1.30	3.24	4.00	0.35
11 kV	3.06	1.48	2.01	3.23
TOTAL	2.92	1.66	2.18	2.97

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			
	2006	2005	2004	2003
33 kV	40.50	-	-	-
11 kV	4.01	3.09	1.45	-
TOTAL	4.60	3.03	1.42	-

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			
	2006	2005	2004	2003
33 kV	0.98	3.27	4.03	0.35
11 kV	3.03	1.44	2.03	3.34
TOTAL	2.85	1.60	2.19	3.06

5. The SAIDI for the total of interruptions:

109.1754 115.5685 99.64 284.35

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

Network or Generation Owner	Classification	Minutes per Connected Customer			
		2006	2005	2004	2003
MainPower	Planned Shut-Down (Class B)	33.3056	49.7782	48.59	60.83
	Unplanned Interruption (Class C)	69.8694	49.5696	45.44	77.87
Trans Power	Planned Shut-Down (Class A)	-	13.2698	-	74.38
	Unplanned Interruption (Class D)	6.0004	2.9509	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:

1.8454 1.1657 1.21 2.70

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

Network or Generation Owner	Classification	Interruption per Connected Customer (%)			
		2006	2005	2004	2003
MainPower	Planned Shut-Down (Class B)	0.1548	0.2178	0.21	0.26
	Unplanned Interruption (Class C)	1.5221	0.7183	0.96	1.46
Trans Power	Planned Shut-Down (Class A)	-	0.0588	-	0.19
	Unplanned Interruption (Class D)	0.1685	0.1708	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:

59.1600 99.1408 82.55 105.39

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

Network or Generation Owner	Classification	Minutes per Customer Interruption			
		2006	2005	2004	2003
MainPower	Planned Shut-Down (Class B)	215.1017	228.5500	230.17	236.45
	Unplanned Interruption (Class C)	45.9046	69.0096	47.50	53.44
Trans Power	Planned Shut-Down (Class A)	-	225.6768	-	387.19
	Unplanned Interruption (Class D)	35.6042	17.2769	143.00	90.03
Generation	Unplanned Interruption (Class E)	-	-	-	-
Generation Other	Unplanned Interruption (Class F)	-	-	-	-
Other	Other Interruptions (Class G)	-	-	-	-
	Unplanned Interruption (Class G)	-	-	-	-

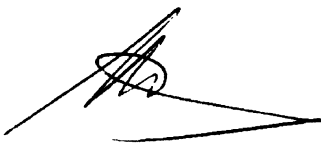
Note: Disclosure of Reliability Performance Measures for the financial year ended 31 March 2003 excludes the Reliability Performance Measures applicable to the Kaiapoi Electricity Network. Disclosure of Reliability Performance Measures for the financial years ended 31 March 2006, 2005 and 2004 includes 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:

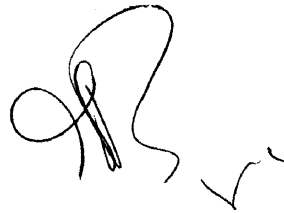
- a) The attached audited financial statements of MainPower New Zealand Ltd, prepared for the purposes of Requirement 6 of the Commerce Commission's Electricity Information Disclosure Requirements 2004, comply with those Requirements; and
- b) The attached information, being the Derivation Table, Financial 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 2006.



P A COX
Director

30 October 2006



A BERGE
Managing Director

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 2006. 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 2006, and results of operations and cash flows for the year then ended.

Auditors' Responsibilities

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

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 obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor 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 2006 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 30 October 2006 and our unqualified opinion is expressed as at that date.



Chartered Accountants
Christchurch, New Zealand.

This audit report relates to the financial statements of MainPower New Zealand Limited prepared in accordance with the Electricity Information Disclosure Requirements 2004 for the year ended 31 March 2006 included on MainPower New Zealand's website. MainPower New Zealand's Directors are responsible for the maintenance and integrity of MainPower New Zealand's website. We have not been engaged to report on the integrity of MainPower New Zealand's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the hard copy of the audited financial statements and related audit report dated 30 October 2006 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Deloitte**AUDITOR'S OPINION ON 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 30 October 2006 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.
30 October 2006

This audit opinion relates to the performance measures of MainPower New Zealand Limited prepared in accordance with the Electricity Information Disclosure Requirements 2004 for the year ended 31 March 2006 included on MainPower New Zealand's website. MainPower New Zealand's Directors are responsible for the maintenance and integrity of MainPower New Zealand's website. We have not been engaged to report on the integrity of MainPower New Zealand's website. We accept no responsibility for any changes that may have occurred to the performance measures since they were initially presented on the website. The audit opinion refers only to the performance measures named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these performance measures. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the hard copy of the audited performance measures and related audit opinion dated 30 October 2006 to confirm the information included in the audited performance measures presented on this website. Legislation in New Zealand governing the preparation and dissemination of performance measures may differ from legislation in other jurisdictions.

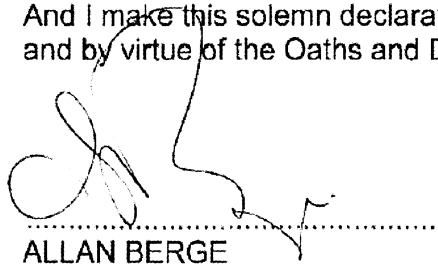
Form 7

Requirement 36 (1)


STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION SUPPLIED TO COMMERCE COMMISSION

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 our 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.


ALLAN BERGE

Declared at Rangiora this 10th day of November 2006.

before: 
B R Hassall
Rangiora
Justice of the Peace for New Zealand.