SUPPLEMENT TO

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EASTLAND NETWORK LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO
SECTION 57T OF THE COMMERCE ACT 1986

CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY EASTLAND NETWORK LIMITED

We, Trevor William Taylor and Roger Neil Taylor, directors of Eastland Network Ltd certify that, having made all reasonable enquiry, to the best of our knowledge, -

(a) The attached audited financial statements of Eastland Network 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 Eastland Network Limited, and having been prepared for the purposes of requirements 15, 16, 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.

.... Director

.... Director

22nd

Dated this .... ~~22nd th~~ day of November 2006.

Statement of Financial Performance
For the year ended 31 March 2006

	Note	2006 $'000	2005 $'000
Operating Revenue	2	25,507	23,349
Operating Expense	3	15,409	14,542
Earnings before Interest and Tax		10,098	8,807
Interest Expense	4	3,220	2,972
Net Surplus before Tax		6,878	5,835
Taxation Expense	5	2,061	2,209
Net Surplus after Tax		4,817	3,626

Statements of Movements in Equity
For the year ended 31 March 2006

	Note	2006 $'000	2005 $'000
Total equity at beginning of year		48,117	36,957
Net surplus after tax		4,817	3,626
Increase(decrease) in value of fixed assets recognised in equity			
System Assets		(45)	11,992
Land and Buildings		-	17
Total recognised revenues and expenses		4,772	15,635
Distributions to Owners			
Dividends		2,179	4,475
Total Distributions to owners		2,179	4,475
Total equity at end of year	7	50,710	48,117

Statement of Financial Position
As at 31 March 2006

	Note	2006 $'000	2005 $'000
Current Assets			
Cash		2,682	1,327
Receivables and prepayments	10	2,552	2,438
Inventories		-	2
Total Current Assets		5,234	3,767
Non current Assets			
Property, plant and equipment	9	97,837	94,371
Total Non Current Assets		97,837	94,371
Total Assets		**103,071**	**98,138**
Current Liabilities			
Payables and accruals	11	4,979	3,939
Total Current Liabilities		4,979	3,939
Non Current Liabilities			
Bank Borrowings	12	34,100	33,800
Deferred Taxation	6	3,282	2,282
Capital Notes		10,000	10,000
Total Non Current Liabilities		47,382	46,082
Total Liabilities		**52,361**	**50,021**
Net Assets		**50,710**	**48,117**
Total Equity	7	**50,710**	**48,117**

Statement of Cash Flows
For the year ended 31 March 2006

	Note	2006 $'000	2005 $'000
Cash flows from(used in) operating activities			
Cash provided from:			
Receipts from customers		25,708	23,444
Interest received		127	69
		25,835	23,513
Cash applied to:			
Payments to suppliers and employees		(11,681)	(10,970)
Interest paid		(2,968)	(2,917)
Income Tax paid		(1,114)	(1,155)
Net GST		64	(18)
		(15,699)	(15,060)
Net cash flows from(used in) operating activities		10,136	8,453
Cash flows from(used in) investing activities			
Cash provided from:			
Disposal of property, plant and equipment		-	14
Cash applied to:			
Acquisition of property, plant & equipment		(6,902)	(6,969)
Net cash flows from(used in) investing activities		(6,902)	(6,955)
Net cash flows from(used in) financing activities			
Cash provided from:			
Proceeds of borrowings		34,100	3,650
Cash applied to:			
Repayment of borrowings		(33,800)	-
Dividends paid		(2,179)	(4,475)
		(35,979)	(4,475)
Net cash flows from(used in) financing activities		(1,879)	(825)
Net increase (decrease) in cash held		1,355	673
Add opening cash brought forward		1,327	654
Ending cash carried forward		2,682	1,327

Notes to the financial statements
For the year ended 31 March 2006

1) Statement of accounting policies

Basis of Preparation

The financial statements prepared are the consolidation of the electricity lines businesses of Eastland Network Limited and Eastland Infrastructure Limited (the management company owned by the shareholder of Eastland Network Limited). Both companies are registered under the Companies Act 1993 and are reporting entities for the purposes of the Financial Reporting Act 1993.

The financial statements have been completed in accordance with Commerce Commission's Electricity Information Disclosure Requirements 2004.

Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed, with the exception that certain property has been revalued.

Specific accounting policies

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

(A) Fixed Assets

Owned Assets

Fixed assets are initially stated at cost and depreciated as outlined below. Where appropriate, the cost of fixed assets includes site preparation costs, installation costs, and the cost of obtaining resource consents.

Leased Assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease are stated at an amount equal to the present value of the future minimum lease payments, and are depreciated as outlined below.

Revaluations

Land and buildings are stated at valuation as determined, on a cyclical basis not exceeding three years by an independent valuer. The basis of valuation is market value less the estimated costs of disposal, on an existing use basis.

Notes to the financial statements (continued)
For the year ended 31 March 2006

Network assets are stated at valuation as determined, on a cyclical basis not exceeding five years. The basis of valuation is optimised depreciated replacement cost, as reviewed by an independent engineering consultant.

Any surplus on revaluation is transferred directly to equity unless it offsets a previous decrease in value recognised in the statement of financial performance, in which case it is recognised in the statement of financial performance. A decrease in value is recognised in the statement of financial performance where it exceeds the surplus previously transferred to equity.

Disposal of Fixed Assets

Where a fixed asset is disposed of, the profit or loss recognised in the statement of financial performance is calculated as the difference between the sale price and the carrying value of the fixed asset.

Depreciation

Depreciation is calculated on a straight line basis to allocate the cost or revalued amount of an asset, less any residual value, over its useful life.

Major depreciation periods are:

Buildings	40 - 100 years
Distribution System	10 - 60 years
Motor Vehicles	5 - 10 years
Plant & Equipment	5 - 15 years

(B) Receivables

Receivables are stated at estimated realisable value after providing against debts where collection is doubtful.

(C) Inventories

Inventories are stated at the lower of cost or net realisable value. The estimated costs of marketing, selling and distribution are deducted in calculating net realisable value.

Cost is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

(D) Taxation

The income tax expense charged to the statement of financial performance includes both the current year's provision and the income tax effect of timing differences calculated using the liability method.

Notes to the financial statements (continued)
For the year ended 31 March 2006

Tax effect accounting is applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

(E) Financial instruments

The Company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, accounts receivable, accounts payable and term borrowings. All financial instruments are recognised in the statement of financial position and all revenues in relation to financial instruments are recognised in the statement of financial performance.

Except for those items covered by a separate accounting policy, all financial instruments are shown at their fair value.

(F) Employee Entitlements

A liability for annual leave and long service leave is accrued and recognised in the statement of financial position. The liability is calculated on an actual entitlement basis.

(G) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date.

Monetary items receivable or payable in a foreign currency, other than those resulting from short term transactions covered by forward exchange contracts, are translated at balance date at the closing rate. For transactions covered by short term forward exchange contracts, the rates specified in those contracts are used as the basis for measuring and reporting the transaction.

Exchange differences on foreign currency balances are recognised in the Statement of Financial Performance.

(H) Changes in Accounting Policies

There have been no changes in accounting policies. All Policies have been applied on bases consistent with those in the prior year.

Notes to the Financial Statements (continued)
For the year ended 31 March 2006

			2006 $'000	2005 $'000
2		**Operating Revenue**		
(a)		Revenue from line/access charges:	22,914	21,888
(b)		Revenue from "Other" business for services carried out by the line business (transfer payment):	98	166
(c)		Interest on cash, bank balances and short term investments:	88	252
(d)		AC loss-rental rebates:	1,290	735
(e)		Other revenue not listed in (a) to (d):	1,117	308
(f)		**Total operating revenue**	25,507	23,349
3		**Operating expenditure**		
(a)		Payment for transmission charges	5,046	5,409
(b)		Transfer payments to the "Other" business for:	-	-
	(i)	Asset maintenance:	-	-
	(ii)	Consumer disconnection/reconnection services:	-	-
	(iii)	Meter data:	-	-
	(iv)	Consumer-based load control services:	-	-
	(v)	Royalty and patent expenses:	-	-
	(vi)	Avoided transmission charges on account of own generation	1,293	1,282
	(vii	Other goods and services not listed in (i) to (vi) above	-	-
	(viii	**Total transfer payment to the "Other" business**	1,293	1,282
(c)		Expense to entities that are not related parties for:		
	(i)	Asset maintenance:	1,891	1,774
	(ii)	Consumer disconnection/reconnection services	-	-
	(iii)	Meter data	-	-
	(iv)	Consumer-based load control services	-	-
	(v)	Royalty and patent expenses	-	-
	(vi)	Total of specified expenses to non-related parties	1,891	1,774
(d)		Employee salaries, wages and redundancies	922	928
(e)		Consumer billing and information system expense	80	139
(f)		Depreciation on:		
	(i)	System fixed assets:	3,268	2,632
	(ii)	Other assets not listed in (i)	218	347
	(iii)	**Total depreciation**	3,486	2,979
(g)		Amortisation of:		
	(i)	Goodwill:	-	-
	(ii)	Other intangibles:	-	-
	(iii)	**Total amortisation of intangibles**	-	-
(h)		Corporate and administration:	504	540
(i)		Human resource expenses:	65	106
(j)		Marketing/advertising:	24	6
(k)		Merger and acquisition expenses:	-	-
(l)		Takeover defence expenses:	-	-
(m)		Research and development expenses:	-	-
(n)		Consultancy and legal expenses:	194	205
(o)		Donations:	-	-
(p)		Directors' fees:	160	193
(q)		Auditors' fees:		
	(i)	Audit fees paid to principal auditors:	45	37
	(ii)	Audit fees paid to other auditors:	-	-
	(iii)	Fees paid for other services provided by principal/other auditors:	-	-
	(iv)	**Total auditors' fees:**	45	37

Notes to the Financial Statements (continued)
For the year ended 31 March 2006

		Note	2006 $'000	2005 $'000
3	**Operating expenditure (continued)**			
(r)	Costs of offering credit:			
(i)	Bad debts written off:		66	18
(ii)	Increase in estimated doubtful debts:		-	-
(iii)	**Total cost of offering credit:**		66	18
(s)	Local authority rates expense:		125	107
(t)	AC loss-rentals (distribution to retailers/customers) expense:		1,290	661
(u)	Rebates to consumers due to ownership interest:		-	-
(v)	Subvention payments:		-	-
(w)	Unusual expenses:		-	-
(x)	Other expenditure not listed in (a) to (w)		217	158
	Total operating expenditure		15,408	14,542
4	**Interest Expense**			
(a)	Interest expense on borrowings		3,220	2,972
(b)	Financing charges related to finance leases		-	-
(c)	Other interest expense		-	-
(d)	**Total interest expense**		3,220	2,972
5	**Taxation**			
	Surplus before tax		6,878	5,835
	Prima facie taxation at 33%		2,270	1,925
	Add(subtract) tax effect of permanent differences		(209)	284
	Income Tax expense		2,061	2,209
	Income Tax expense is made up of			
	Current taxation		1,061	1,268
	Deferred taxation		1,000	941
			2,061	2,209
6	**Deferred Taxation**			
	Balance at beginning of year		(2,282)	(1,341)
	Recognised in the Statement of Financial Performance		(1,000)	(941)
	Balance at end of year		(3,282)	(2,282)
7	**Shareholders' Equity**			
	Paid in Share Capital		5,573	5,573
	Asset Revaluation Reserve	8	30,429	30,474
	Other Equity		14,708	12,070
			50,710	48,117
8	**Asset Revaluation Reserve**			
	Balance at beginning of year		30,474	18,465
	Revaluation current year			
	System Assets		-	11,992
	Land & Buildings		-	17
			-	12,009
	Disposal of revalued assets			
	System Assets		45	-
	Balance at end of year		30,429	30,474

Notes to the Financial Statements (continued)
For the year ended 31 March 2006

	Note	2006 $'000	2005 $'000
9 Property, Plant and Equipment			
System fixed assets at valuation		99,631	90,126
less accumulated depreciation		(6,843)	(2,747)
		92,788	87,379
Customer Billing & information system assets at cost		1,159	1,511
less accumulated depreciation		(958)	(1,070)
		201	441
Motor Vehicles at cost		254	175
less accumulated depreciation		(171)	(125)
		83	50
Office Equipment at cost		240	256
less accumulated depreciation		(43)	(181)
		197	75
Land and Buildings at valuation		1,454	1,456
less accumulated depreciation		(75)	(48)
		1,379	1,408
Capital works under construction at cost		3,095	4,873
Other plant and equipment at cost		463	538
less accumulated depreciation		(369)	(393)
		94	145
Total Property, Plant and Equipment		97,837	94,371

Valuation

Revalued freehold land and buildings on hand at balance date are stated at net current value as determined by an independent registered valuer Roger Kelly ANZIV of the firm Valuation & Property Services in February 2005. Network assets have been valued at Optimised Depreciated Replacement Cost as confirmed by Kerslake and Partners, Consulting Engineers, as at 31 March 2004.

	2006	2005
10 Receivables		
Trade Debtors	2,182	2,303
Other receivables	370	135
Income Tax refundable		-
Total Receivables	2,552	2,438
11 Creditors and Borrowings		
Current		
Trade Creditors	2,327	3,209
Other Creditors	1,703	-
Interest Payable	569	323
Income Tax Payable	128	144
Employee Provisions	252	263
	4,979	3,939
Non Current		
Bank Loans unsecured	-	33,800
Intercompany Borrowings	34,100	-
	34,100	33,800

Notes to the financial statements (continued)
For the year ended 31 March 2006

12 Bank and Intercompany Borrowings

In December 2005 Eastland Infrastructure Limited arranged bank funding from Commonwealth Bank and Westpac on behalf of the Eastland Infrastructure Group of Companies (Eastland Infrastructure Limited, Eastland Network Limited and Eastland Port Limited). The facility, initially for $50 million increases to $75 million over a three year period, is unsecured and subject to a Deed of Negative Pledge. The borrowings are in the name of Eastland Infrastructure Limited with the other two companies acting as guarantors.

Drawings under the facility commenced on 28 December 2005 and were on lent to clear existing borrowings by Eastland Port Limited and Eastland Network Limited.

Existing borrowings from ASB Bank were repaid progressively from 28 December 2005 using funds advanced by Eastland Infrastructure Limited as "group" borrower under the above facility. The final payment to ASB Bank was made on 28 February 2006. Borrowings at 31 March 2006 were $34,100,000 advanced from Eastland Infrastructure Limited.

The company (and the "group") has a policy of hedging interest rates and at 31 March 2006. Eastland Network Limited had interest cover of $33 million for up to 5 years. The average fixed rate cover at this date was 6.52%. $19 million of these hedges are subject to a Novation Agreement dated 31 March 2006, transferring these hedges from Eastland Network Limited to Eastland Infrastructure Limited (and from ASB Bank to Commonwealth Bank). The transfers take effect at the next interest rate reset date progressively over the three months to 30 June 2006.

13 Net Cash Flow from Operating Activities

The following is a reconciliation between the surplus after tax shown in the Statement of Financial Performance and the net cash flow from operating activities.

	2006 $'000	2005 $'000
Surplus after tax	4,817	3,626
Add(less) items classified as investing/financing activities		
Capitalised interest on constructed assets	-	(182)
Loss(gain) on sale of other non current assets	(95)	4
	(95)	(178)
Add(less) non-cash items		
Depreciation	3,486	2,979
Decrease in future tax benefit	1,000	941
	4,486	3,920
Add(less) movement in working capital		
Decrease(increase) in trade and other receivables	(113)	(311)
Decrease/(increase) in inventories	2	3
(Decrease)/increase in trade and other payables	1,039	1,393
	928	1,085
Net Cash flow from Operating Activities	10,136	8,453

Notes to the financial statements (continued)
For the year ended 31 March 2006

14 Contingent Liabilities

At 31 March 2006, the Company has a contingent liability of $64,799 (2005 $66,736) in respect of Subdivision Developers' Rebates on sections that are reticulated but undeveloped. The individual liabilities will be brought to charge as each section is developed and line charges become payable.

15 Commitments

There were no capital commitments not provided for at year end. The figure for 2005 was also nil.

16 Financial Instruments

Credit risk
Financial assets which potentially subject the company to a credit risk are the book value of these financial instruments. However, the company considers the risk of non recovery of these amounts to be minimal.

Bank balances and investments in short term deposits are made with registered banks with satisfactory credit ratings. Exposure with any financial Institution is restricted in accordance with company policy.

Currency risk
The company had no material exposure to currency risk at 31 March 2006.

Interest risk
The interest rate risk is limited to bank borrowings. The company (and the "group") has a policy of hedging interest rates and at 31 March Eastland Network Limited had interest cover of $33 million for up to 5 years. The average fixed rate cover at this date was 6.52%.

Fair values
The carrying value of cash and bank deposits, accounts receivable and accounts payable is equivalent to their fair value.

Notes to the financial statements (continued)
For the year ended 31 March 2006

17 **Transactions with related parties**

EASTLAND COMMUNITY TRUST
Eastland Network Limited, Eastland Port Limited and Eastland Infrastructure Limited are related parties being 100% owned by Eastland Community Trust.

Other than payment of interest on Capital Notes and the payment of dividends there have been no significant transactions between company and the trust during the financial year.

EASTLAND INFRASTRUCTURE LIMITED

Eastland Infrastructure Limited provided management services to Eastland Network Limited for which management fees were paid to Eastland Infrastructure Limited. These fees amount to $2.890 million. The portion relating to the "Non-Lines Business" has been excluded from these financial statements.

EASTLAND PORT LIMITED
Eastland Network Limited leases land from Eastland Port Limited for a substation. Lease payments are $280 per annum.

18 **Financial and efficiency performance measures under Requirement 14 of the Commerce Commission's Electricity Information Disclosure Requirements 2004.**

	2006	2005	2004	2003
1) Financial performance measures				
a) Return on funds	10.9	9.6	9.7	12.9
b) Return on Equity	10.7	8.8	8.8	15.0
c) Return on Investment	7.5	6.4	23.2	9.3
2) Efficiency performance measures				
a) Direct line costs per Kilometre	$647	$675	$744	$646
b) Indirect line costs per electricity consumer	$77	$70	$61	$67

19 Annual Valuation Reconciliation Report
Year ended 31 March 2006

		$'000
Systems fixed assets at ODV - end of the previous year		87,521
Add	system fixed assets acquired during the year at ODV	8,298
less	system fixed assets disposed of during year at ODV	50
less	depreciation on system fixed assets at ODV	3,268
Add	revaluations of system fixed assets	
equals	system fixed assets at ODV - end of financial year	92,501

SCHEDULE 1 - PART 7

FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table	Input and Calculations	Symbol in formula	ROF		ROE		ROI	
Operating surplus before interest and income tax from financial statements	10,097,851							
Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIIT)	10,097,851							
Interest on cash, bank balances, and short-term investments (ISTI)	87,776							
OSBIIT minus ISTI	10,010,075	a		10,010,075				10,010,075
Net surplus after tax from financial statements	4,817,007							
Net surplus after tax adjusted pursuant to requirement 18 (NSAT)	4,817,007	n				4,817,007		
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add	0	add	0
Subvention payment	0	s	add	0	add	0	add	0
Depreciation of SFA at BV (x)	2,992,364							
Depreciation of SFA at ODV (y)	2,992,364							
ODV depreciation adjustment	0	d	add	0	add	0	add	0
Subvention payment tax adjustment	0	s*t			deduct	0	deduct	0
Interest tax shield	1,062,474	q					deduct	1,062,474
Revaluations	0	r					add	0
Income tax	2,061,226	p					deduct	2,061,226
Numerator				10,010,075		4,817,007		6,886,375
			$OSBIIT^{ADJ} = a + g + s + d$		$NSAT^{ADJ} = n + g + s - s^*t + d$		$^{ADJ} = a + g - q + r + s + d - p - s^*t$	
Fixed assets at end of previous financial year (FA_0)	94,370,547							
Fixed assets at end of current financial year (FA_1)	97,836,940							
Adjusted net working capital at end of previous financial year ($ANWC_0$)	-172,152							
Adjusted net working capital at end of current financial year ($ANWC_1$)	254,202							
Average total funds employed (ATFE)	96,144,768	c		96,144,768				96,144,768
	(or requirement 32 time-weighted average)							
Total equity at end of previous financial year (TE_0)	48,116,411							
Total equity at end of current financial year (TE_1)	50,709,653							
Average total equity	49,413,032	k				49,413,032		
	(or requirement 32 time-weighted average)							

WUC at end of previous financial year (WUC_0)	4,872,625							
WUC at end of current financial year (WUC_1)	3,095,131							
Average total works under construction	3,983,878	e	deduct	3,983,878	deduct	3,983,878	deduct	3,983,878
	(or requirement 32 time-weighted average)							
Revaluations	0	r						
Half of revaluations	0	r/2					deduct	0
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 32 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_{bv0})	87,809,051							
System fixed assets at end of current financial year at book value (SFA_{bv1})	92,788,794							
Average value of system fixed assets at book value	90,298,923	f	deduct	90,298,923	deduct	90,298,923	deduct	90,298,923
	(or requirement 32 time-weighted average)							
System Fixed assets at year beginning at ODV value (SFA_{odv0})	87,520,945							
System Fixed assets at end of current financial year at ODV value (SFA_{odv1})	92,500,689							
Average value of system fixed assets at ODV value	90,010,817	h	add	90,010,817	add	90,010,817	add	90,010,817
	(or requirement 32 time-weighted average)							
Denominator				91,872,785 $ATFE^{ADJ} = c - e - f + h$		45,141,049 Ave $TE^{ADJ} = k - e - m + v - f + h$		91,872,785 $ATFE^{ADJ} = c - e - ½r - f + h$
Financial Performance Measure:				10.9 $ROF = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$		10.7 $ROE = NSAT^{ADJ}/ATE^{ADJ} \times 100$		7.5 $ROI = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$

Efficiency Performance Measures (Schedule 1, Part 3)

	2006	2005	2004	2003
Direct line costs per kilometre	647	675	744	646
Direct expenditure	2,372,204	2,477,409	2,698,961	2,428,814
System length	*3,666.64*	*3,671.80*	*3,629.30*	*3,758.25*

	2006	2005	2004	2003
Indirect line costs per consumer	77	70	61	67
Indirect expenditure	1,922,798	1,733,061	1,507,781	1,695,627
Total consumers	*24,864*	*24,856*	*24,876*	*25,264*

Energy Delivery Efficiency Performance Measures (Schedule 1, Part 4

	2006	2005	2004	2003
Load Factor (= [a/bc]*100/1)	61.75%	62.78%	62.68%	61.11%
where -				
a = Kwh of electricity entering system during the financial year	*302,358,736*	*306,333,406*	*296,456,944*	*296,908,821*
(this figure should be same as the total for (g) from Statistics)				
b = Maximum Demand	*55,894*	*55,699*	*53,847*	*55,463*
c = Total number of hours in financial year	8760	8760	8784	*8,760*

	2006	2005	2004	2003
Loss Ratio (= a/b*100/1)	6.35%	6.23%	7.58%	7.31%
where -				
a = losses in electricity in kWh	*19,196,656*	*19,075,488*	*22,467,161*	*21,712,954*
(this figure should be the difference between (f) and (g) from Statistics)				
b = Kwh of electricity entering system during the financial year	*302,358,736*	*306,333,406*	*296,456,944*	*296,908,821*

	2006	2005	2004	2003
Capacity Utilisation (= a/b*100/1)	27.87%	28.17%	28.23%	29.50%
where -				
a = Maximum Demand	*55,894*	*55,699*	*53,847*	*55,463*
b = Transformer Capacity	*200,520*	*197,711*	*190,763*	*188,006*

Statistics (Schedule 1, Part 4)

Statistics	Nominal Voltage	2006	2005	2004	2003
System Length (Total) (kms)					
	50kV	295.75	293.91	293.30	254.24
	33kV	34.39	34.32	34.40	35.50
	11kV	2,561.24	2,573.62	2,575.65	2,620.27
	230/400 V	775.26	769.88	725.95	848.24
	Total	3,666.64	3,671.80	3,629.30	3,758.25
Circuit Length (Overhead) (kms)					
	50kV	294.93	293.91	293.30	254.24
	33kV	34.32	34.32	34.30	35.40
	11kV	2,437.91	2,448.80	2,453.65	2,502.40
	230/400 V	567.90	573.18	538.40	660.34
	Total	3,335.06	3,350.21	3,319.65	3,452.38
Circuit Length (Underground) (kms)					
	50kV	0.82	0.00	0.00	0.00
	33kV	0.07	0.07	0.10	0.10
	11kV	123.33	124.82	122.00	117.87
	230/400 V	207.36	196.70	187.55	187.90
	Total	331.58	321.59	309.65	305.87
Transformer Capacity (kVA)	in kVA	200,520	197,711	190,763	188,006
Maximum Demand (kW)	in kW	55,894	55,699	53,847	55,463
Total Electricity entering the System, before losses of electricity (kWh)		302,358,736	306,333,406	296,456,944	296,908,821
	Name of retailer/generator				
Total amount of electricity conveyed through the system, after losses of electricity, on behalf of each person that is an electricity generator or electricity retailer or both:	Contact Energy Ltd	164,054,061	169,852,670	162,920,804	166,214,066
	Mercury Energy Ltd (Mighty River)	28,564,857	24,012,438	12,857,080	1,538,842
	Transalta NZ Ltd				
	Trustpower Ltd	40,248,140	40,403,654	41,054,204	53,549,918
	Meridian Energy Ltd	16,020,077	14,058,206	18,071,846	39,254,678
	Genesis Energy Ltd	34,274,945	38,930,950	39,085,849	14,638,363
	NGC/Energy				
	TOTAL	283,162,080	287,257,918	273,989,783	275,195,867
Total number of consumers	Number	24,864	24,856	24,876	25,264

Reliability Performance Measures (Requirement 21)

Interruptions		Average Interruption Targets	Interruption Targets	Actual Interruptions			
		2007/2011	2007	2006	2005	2004	2003
	Class						
	Class A			1	0	1	1
Planned Interruptions	Class B	72	72	89	123	115	130
Unplanned Interruptions	Class C	130	130	231	235	247	214
	Class D			3	2	2	1
	Class E			0	0		0
	Class F			0	0		0
	Class G			0	0	1	0
	Class H			0	0		0
	Class I			2	0		0
	Total			326	360	366	346

Proportion of Total Class C Interruptions not restored: (= a/b*100/1)	Within 3 Hours	Within 24 Hours
where -		
a = No. of interruptions not restored within	148	1
b = Total number of Class C interruptions	231	231
Proportion expressed as a percentage	64.07%	0.43%

Faults		Average Faults Targets	Faults Targets	Actual number of faults			
		2007/10	2007	2006	2005	2004	2003
Faults per 100 circuit kilometres of prescribed voltage electric line	Nominal Voltage						
	50kV	3	3	4	2	2	3
	33kV	5	6	9	3	6	11
	11kV	7	7	7	8	8	8
	Total	5.8	5.8	7	7	8	12

Faults		Actual number of faults			
		2006	2005	2004	2003
Faults per 100 circuit kilometres of underground prescribed voltage electric line	Nominal Voltage				
	50kV	0	0		
	33kV	0	0		
	11kV	5	8	4	5
	Total	5	8	4	5

Faults		Actual number of faults			
		2005	2005	2004	2003
Faults per 100 circuit kilometres of overhead prescribed voltage electric line	Nominal Voltage				
	50kV	3	2	2	3
	33kV	9	3	6	11
	11kV	8	8	8	7
	Total	7	7	8	12

Reliability Performance Measures (Requirement 21)

SAIDI	Class	Average SAIDI Targets	SAIDI Targets	Actual SAIDI			
		2007/11	2007	2006	2005	2004	2003
SAIDI for total number of interruptions (= a/b)				358.95	282.53	397.61	367.66
where - a = sum of interruption duration factors for all interruptions; b = Total consumers							
SAIDI Targets (=a/b)							
Planned Interruptions	Class B	43	43				
Unplanned Interruptions	Class C	242	242				
where-							
Planned Interruptions (pi)	Class B						
a^{pi} = sum of interruption duration factors for all interruptions		*1,069,152*	*1,069,152*				
Unplanned Interruptions (ui)	Class C						
a^{ui} = sum of interruption duration factors for all interruptions		*6,017,088*	*6,017,088*				
b = Projected total consumers		*24,864*	*24,864*				
SAIDI for total number of interruptions within each interruption class (= a/b)							
	Class A			5.53	0.00	3.17	23.27
	Class B			27.50	31.00	38.05	56.95
	Class C			321.80	249.98	295.24	285.54
	Class D			1.22	1.55	18.75	1.91
	Class E			0.00	0.00	0.00	0.00
	Class F			0.00	0.00	0.00	0.00
	Class G			0.00	0.00	1.11	0.00
	Class H			0.00	0.00	0.00	0.00
	Class I			2.90	0.00	0.00	0.00
	SAIDI for total of interruptions			358.95	282.53	356.31	367.66
where - a = sum of interruption duration factors for all interruptions within the particular interruption class							
	Class A			137,428	0	78,750	587,769
	Class B			683,679	770,671	946,417	1,438,693
	Class C			8,001,348	6,213,421	7,344,364	7,213,916
	Class D			30,383	38,505	466,448	1,545,201
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			0	0	27,721	0
	Class H			0	0	0	0
	Class I			72,195	0	0	0
b = Total consumers				24,864	24,856	24,876	25,264

Reliability Performance Measures (Requirement 21)

SAIFI	Class	Average SAIFI Targets	SAIFI Targets	Actual SAIFI			
		2006/11	2007	2006	2005	2004	2003
SAIFI for total number of interruptions (= a/b)				2.65	2.13	2.82	2.78
where -							
a = sum of electricity consumers affected by each of those interruptions							
b = Total consumers							
SAIFI Targets (=a/b)							
Planned Interruptions	Class B	0.30	0.30				
Unplanned Interruptions	Class C	1.70	1.70				
where-							
Planned Interruptions	Class B						
a = projected number of electricity consumers affected by each of those interruptions		*7,459*	*7,459*				
b = Projected total customers		*24,864*	*24,864*				
Unplanned Interruptions	Class C						
a = projected number of electricity consumers affected by each of those interruptions		*42,269*	*42,269*				
b = Projected total customers		*24,864*	*24,864*				
SAIFI for total number of interruptions within each interruption class (= a/b)							
	Class A			0.02	0.00	0.02	0.07
	Class B			0.15	0.19	0.20	0.39
	Class C			2.46	1.92	1.75	2.54
	Class D			0.02	0.02	0.84	0.21
	Class E			0.00	0.00	0.00	0.00
	Class F			0.00	0.00	0.00	0.00
	Class G			0.00	0.00	0.00	0.00
	Class H			0.00	0.00	0.00	0.00
	Class I			0.00	0.00	0.00	0.00
	SAIFI for total of interruptions			2.65	2.13	2.82	4.39
where -							
a = sum of electricity consumers affected by each of those interruptions within that interruption class							
	Class A			383	0	375	1,883
	Class B			3,663	4,723	5,026	9,765
	Class C			61,095	47,724	43,485	64,049
	Class D			615	497	20,791	5,000
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			0	0	180	0
	Class H			0	0	0	0
	Class I			70	0	0	0
b = Total consumers				24,864	24,856	24,876	25,264

Reliability Performance Measures (Requirement 21)

CAIDI	Class	Average CAIDI Targets	CAIDI Targets	Actual CAIDI			
		2007/11	2007	2006	2005	2004	2003
CAIDI for total number of interruptions (= a/b)				136	133	127	134
where -							
a = sum of interruption duration factors for all interruptions							
b = sum of electricity consumers affected by each of those interruptions							
CAIDI Targets (=a/b)							
Planned Interruptions	Class B	143	143				
Unplanned Interruptions	Class C	142	142				
where-							
Planned Interruptions	Class B						
a = sum of interruption duration factors for all interruptions		*1,069,152*	*1,069,152*				
b = projected number of electricity consumers affected by each of those interruptions		*7,459*	*7,459*				
Unplanned Interruptions	Class C						
a = sum of interruption duration factors for all interruptions		*6,017,088*	*6,017,088*				
b = projected number of electricity consumers affected by each of those interruptions		*42,269*	*42,269*				
CAIDI for total number of interruptions within each interruption class (= a/b)							
	Class A			359	0	210	312
	Class B			187	166	188	147
	Class C			131	130	169	113
	Class D			49	309	22	309
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			0	0	154	0
	Class H			0	0	0	0
	Class I			1,031	0	0	0
	CAIDI for total of interruptions			136	133	127	134
where -							
a = sum of interruption duration factors for all interruptions							
	Class A			137,428	0	78,750	587,769
	Class B			683,679	770,671	946,417	1,438,693
	Class C			8,001,348	6,213,421	7,344,364	7,213,916
	Class D			30,383	38,505	466,448	1,545,201
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			0	0	27,721	0
	Class H			0	0	0	0
	Class I			72,195	0	0	0
b = sum of electricity consumers affected by each of those interruptions within that interruption class							
	Class A			383	0	375	1,883
	Class B			3,663	4,723	5,026	9,765
	Class C			61,095	47,724	43,485	64,049
	Class D			615	497	20,791	5,000
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			0	0	180	0
	Class H			0	0	0	0
	Class I			70	0	0	0

CERTIFICATION OF VALUATION REPORT OF DISCLOSING ENTITIES

We, Trevor William Taylor and Roger Neil Taylor, directors of Eastland Network Limited certify that, having made all reasonable enquiry, to the best of our knowledge-

(a) the attached valuation report of Eastland Network Limited, prepared for the purposes of requirement 19 of the Commerce Commission's Electricity Information Disclosure Requirements 2004 complies with those requirements: and

(b) the replacement cost of the line business system fixed assets of Eastland Network Limited is $187,619,000; and

(c) the depreciated replacement cost of the line business system fixed assets of Eastland Network Limited is $87,482,000; and

(d) the optimised depreciated replacement cost of the line business system fixed assets of Eastland Network Limited is $86,184,000; and

(e) the optimised deprival valuation of the line business system fixed assets of Eastland Network Limited is $86,184,000; and

(f) the values in paragraphs (b) through to (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information Disclosure Requirements 2004). These valuations are as at 31 March 2004.

.... Director

.... Director

3 March 2005

KPMG

AUDITORS OPINION IN RELATION TO ODV VALUATION

EASTLAND NETWORK LIMITED

We have examined the valuation report of Eastland Network Limited and dated 6 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 $86,184,000 have been made in accordance with the ODV Handbook (as defined in the Commerce Commission's Electricity Information Disclosure Requirements 2004).

Bruce Leeder
KPMG
P O Box 274
Christchurch

6 December 2004

Deloitte

REPORT OF THE AUDITOR-GENERAL
TO THE READERS OF THE FINANCIAL STATEMENTS OF EASTLAND NETWORK LIMITED
FOR THE YEAR ENDED 31 MARCH 2006

We have audited the financial statements of Eastland Network Limited on pages 2 to 13. The financial statements provide information about the past financial performance of Eastland Network Limited and its financial position as at 31 March 2006. This information is stated in accordance with the accounting policies set out on pages 5 to 7.

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 Eastland Network Limited as at 31 March 2006, and the results of its operations and cash flows for the year ended on that date.

Auditor's Responsibilities

Section 15 of the Public Audit Act 2001 and Requirement 30 of the Electricity Information Disclosure Requirements 2004 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Bruce Taylor of Deloitte to undertake the audit.

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 Eastland Network Limited's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with 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 acting on behalf of the Auditor-General, we have no relationship with or interests in Eastland Network Limited.

Qualified Opinion

As explained in Note 1 in the Notes to the Financial Statements, these financial statements have been prepared in accordance with the Requirements and as such represent an aggregation of the financial statements of Eastland Network Limited's Lines Business and Eastland Infrastructures Limited's Line Business. While required by the Requirements this treatment does not comply with generally accepted accounting practice.

These two entities do not form a group as defined in Financial Reporting Standard No.37: *Consolidating Investments in Subsidiaries,* but are owned in common by The Eastland Energy Community Trust.

Deloitte.

In our opinion –

- proper accounting records have been maintained by Eastland Network Limited as far as appears from our examination of those records;

- the financial statements of Eastland Network Limited's Lines Business on pages 2 to 13:
  - (a) do not comply with generally accepted accounting practice in New Zealand; and
  - (b) do not give a true and fair view of Eastland Network Limited's Lines Business's financial position as at 31 March 2006 and the results of its operations and cash flows for the year ended on that date, because of the non-compliance with Financial Reporting Standard No.37: *Consolidating Investments in Subsidiaries.*

- the financial statements of Eastland Network Limited's Lines Business on pages 2 to 13 do comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 22 November 2006 our qualified opinion is expressed as at that date.

Bruce Taylor
Deloitte
On behalf of the Auditor-General
Hamilton, New Zealand

This audit report relates to the financial statements of Eastland Network Limited's Lines Business for the year ended 31 March 2006 included on Eastland Network Limited's website. Eastland Network Limited's Board of Directors is responsible for the maintenance and integrity of Eastland Network Limited's website. We have not been engaged to report on the integrity of Eastland Network Limited'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 published hard copy of the audited financial statements and related audit report dated 22 November 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 and summary financial statements may differ from legislation in other jurisdictions.

Deloitte

AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF EASTLAND NETWORK LIMITED

We have examined the information on pages 14 to 22, being –

(a) the derivation table in requirement 15;

(b) the annual ODV reconciliation report in requirement 16;

(c) the financial performance measures in clause 1 of Part 3 of Schedule 1; and

(d) the financial components of the efficiency performance measures in clause 2 of Part 3 of Schedule 1, –

that were prepared by Eastland Network Limited and dated 31 March 2006 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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

Bruce Taylor
Deloitte
On behalf of the Auditor-General
Hamilton, New Zealand
22 November 2006

This opinion relates to the Performance Measures of Eastland Network Limited's Lines Business for the year ended 31 March 2006 included on Eastland Network Limited's website. Eastland Network Limited's Board of Directors is responsible for the maintenance and integrity of Eastland Network Limited's website. We have not been engaged to report on the integrity of Eastland Network Limited's website. We accept no responsibility for any changes that may have occurred to Performance Measures since they were initially presented on the website. The audit report 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 summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the Performance Measures and related audit report dated 22 November 2006 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.

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