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 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 regulation 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 regulations 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

Dated this 17th day of December 2004.

Statement of financial performance
For the year ended 31 March 2004

	Note	2004 $'000	2003 $'000
Operating Revenue	2	22,518	21,014
Operating Expenses	3	13,851	14,002
Earnings before Interest and Tax		8,667	7,012
Interest Expense	4	2,748	2,727
Net Surplus before Taxation		5,919	4,285
Taxation	5	1,616	1,551
Net Surplus after Taxation		4,303	2,734

Statement of movements in equity
For the year ended 31 March 2004

	Note	2004 $'000	2003 $'000
Total equity at beginning of year		33,707	31,223
Net surplus after taxation		4,303	2,734
Increase (decrease) in value of fixed assets recognised in equity			
Land and Buildings		192	-
Total recognised revenues and expenses		4,495	2,734
			-
Dividends paid		1,245	250
Distributions to owners		1,245	250
Total equity at end of year	7	36,957	33,707

Statement of financial position
As at 31 March 2004

	Note	2004 $'000	2003 $'000
Current Assets			
Cash		654	1,396
Receivables and prepayments	11	2,573	2,725
Inventories		6	25
Total Current Assets		3,233	4,146
Non-current Assets			
Property, plant & equipment	10	77,704	73,623
Total non-current assets		77,704	73,623
Total Assets		**80,937**	**77,769**
Current Liabilities			
Borrowings		-	1,000
Payables and accruals	12	2,489	3,399
Total Current Liabilities		2,489	4,399
Non-current Liabilities			
Bank Borrowings	13	30,150	29,200
Deferred Tax	6	1,341	463
Capital Notes		10,000	10,000
		41,491	39,663
Total Liabilities		**43,980**	**44,062**
Net Assets		**36,957**	**33,707**
Total Equity	7	**36,957**	**33,707**

Statement of cash flows
For the year ended 31 March 2004

	Note	2004 $'000	2003 $'000
Cash flows from (used in) operating activities			
Cash provided from:			
Receipts from customers		22,876	18,943
Interest Received		127	-
Net GST		71	83
		23,074	19,026
Cash applied to:			
Payments to suppliers and employees		(12,926)	(9,283)
Interest paid		(2,802)	(2,730)
Income Tax paid		(847)	(1,002)
		(16,575)	(13,015)
Net cash flows from (used in) operating activities	14	6,499	6,011
Cash flows from (used in) investing activities			
Cash provided from:			
Disposal of fixed assets		9	15
Cash applied to:			
Acquisition of fixed assets		(6,955)	(7,747)
Net cash flows from (used in) investing activities		(6,946)	(7,732)
Cash Flows from (to) financing activities			
Cash provided from:			
Proceeds of borrowings		950	3,350
Cash applied to:			
Dividends paid to shareholders of the Company		(1,245)	(250)
Net cash flows from (to) financing activities		(295)	3,100
Net increase (decrease) in cash held		(742)	1,379
Add opening cash brought forward		1,396	17
Ending cash carried forward		654	1,396

Notes to the financial statements
For the year ended 31 March 2004

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 2004

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 2004

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 2004

	2004 $'000	2003 $'000
2) Operating revenue comprises		
Revenue from line/access charges	19,872	18,487
Revenue from "Other" business for services carried out by the line business (transfer payment)	167	119
Interest on cash, bank balances and short term investments	127	91
AC loss-rental rebates	2,061	1,730
Other revenue	291	587
Total Operating revenue	22,518	21,014

3) Operating Expenditure includes

	2004 $'000	2003 $'000
(a) Payment for transmission charges	5,731	5,837
(b) Transfer payments for "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	-	-
(vii) Avoided transmission charges on account owned generation	*913*	*319*
(viii) Other goods & services not listed in (i) to (vi) above	-	-
(viiii) Total transfer payment to "Other" business	913	319
(c) Expense to entities that are not related parties for:		
(i) Asset Maintenance	*1,771*	*1,824*
(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	1,771	1,824
(d) Employee salaries, wages and redundancies	1,053	874
(e) Consumer billing and information system expense	45	79
(f) Depreciation on:		
*(i) System fixed assets: **	*2,641*	*3,451*
(ii) Other assets not listed in (i)	*359*	*271*
(iii) Total depreciation	3,000	3,722
(g) Amortisation of:		
(i) Goodwill	-	-
(ii) Other intangibles	-	-
(iii) Total amortisation of intangibles	-	-
(h) Corporate and administration	395	387
(i) Human Resource expenses	108	44
(j) Marketing advertising	11	8

Notes to the financial statements (continued)
For the year ended 31 March 2004

	2004 $'000	2003 $'000
3) Operating Expenditure (continued)		
(k) Merger and acquisition expenses	-	-
(l) Takeover defence expenses	-	-
(m) Research and development expenses	-	-
(n) Consultancy and legal expenses	384	544
(o) Donations	-	-
(p) Directors' fees	149	130
(q) Auditors' fees:		
(i) audit fees paid to principal auditors	*36*	*30*
(iii) fees paid for other services provided by principal and other auditors	-	-
(iv) Total auditors fees	36	30
(r) Costs of offering credit		
(i) *Bad debts written off*	*2*	*31*
(ii) *Increase in estimated doubtful debts*	*(2)*	*(1)*
(iii) Total cost of offering credit	-	30
(s) Local authority rates	42	14
(t) AC loss-rentals (distribution to retailers /customers) expense	-	-
(u) Rebates to consumers due to ownership interest	-	-
(v) Subvention payments	-	-
(w) Unusual expenses	-	-
(x) Other expenditure not listed in (a) to (w)	213	160
Total operating expenditure	13,851	14,002

4) Interest Expense

	2004 $'000	2003 $'000
(a) *Interest expense on borrowings*	*2,748*	*2,727*
(b) *Financing charges related to finance leases*		
(c) *Other interest expense*	-	-
(d) Total interest expense	2,748	2,727

Notes to the financial statements (continued)
For the year ended 31 March 2004

		2004 $'000	2003 $'000
5) Taxation			
Profit before taxation		5,919	4,285
Prima facie taxation at 33 %		1,953	1,414
Add (subtract) tax effect of permanent differences		337	137
Income tax expense		1,616	1,551
Income Tax expense is made up of			
Current Taxation		738	935
Deferred Taxation		878	616
		1,616	1,551
6) Deferred Taxation			
Balance at beginning of year		(463)	153
Recognised in the statement of financial performance		(878)	(616)
Balance at end of year		(1,341)	(463)
7) Shareholders Equity			
Paid in share capital		5,573	5,573
Asset revaluation reserve	8	18,465	18,273
Other equity		12,919	9,861
		36,957	33,707
8) Asset revaluation reserve			
Balance at beginning of year		18,273	18,273
Revaluation current year			
Land and Buildings		192	-
		18,465	18,273

Notes to the financial statements (continued)
For the year ended 31 March 2004

10) Fixed assets

	2004 $'000	2003 $'000
System fixed assets at valuation	80,741	72,582
Less accumulated depreciation	(6,511)	(4,045)
	74,230	68,537
Customer billing & information system assets at cost	996	835
Less accumulated depreciation	(518)	(341)
	478	494
Motor vehicles at cost	279	212
Less accumulated depreciation	(168)	(143)
	111	69
Office equipment at cost	296	221
Less accumulated depreciation	(215)	(153)
	81	68
Land & buildings at cost	-	-
Land and buildings at valuation	1,464	1,136
Less accumulated depreciation	(36)	(57)
	1,428	1,079
Capital works under construction at cost	1,206	3,119
Other plant and equipment at cost	575	987
Less accumulated depreciation	(405)	(730)
	170	257
Total fixed assets	77,704	73,623

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 2004.

Network assets have been valued at Optimised Depreciated Replacement Cost as confirmed by Kerslake and Partners, Consulting Engineers, as at 31 March 2002.

Capitalised Interest
The Capital works programme undertaken during the year was partly financed from borrowings. Interest incurred on these borrowing during the period of construction has been capitalised being recognition that borrowing cost was part of the cost of the resulting assets. The total amount of interest capitalised in this manner is $95,341.

Notes to the financial statements (continued)
For the year ended 31 March 2004

	2004 $'000	2003 $'000
11) Receivables		
Trade Debtors	1,895	2,429
Other receivables	271	-
Income Tax refundable	407	296
Total Receivables	2,573	2,725
12) Creditors and Borrowings		
Current		
Trade Creditors	1,992	3,221
Interest payable	268	-
Employee provisions	229	178
	2,489	3,399
Non Current		
Bank loans unsecured	30,150	29,200

13) Bank Loans

The Company has a credit line with ASB Bank for $40 million. This credit line is unsecured, but subject to a Deed of Negative Pledge. $800,000 of this facility is utilised by the "Non Lines" business (2003 $1,600,000). The facility is initially for a period of 5 years from 28 July 2001. Borrowings are rolled over on either 3 monthly or on a call basis. The Company has a policy of hedging interest rates and currently has interest rate cover of $23 million for various periods up to 5 years.

Average rate of fixed Rate cover at 31 March 2004 is 6.48%.

Notes to the financial statements (continued)
For the year ended 31 March 2004

	2004 $'000	2003 $'000

14) Net Cash Flow from Operating Activities

The following is a reconciliation between the surplus after taxation shown in the statement of financial performance and the net cash flow from operating activities.

	2004 $'000	2003 $'000
Surplus after taxation	4,303	2,734
Add/(less) non-cash items		
Depreciation	3,000	3,722
Decrease in future tax benefit	878	616
Loss(gain) on disposal of assets	57	73
Overhead recovered in fixed assets	-	-
	3,935	4,411
Add/(less) movement in working capital		
Decrease/(increase) in trade debtors and other receivables	123	(301)
Decrease/(increase) in inventories	19	241
(Decrease)/increase in trade creditors And other payables	(1,881)	(1,074)
	(1,739)	(1,134)
Net cash flow from operations	6,499	6,011

15) Contingent Liability

At 31 March 2004, the Company has a contingent liability of $92,289 (2003 $92,299) 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.

Notes to the financial statements (continued)
For the year ended 31 March 2004

17) Contingent Asset

Over the past 2 years the Company reported a contingent asset in respect to an insurance claim resulting from storm damage incurred in 2000. During the year the Company accepted a settlement offer from the Insurance Companies resulting in the receipt of an additional $395,000, increasing the settlement proceeds to $1.145 million.

18) Commitments

There were no capital commitments not provided for at year end. The figure for 2003 was also nil.

19) Financial instruments

Credit risk
Financial assets which potentially subject the Company to a credit risk principally consist of bank balances and accounts receivable. The maximum credit risk is 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 one financial institution is restricted in accordance with company policy.

Currency risk
The company had no material exposure to currency risk at 31 March 2004.

Interest risk
The interest rate risk is limited to bank borrowings. The Company has a policy of hedging interest rates and has hedges covering $23 million of borrowings for periods between two and five years at less than 7.5%.

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 2004

20) Transactions with related parties

(a) Eastland Energy Community Trust

Eastland Network Limited and Eastland Infrastructure Limited are 100% owned by Eastland Energy Community Trust.

Other than payment of Interest on Capital Notes and the payment of dividends there have been no significant transactions between the Lines Business of the Companies and the Trust during the financial year.

(b) Eastland Port Limited

Eastland Port Limited is also 100% owned by Eastland Energy Community Trust and the directors of the Companies are also directors of Eastland Port Limited.

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

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

		2004	2003	2002	2001
1)	Financial performance measures				
	a) Return on funds	9.7	12.9	14.4	11.3
	b) Return on Equity	8.8	15.0	13.8	11.2
	c) Return on Investment	23.2	9.3	2.4	-2.6
2)	Efficiency performance measures				
	a) Direct line costs per Kilometre	$744	$646	$1,034	$1,837
	b) Indirect line costs per electricity consumer	$61	$67	$67	$52

Annual Valuation Reconciliation Report
Year ended 31 March 2004

Systems fixed assets at ODV - end of the previous year		69,200,164
Add	system fixed assets aquired during the year at ODV	8,871,575
less	system fixed assets disposed of during year at ODV	94,441
less	depreciation on system fixed assets at ODV	3,481,936
Add	revaluations of system fixed assets	11,688,638
equals	system fixed assets at ODV - end of financial year	86,184,000

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	8,667,125							
Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIIT)	8,667,125							
Interest on cash, bank balances, and short-term investments (ISTI)	127,090							
OSBIIT minus ISTI	8,540,035	a		8,540,035				8,540,035
Net surplus after tax from financial statements	4,303,801							
Net surplus after tax adjusted pursuant to requirement 18 (NSAT)	4,303,801	n				4,303,801		
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)	2,640,658							
Depreciation of SFA at ODV (y)	3,481,936							
ODV depreciation adjustment	-841,278	d	add	-841,278	add	-841,278	add	-841,278
Subvention payment tax adjustment	0	s*t			deduct	0	deduct	0
Interest tax shield	906,695	q					deduct	906,695
Revaluations	11,880,479	r					add	11,880,479
Income tax	1,615,761	p					deduct	1,615,761
Numerator				7,698,757		3,462,523		17,056,780
			$OSBIIT^{ADJ}$ = 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)	73,622,664							
Fixed assets at end of current financial year (FA_1)	77,703,585							
Adjusted net working capital at end of previous financial year ($ANWC_0$)	-648,609							
Adjusted net working capital at end of current financial year ($ANWC_1$)	90,129							
Average total funds employed (ATFE)	75,383,885	c		75,383,885				75,383,885
	(or requirement 32 time-weighted average)							
Total equity at end of previous financial year (TE_0)	33,707,239							
Total equity at end of current financial year (TE_1)	36,956,648							
Average total equity	35,331,944	k				35,331,944		
	(or requirement 32 time-weighted average)							
WUC at end of previous financial year (WUC_0)	3,118,748							
WUC at end of current financial year (WUC_1)	1,206,265							

Average total works under construction	2,162,507	e	deduct	2,162,507	deduct	2,162,507	deduct	2,162,507
	(or requirement 32 time-weighted average)							
Revaluations	11,880,479	r						
Half of revaluations	5,940,240	r/2					deduct	5,940,240
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	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})	68,537,060							
System fixed assets at end of current financial year at book value (SFA_{bv1})	74,204,603							
Average value of system fixed assets at book value	71,370,832	f	deduct	71,370,832	deduct	71,370,832	deduct	71,370,832
	(or requirement 32 time-weighted average)							
System Fixed assets at year beginning at ODV value (SFA_{odv0})	69,200,164							
System Fixed assets at end of current financial year at ODV value (SFA_{odv1})	86,184,000							
Average value of system fixed assets at ODV value	77,692,082	h	add	77,692,082	add	77,692,082	add	77,692,082
	(or requirement 32 time-weighted average)							
Denominator				79,542,629 $ATFE^{ADJ} = c - e - f + h$		39,490,688 Ave $TE^{ADJ} = k - e - m + v - f + h$		73,602,389 $ATFE^{ADJ} = c - e - ½r - f + h$
Financial Performance Measure:				9.7 $ROF = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$		8.8 $ROE = NSAT^{ADJ}/ATE^{ADJ} \times 100$		23.2 $ROI = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$

Efficiency Performance Measures (Schedule 1, Part 3)

	2004	2003	2002	2001
Direct line costs per kilometre	744	646	1,034	1,837
Direct expenditure	2,698,961	2,428,814	3,804,374	6,500,929
System length	*3,629.30*	*3,758.25*	*3,678.51*	*3,538.02*

	2004	2003	2002	2001
Indirect line costs per consumer	61	67	52	72
Indirect expenditure	1,507,781	1,695,627	1,716,912	1,355,848
Total consumers	*24,876*	*25,264*	*25,552*	*26,128*

Energy Delivery Efficiency Performance Measures (Schedule 1, Part 4)

	2004	2003	2002	2001
Load Factor (= [a/bc]*100/1)	62.68%	61.11%	58.06%	58.04%
where -				
a = Kwh of electricity entering system during the financial year	*296,456,944*	*296,908,821*	*290,305,891*	*289,563,702*
(this figure should be same as the total for (g) from Statistics)				
b = Maximum Demand	*53,847*	*55,463*	*57,077*	*56,950*
c = Total number of hours in financial year	8784	8760	8760	*8,760*

	2004	2003	2002	2001
Loss Ratio (= a/b*100/1)	7.58%	7.31%	7.32%	8.51%
where -				
a = losses in electricity in kWh	*22,467,161*	*21,712,954*	*21,250,391*	*24,612,916*
(this figure should be the difference between (f) and (g) from Statistics)				
b = Kwh of electricity entering system during the financial year	*296,456,944*	*296,908,821*	*290,305,891*	*289,321,000*

	2004	2003	2002	2001
Capacity Utilisation (= a/b*100/1)	28.23%	29.50%	25.37%	27.12%
where -				
a = Maximum Demand	*53,847*	*55,463*	*57,077*	*56,950*
b = Transformer Capacity	*190,763*	*188,006*	*224,970*	*209,991*

Statistics (Schedule 1, Part 4)

Statistics	Nominal Voltage	2004	2003	2002	2001
System Length (Total) (kms)					
	50kV	293.30	254.24	258.33	253.55
	33kV	34.40	35.50	35.50	35.50
	11kV	2,575.65	2,620.27	2,637.41	2,569.33
	230/400 V	725.95	848.24	747.27	679.64
	Total	**3,629.30**	**3,758.25**	**3,678.51**	**3,538.02**
Circuit Length (Overhead) (kms)					
	50kV	293.30	254.24	258.33	253.55
	33kV	34.30	35.40	35.40	35.40
	11kV	2,453.65	2,502.40	2,532.90	2,472.49
	230/400 V	538.40	660.34	594.75	529.15
	Total	**3,319.65**	**3,452.38**	**3,421.38**	**3,290.59**
Circuit Length (Underground) (kms)					
	33kV	0.10	0.10	0.10	0.10
	11kV	122.00	117.87	104.51	96.84
	230/400 V	187.55	187.90	152.52	150.49
	Total	**309.65**	**305.87**	**257.13**	**247.43**
Transformer Capacity (kVA)	in kVA	190,763	188,006	224,970	209,991
Maximum Demand (kW)	in kW	53,847	55,463	57,077	56,950
Total Electricity entering the System, before losses of electricity (kWh)	in kWh	296,456,944	296,908,821	290,305,891	289,563,702
	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	162,920,804	166,214,066	161,212,700	160,749,080
	Mercury Energy Ltd (Mighty River)	12,857,080	1,538,842	3,831,200	30,972,710
	Transalta NZ Ltd			7,252,300	12,568,933
	Trustpower Ltd	41,054,204	53,549,918	51,533,500	53,783,112
	Meridian Energy Ltd	18,071,846	39,254,678	34,965,200	3,023,455
	Genesis Energy Ltd	39,085,849	14,638,363	10,236,100	2,989,299
	NGC/Energy			24,500	14,949
	Empower			0	849,248
	TOTAL	273,989,783	275,195,867	269,055,500	264,950,786
Total number of consumers	Number	24,876	25,264	25,552	26,128

Reliability Performance Measures (Requirement 21)

Interruptions		Average Interruption Targets	Interruption Targets	Actual Interruptions			
		2005/09	2005	2004	2003	2002	2001
	Class						
	Class A			1	1		7
Planned Interruptions	Class B	*71*	*72*	112	130	237	137
Unplanned Interruptions	Class C	*127*	*130*	247	214	138	224
	Class D			3	1	1	5
	Class E				0	0	0
	Class F				0	0	0
	Class G			3	0	0	0
	Class H				0	0	0
	Class I				0	0	0
	Total			366	346	376	373

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	94	18
b = Total number of Class C interruptions	247	247
Proportion expressed as a percentage	38.06%	7.29%

Faults		Average Faults Targets	Faults Targets	Actual number of faults			
		2005/09	2005	2004	2003	2002	2001
Faults per 100 circuit kilometres of prescribed voltage electric line	Nominal Voltage						
	50kV	*3*	*3*	2	3	2	4
	33kV	*0*	*0*	6	11	3	
	11kV	*7*	*7*	8	8	13	7
	Total			8	12	7	6

Faults		Actual number of faults			
		2004	2003	2002	2001
Faults per 100 circuit kilometres of underground prescribed voltage electric line	Nominal Voltage				
	50kV				
	33kV				
	11kV	4	5	0	1
	Total	4	5	0	1

Faults		Actual number of faults			
		2004	2003	2002	2001
Faults per 100 circuit kilometres of overhead prescribed voltage electric line	Nominal Voltage				
	50kV	2	3	2	4
	33kV	6	11	3	
	11kV	8	7	13	8
	Total	8	12	7	6

Reliability Performance Measures (Requirement 21)

SAIDI	Class	Average SAIDI Targets	SAIDI Targets	Actual SAIDI			
		2005/09	2005	2004	2003	2002	2001
SAIDI for total number of interruptions (= a/b)				356.32	367.66	562.58	666.32
where -							
a = sum of interruption duration factors for **all** interruptions							
b = Total consumers							
SAIDI Targets (=a/b)							
Planned Interruptions	Class B	41	45				
Unplanned Interruptions	Class C	233	255				
where-							
Planned Interruptions (pi)	Class B						
a^{pi} = sum of interruption duration factors for all interruptions		*1,029,866*	*1,119,420*				
Unplanned Interruptions (ui)	Class C						
a^{ui} = sum of interruption duration factors for all interruptions		*5,796,108*	*6,343,380*				
b = Projected total consumers		*24,876*	*24,876*				
SAIDI for total number of interruptions within each interruption class (= a/b)							
	Class A			3.17	23.27	0.00	1.26
	Class B			38.05	56.95	75.89	23.97
	Class C			295.24	285.54	111.98	638.81
	Class D			18.75	1.91	374.71	2.28
	Class E			0.00	0.00	0.00	0.00
	Class F			0.00	0.00	0.00	0.00
	Class G			1.11	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
	SAIDI for total of interruptions			**356.32**	**367.66**	**562.58**	**666.32**
where -							
a = sum of interruption duration factors for all interruptions within the particular interruption class							
	Class A			78,750	587,769	0	32,862
	Class B			946,417	1,438,693	1,939,160	626,231
	Class C			7,344,364	7,213,916	2,861,194	16,690,867
	Class D			466,448	1,545,201	48,870	9,727,476
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			27,721	0	0	0
	Class H			0	0	0	0
	Class I			0	0	0	0
b = Total consumers				24,876	25,264	25,552	26,128

Reliability Performance Measures (Requirement 21)

SAIFI	Class	Average SAIFI Targets	SAIFI Targets	Actual SAIFI			
		2004/08	2004	2004	2003	2002	2001
SAIFI for total number of interruptions (= a/b)				2.82	2.78	4.39	3.55
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 Interruption	Class C	1.70	1.70				
where-							
Planned Interruptions	Class B						
a = projected number of electricity consumers affected by each of those interruptions		*7,463*	*7,463*				
b = Projected total customers		*24,876*	*24,876*				
Unplanned Interruptions	Class C						
a = projected number of electricity consumers affected by each of those interruptions		*42,289*	*42,289*				
b = Projected total customers		*24,876*	*24,876*				
SAIFI for total number of interruptions within each interruption class (= a/b)							
	Class A			0.02	0.07	0.00	0.11
	Class B			0.20	0.39	0.29	0.41
	Class C			1.75	2.54	2.28	3.57
	Class D			0.84	0.21	0.27	0.50
	Class E			0.00	0.00	0.00	0.00
	Class F			0.00	0.00	0.00	0.00
	Class G			0.01	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			**2.82**	**2.78**	**4.39**	**3.55**
where -							
a = sum of electricity consumers affected by each of those interruptions within that interruption class							
	Class A			375	1,883	0	2,889
	Class B			5,026	9,765	7,478	10,841
	Class C			43,485	64,049	58,178	93,310
	Class D			20,791	5,000	5,430	6,955
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			180	0	0	0
	Class H			0	0	0	0
	Class I			0	0	0	0
b = Total consumers				24,876	25,264	25,552	26,128

Reliability Performance Measures (Requirement 21)

CAIDI	Class	Average CAIDI Targets	CAIDI Targets	Actual CAIDI			
		2004/08	2004	2004	2003	2002	2001
CAIDI for total number of interruptions (= a/b)				127	134	68	238
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	138	150				
Unplanned Interruptior	Class C	137	150				
where-							
Planned Interruptions	Class B						
a = sum of interruption duration factors for all interruptions		*1,029,866*	*1,119,420*				
b = projected number of electricity consumers affected by each of those interruptions		*7,463*	*7,463*				
Unplanned Interruptions	Class C						
a = sum of interruption duration factors for all interruptions		*5,796,108*	*6,343,380*				
b = projected number of electricity consumers affected by each of those interruptions		*42,289*	*42,289*				
CAIDI for total number of interruptions within each interruption class (= a/b)							
	Class A			210	312	0	11
	Class B			188	147	259	58
	Class C			169	113	49	179
	Class D			22	9	1,399	5
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			154	0	0	0
	Class H			0	0	0	0
	Class I			0	0	0	0
	CAIDI for total of interruptions			**127**	**134**	**68**	**238**
where - a = sum of interruption duration factors for all interruptions							
	Class A			78,750	587,769	0	32,862
	Class B			946,417	1,438,693	1,939,160	626,231
	Class C			7,344,364	7,213,916	2,861,194	16,690,867
	Class D			466,448	1,545,201	48,870	9,727,476
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			27,721	0	0	0
	Class H			0	0	0	0
	Class I			0	0	0	0
b = sum of electricity consumers affected by each of those interruptions within that interruption class							
	Class A			375	1,883	0	2,889
	Class B			5,026	9,765	7,478	10,841
	Class C			43,485	64,049	58,178	93,310
	Class D			20,791	5,000	5,430	6,955
	Class E			0	0	0	0
	Class F			0	0	0	0
	Class G			180	0	0	0
	Class H			0	0	0	0
	Class I			0	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 $184,685,000; 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

17 December 2004

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 Loader
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 2004

We have audited the financial statements of Eastland Network Limited on pages 2 to 15. The financial statements provide information about the past financial performance of Eastland Network Limited and its financial position as at 31 March 2004. 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 2004, 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.

In our opinion –

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

Deloitte.

- the financial statements of Eastland Network Limited's Lines Business on pages 2 to 15:
  - (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 2004 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 on pages 2 to 15 do comply with the Electricity Information Disclosure Requirements 2004.

Our audit was completed on 20 December 2004 our qualified opinion is expressed as at that date.

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

Deloitte

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

We have examined the information on pages 15 to 18, 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 2004 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
20 December 2004

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