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EASTLAND NETWORK LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999 AND THE ELECTRICITY (INFORMATION DISCLOSURE) AMENDMENT REGULATIONS 2000

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

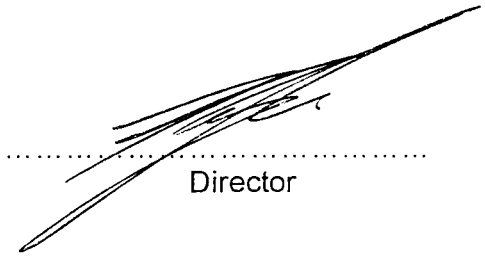
We, Arthur Patrick Muldoon and Trevor William Taylor, directors of Eastland Network Ltd certify that, having made all reasonable enquiry, to the best of our knowledge, -

(a) The attached audited financial statements of Eastland Network Ltd, prepared for the purposes of regulation 6 of the Electricity (Information Disclosures) Regulations 1999 comply with the requirements of those regulations; 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, 21 and 22 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of those regulations.

The valuations on which those financial performance measures are based are as at 31 March 2001.

Director



Director

Dated this 24th day of August 2001

Statement of financial performance
For the year ended 31 March 2001

	Note	2001 $'000	2000 $'000
Operating Revenue	2	22,053	19,585
Operating Expenses	3	16,048	13,358
Earnings before Interest and Tax		6,005	6,227
Interest Expense	4	451	290
Net Surplus before Taxation		5,554	5,937
Taxation	5	1,591	2,087
Net Surplus after Taxation		3,963	3,850

Statement of movements in equity
For the year ended 31 March 2001

	Note	2001 $'000	2000 $'000
Equity at beginning of year		14,903	16,325
Net surplus after taxation		3,963	3,850
Increase (decrease) in value of land and buildings recognised in equity		(344)	106
Total recognised revenues and expenses		3,619	3,957
Dividends paid	8	793	5,379
Equity at end of year		17,729	14,903

Statement of financial position
For the year ended 31 March 2001

	Note	2001 $'000	2000 $'000
Equity			
Share Capital	9	12,539	12,539
Reserves	10	174	527
Retained earnings		5,016	1,837
Total equity		17,729	14,903
Non-current liabilities			
Borrowings	12	13,200	13,209
Current Liabilities			
Bank Overdraft		1,024	-
Borrowings	12	3,209	3,220
Payables and accruals	13	2,493	1,947
Provision for dividend		-	453
Taxation payable		-	391
Total Current Liabilities		6,726	6,011
Total Equity & Liabilities		37,655	34,123
Non-current Assets			
Property, plant & equipment	11	34,974	30,132
Future Tax benefit	6	155	157
Total non-current assets		35,129	30,289
Current Assets			
Cash		-	1,659
Receivables and prepayments		2,117	2,175
Income Tax refundable		408	-
Total Current Assets		2,525	3,834
Total Assets		37,655	34,123

Statement of cash flows
For the year ended 31 March 2001

	Note	2001 $'000	2000 $'000
Cash flows from operating activities			
Cash was received from (disbursed to):			
Receipts from customers		21,933	18,980
Interest Received		140	189
Payments to suppliers and employees		(13,464)	(11,799)
Interest paid		(395)	(290)
Income Tax paid		(2,208)	(660)
Net GST		(66)	-
Net cash flow from operating activities	16	5,940	6,420
Cash flows from (to) investing activities			
Cash was provided by (applied to)			
Disposal of fixed assets		120	148
Acquisition of fixed assets		(7,488)	(15,819)
Net cash from (to) investing activities		(7,368)	(15,671)
Cash Flows from (to) financing activities			
Cash was provided by (applied to)			
Proceeds of borrowing		-	6,400
Repayment of borrowings		(9)	(20)
Dividends paid		(1,246)	(4,926)
Net cash from (to) financing activities		(1,255)	1,454
Net increase (decrease) in cash held		(2,683)	(7,797)
Add opening cash brought forward		1,659	9,456
Ending cash carried forward		(1,024)	1,659

Notes to the financial statements
For the year ended 31 March 2001

1) Statement of accounting policies

Basis of Preparation

Eastland Network Ltd is registered under the Companies Act 1993 and is a reporting entity for purposes of the Financial Reporting Act 1993.

The financial statements are those of the Line Business Activities only of Eastland Network Ltd and have been prepared in accordance with the Electricity (information Disclosure) Regulations 1999 and only for that purpose.

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. Any surplus on revaluation of a class of land and buildings 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 rating to the class of land and buildings is recognised in the statement of financial performance where it exceeds the surplus previously transferred to equity.

Notes to the financial statements (continued)
For the year ended 31 March 2001

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 - 50 years
Motor Vehicles	5 - 10 years
Plant & Equipment	5 - 10 years

(B) Receivables

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

(C) 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.

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.

(D) 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.

Notes to the financial statements (continued)
For the year ended 31 March 2001

(E) 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.

(F) 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 2001

		2001 $'000	2000 $'000
2)	**Operating revenue comprises**		
	Revenue from line/access charges	19,532	18,823
	Revenue from "Other" business for services carried out by the line business (transfer payment)	46	279
	Interest on cash, bank balances and short term investments	154	189
	AC loss-rental rebates	790	232
	Other revenue	1,531	62
	Total Operating revenue	22,053	19,585
3)	**Operating Expenditure includes**		
	(a) Payment for transmission charges	5,132	4,635
	(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	*396*	*117*
	(viii) Other goods & services not listed in (i) to (vi) above		*38*
	(viiii) Total transfer payment to "Other" business	396	155
	(c) Expense to entities that are not related parties for:		
	(i) Asset Maintenance	*5,896*	*3,727*
	(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	5,896	3,727
	(d) Employee salaries, wages and redundancies	1,137	1,111
	(e) Consumer billing and information system expense	127	134
	(f) Depreciation on:		
	(i) System fixed assets:	*1,797*	*1,415*
	(ii) Other assets not listed in (i)	*299*	*385*
	(iii) Total depreciation	2,096	1,800
	(g) Amortisation of:		
	(i) Goodwill	-	-
	(ii) Other intangibles	-	-
	(iii) Total amortisation of intangibles	-	-
	(h) Corporate and administration	374	424
	(i) Human Resource expenses	112	228
	(j) Marketing advertising	18	1

Notes to the financial statements (continued)
For the year ended 31 March 2001

	2001 $'000	2000 $'000
3) Operating Expenditure (continued)		
(k) Merger and acquisition expenses	77	-
(l) Takeover defense expenses	-	-
(m) Research and development expenses	-	-
(n) Consultancy and legal expenses	266	209
(o) Donations	-	-
(p) Directors' fees	123	109
(q) Auditors' fees:		
(i) audit fees paid to principal auditors	*28*	*23*
(ii) audit fees paid to other auditors	-	-
(iii) fees paid for other services provided by principal and other auditors	*3*	*2*
(iv) Total auditors fees	31	25
(r) Costs of offering credit		
(i) *Bad debts written off*	*12*	-
(ii) *Increase in estimated doubtful debts*	-	-
(iii) Total cost of offering credit	12	-
(s) Local authority rates	9	8
(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)	242	792
Total operating expenditure	16,048	13,358

4) Interest expense		
(a) Interest expense on borrowings	449	283
(b) *Financing charges related to finance leases*	2	7
(c) Other Interest expense		-
(d) Total Interest Expense	451	290

5) Taxation		
Profit before taxation	5,554	5,937
Prima facie taxation at 33 %	1,833	1,959
Add (subtract) tax effect of permanent differences	(242)	95
Income tax expense	1,591	2,053
Income Tax expense is made up of	1,589	1,904
Current Taxation	2	183
	1,591	2,087

Notes to the financial statements (continued)
For the year ended 31 March 2001

		2001 $'000	2000 $'000
6)	**Deferred Taxation**		
	Balance at beginning of year	157	340
	Recognised in the statement of financial performance	(2)	(183)
	Balance at end of year	155	157
7)	**Imputation credits**		
	Balance at beginning of year	1,911	3,531
	Taxation paid	2,208	60
	Imputation credits attached to dividends paid	(686)	(2,280)
	Balance at end of year	3,433	1,911
8)	**Dividend**		
	Proposed Dividend on ordinary shares	-	453
	Interim dividends paid	793	4,926
		793	5,379
9)	**Paid in share capital**		
	Balance at beginning of year	12,539	8,503
	Transfer from share premium reserve	-	222
	Transfer from retained earnings	-	3,814
		12,539	12,539
10)	**Asset revaluation reserve**		
	Balance at beginning of year	527	1,605
	Revaluation current year	(344)	107
	Revalued content of disposed assets	(9)	(1,585)
		174	527

Notes to the financial statements (continued)
For the year ended 31 March 2001

	2001 $'000	2000 $'000
11) Fixed assets		
System fixed assets at cost	51,101	41,892
Less accumulated depreciation	(17,780)	(15,223)
	33,321	26,669
Customer billing & information system assets at cost	310	296
Less accumulated depreciation	(132)	170
	178	126
Motor vehicles at cost	164	446
Less accumulated depreciation	(70)	(171)
	94	275
Office equipment at cost	472	888
Less accumulated depreciation	(348)	(484)
	124	404
Land & building at cost	136	-
Land and buildings at valuation	696	1,417
Less accumulated depreciation	(19)	(38)
	813	1,379
Capital works under construction at cost	25	581
Other plant and equipment at cost	897	1,519
Less accumulated depreciation	(478)	(821)
	419	698
Total fixed assets	34,974	30,132

Notes to the financial statements (continued)
For the year ended 31 March 2001

	2001 $'000	2000 $'000
12) Borrowings		
a. Non-Current		
Bank loans unsecured	3,200	3,200
Lease Liability	-	9
Shareholder subordinated Debt	10,000	10,000
	13,200	13,209
b. Current		
Bank loans unsecured	3,200	3,200
Lease Liability	9	20
	3,209	3,220
13) Payables and accruals		
Trade Creditors	2,299	1,747
Other accruals	36	-
Employee provisions	158	200
	2,493	1,947

14) Bank Loans

Total bank borrowings of $6,400,000 are in two parts, $3,200,000 on a 5 year term loan due for repayment on 30 July 2004. Interest on this loan is fixed for a 2 year period expiring 30 July 2001. The current interest rate is 6.56%.

$3,200,000 Multi open current loan limit (MOCL) expires 30 July 2001. Drawings under this limit are for periods between 90 and 180 days. The current balance is repayable on 26 April 2001 at an interest rate of 6.86%. The interest rate on this facility is hedged within the range 5.0% to 7.55% until 30 July 2001.
The bank borrowings are not secured.

15) Finance Lease

The finance lease is secured over the office telephone equipment.

Notes to the financial statements (continued)
For the year ended 31 March 2001

	2001 $'000	2000 $'000
16) 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.		
Surplus after taxation	3,963	3,850
Add/(less) items classified as investing/ financing activities:		
Add/(less) non-cash items		
Depreciation	2,096	1,799
Decrease in future tax benefit	2	-
Loss(gain) on disposal of assets	85	-
Reallocation of equity	-	42
	2,183	1,841
Add/(less) movement in working capital		
Decrease/(increase) in trade debtors and other receivables	58	(348)
Decrease/(increase) in inventories	-	57
(Decrease)/increase in trade creditors and other payables	536	1,020
(Decrease)/increase in Income Tax payable	(800)	-
Net cash flow from operations	5,940	6,420

17) Subordinated Debt

In accordance with the Establishment Plan creating Eastland Network Ltd (formerly Eastland Energy Limited) as an energy company under the Energy Companies Act 1992, Eastland Energy Community Trust provided the Company with loan finance of $10,000,000. This debt is subordinate to all other liabilities of the Company, and is interest free.

Discussions are continuing with the Trust as to the future of this debt. Options being considered include payment of interest and refinancing of debt.

18) Contingent Liabilities

As at 31 March 2001, The Company has a contingent liability of $112,299 (2000: $137,300) in respect of Subdivision Developers' Rebates on sections that are reticulated but undeveloped. The individual liabilities will be brought to charge as a section is developed and line charges become payable.

Notes to the financial statements (continued)
For the year ended 31 March 2001

During the year Transpower invoiced the Company $1,935,648 (plus GST) in respect of their costs to date in respect to the formerly proposed Frasertown – Gisborne transmission line. The Directors, having sought legal advice, dispute that the Company is liable for these costs. Negotiations are continuing with Transpower towards resolving this issue.

19) Contingent Asset

In September 2000 the network was subjected to a wide ranging and slow moving wind storm, which caused extensive damage to parts of the network. Storm repairs cost the company in excess of $2 million. The company carried storm insurance for such an event. To date an interim payment of $750.000 has been approved. The company is still working through the final claim and expects final settlement to be between $1.25 million and $1.5 million.

	2001 $'000	2000 $'000
20) Commitments		
(a) Capital Commitments	-	160
Contracted for but not provided for	-	160

21) 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 bank with satisfactory credit ratings. Exposure with any one financial institution is restricted in accordance with company policy.

Currency risk
The Company has no material exposure to currency risk.

Interest risk
The interest rate risk is limited to bank borrowings. As indicated at note 14 the interest rates are hedged until 28 July 2001.

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 2001

22) Transactions with related parties

(a) The Company is 100% owned by Eastland Energy Community Trust.

Other than the distributions shown in the statement of movements in equity there have been no significant transactions with related parties.

(b) Port of Gisborne
One of the Directors is also a director of Port of Gisborne Limited.

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

23) Financial and efficiency performance measures under Regulation 15 of the Electricity (Information Disclosure) Regulations 1999

		2001	2000	1999	1998
1)	Financial performance measures				
	a) Return on funds	11.3	9.40	1.30	5.76
	b) Return on Equity	11.2	8.00	1.01	4.53
	c) Return on Investment	-2.6	-11.40	0.95	90.99
2)	Efficiency performance measures				
	a) Direct line costs per Kilometre	$1,837	$1,300	$1,471	$1,327
	b) Indirect line costs per electricity consumer	$52	$72	$94	$112

24) Delivery efficiency performance measures under Regulation of the Electricity (Information Disclosure) Regulations 1999

1.	Load factor	58%	57%	59%	59%
2.	Loss ratio	8.51%	6.2%	7.3%	7.3%
3.	Capacity utilisation	27.1%	28.5%	26.5%	26.9%

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	6,005				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	6,005				
Interest on cash, bank balances, and short-term investments (ISTI)	153				
OSBIIT minus ISTI	5,852	a	5,852		5,852
Net surplus after tax from financial statements	3,962				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	3,962	n		3,962	
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)	1,797				
Depreciation of SFA at ODV (y)	1,331				
ODV depreciation adjustment	466	d	add 466	add 466	add 466
Subvention payment tax adjustment	0	s*t		deduct 0	deduct 0
Interest tax shield	98	q			deduct 98
Revaluations	-6,168	r			add -6,168
Income tax	1,591	p			deduct 1,591
Numerator			6,318 $OSBIIT^{ADJ} = a + g + s + d$	4,428 $NSAT^{ADJ} = n + g + s - s*t + d$	-1,539 $IT^{ADJ} = a + g - q + r + s + d - p - s*t$
Fixed assets at end of previous financial year (FA_0)	30,132				
Fixed assets at end of current financial year (FA_1)	34,974				
Adjusted net working capital at end of previous financial year ($ANWC_0$)	228				
Adjusted net working capital at end of current financial year ($ANWC_1$)	-376				
Average total funds employed (ATFE)	32,479 (or regulation 33 time-weighted average)	c	32,479		32,479
Total equity at end of previous financial year (TE_0)	14,903				
Total equity at end of current financial year (TE_1)	17,729				
Average total equity	16,316 (or regulation 33 time-weighted average)	k		16,316	
WUC at end of previous financial year (WUC_0)	581				
WUC at end of current financial year (WUC_1)	25				
Average total works under construction	303 (or regulation 33 time-weighted average)	e	deduct 303	deduct 303	deduct 303
Revaluations	-6,168	r			
Half of revaluations	-3,084	r/2			deduct -3,084
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 (or regulation 33 time-weighted average)	m		add 0	
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})	26,669				
System fixed assets at end of current financial year at book value (SFA_{bv1})	33,321				
Average value of system fixed assets at book value	29,995 (or regulation 33 time-weighted average)	f	deduct 29,995	deduct 29,995	deduct 29,995
System Fixed assets at year beginning at ODV value (SFA_{odv0})	53,251				
System Fixed assets at end of current financial year at ODV value (SFA_{odv1})	54,017				
Average value of system fixed assets at ODV value	53,634 (or regulation 33 time-weighted average)	h	add 53,634	add 53,634	add 53,634
Denominator			55,815 $ATFE^{ADJ} = c - e - f + h$	39,652 $Ave\ TE^{ADJ} = k - e - m + v - f + h$	58,899 $ATFE^{ADJ} = c - e - ½r - f + h$
Financial Performance Measure:			11.3 $ROF = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$	11.2 $ROE = NSAT^{ADJ}/ATE^{ADJ} \times 100$	-2.6 $ROI = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$

Annual Valuation Reconciliation Report

Year ended 31 March 2001		**$'000**
Systems fixed assets at ODV - end of the previous year		53,251
Add	system fixed assets acquired during the year at ODV	7,921
less	system fixed assets disposed of during year at ODV	-
less	depreciation on system fixed assets at ODV	1,331
Add	revaluations of system fixed assets	(5,824)
equals	system fixed assets at ODV - end of financial year	54,017

2 Efficiency Performance Measures (Schedule 1, Part 3)

(a)

	2001	2000	1999	1998
Direct line costs per kilometre	1,837	1,297	1,472	1,326
Direct expenditure	6,500,929	4,535,030	4,159,959	3,749,932
System length	*3,538.02*	*3,495.52*	*2,827.00*	*2,827.00*

(b)

	2001	2000	1999	1998
Indirect line costs per consumer	52	72	94	112
Indirect expenditure	1,355,848	1,699,925	1,864,051	2,223,005
Total consumers	*26,128*	*23,694*	*19,843*	*19,797*

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

(a)

	2001	2000	1999	1998
Load Factor (= [a/bc]*100/1)	57.99%	56.59%	59.25%	59.24%
where -				
a = Kwh of electricity entering system during the financial year	*289,321,000*	*269,881,692*	*223,221,000*	*224,965,100*
(this figure should be same as the total for (g) from Statistics)				
b = Maximum Demand	*56,950*	*54,446*	*43,010*	*43,354*
c = Total number of hours in financial year	8760	*8,760*	*8,760*	*8,760*

(b)

	2001	2000	1999	1998
Loss Ratio (= a/b*100/1)	8.51%	6.18%	7.26%	7.29%
where -				
a = losses in electricity in kWh	*24,612,917*	*16,679,992*	*16,205,845*	*16,399,956*
(this figure should be the difference between (f) and (g) from Statistics)				
b = Kwh of electricity entering system during the financial year	*289,321,000*	*269,881,692*	*223,221,000*	*224,965,100*

(C)

	2001	2000	1999	1998
Capacity Utilisation (= a/b*100/1)	27.12%	28.47%	26.45%	26.91%
where -				
a = Maximum Demand	*56,950*	*54,446*	*43,010*	*43,354*
b = Transformer Capacity	*209,991*	*191,218*	*162,619*	*161,094*

Statistics (Schedule 1, Part 4)

	Statistics	Nominal Voltage	2001	2000	1999	1998
(a)	System Length (Total) (kms)					
		50kV	253.55	295.69	258.00	258.00
		33kV	35.50	0.00	0.00	0.00
		11kV	2,569.33	2,599.42	2,080.00	2,081.00
		230/400 V	679.64	600.41	489.00	488.00
		Total	**3,538.02**	**3,495.52**	**2,827.00**	**2,827.00**
(b)	Circuit Length (Overhead) (kms)					
		50kV	253.55	295.69	258.00	258.00
		33kV	35.40			
		11kV	2,472.49	2,499.60	1,983.00	1,984.00
		230/400 V	529.15	472.07	397.00	397.00
		Total	**3,290.59**	**3,267.36**	**2,638.00**	**2,639.00**
(c)	Circuit Length (Underground) (kms)					
		33kV	0.10			
		11kV	96.84	99.82	97.00	97.00
		230/400 V	150.49	128.34	92.00	91.00
		Total	**247.43**	**228.16**	**189.00**	**188.00**
(d)	Transformer Capacity (kVA)	in kVA	209,991	191,218	162,619	161,094
(e)	Maximum Demand (kWh)	in kW	56,950	54,446	43,010	43,354
(f)	Total Electricity Supplied from System, after losses of electricity (kWh)	in kWh	264,950,786	253,201,700	207,015,155	208,565,144
		Name of retailer/generator				
(g)	Total amount of electricity conveyed through the system, before losses of electricity, on behalf of each person that is an electricity generator or electricity retailer or both:	Contact Energy Ltd	175,682,056	189,333,898	86,410,000	
		Eastland Energy Ltd			112,924,700	224,965,100
		Mercury Energy Ltd	33,849,956	10,491,973	4,944,000	
		Transalta NZ Ltd	13,736,539	5,672,613	1,646,300	
		Wairapapa Elecricity Ltd			17,296,000	
		Trustpower Ltd	58,779,358	41,639,810		
		Meridian Energy Ltd	3,304,322	291,630		
		Genesis Energy Ltd	3,266,993	22,451,767		
		NGC/Energy	16,338			
		Empower	928,140			
		TOTAL	289,563,702	269,881,692	223,221,000	224,965,100
(h)	Total number of consumers	Number	26,128	23,694	19,843	19,797

Reliability Performance Measures (Schedule 1, Part 5)

Para

1 to 3

Interruptions		Average Interruption Targets	Interruption Targets		Actual Interruptions		
		2002/06	2002	2001	2000	1999	1998
	Class						
	Class A			7	1	0	
Planned Interruptions	Class B	*66*	*100*	137	156	*376*	*485*
Unplanned Interruptions	Class C	*122*	*170*	224	179	140	131
	Class D			5	2	*0*	
	Class E					*0*	
	Class F					*0*	
	Class G					0	
	Class H					0	
	Class I					0	
	Total			373	338	516	616

4

Proportion of Total Class C Interruptions not restored: (= a/b*100/1)			Within 3 Hours	Wihin 24 Hours
where -				
a = No. of interruptions not restored within			174	224
b = Total number of Class C interruptions			224	224
Proportion expressed as a percentage			77.68%	100.00%

Reliability Performance Measures (Schedule 1, Part 5)

para

5

Faults		Average Faults Targets	Faults Targets	Actual number of faults			
		2002/06	2002	2001	2000	1999	1998
Faults per 100 circuit kilometres of prescribed voltage electric line	Nominal Voltage						
	50kV	3.1	3.5	4	4	5	6
	33kV						
	11kV	6	7.5	7	6	6	6
	Total			7	6	6	6

6

Faults		Actual number of faults				
		2001	2000	1999	1998	1997
Faults per 100 circuit kilometres of underground prescribed voltage electric line	Nominal Voltage					
	50kV					
	33kV					
	11kV	1	4	9	5	10
	Total	1	4	9	5	10

7

Faults		Actual number of faults				
		2001	2000	1999	1998	1997
Faults per 100 circuit kilometres of overhead prescribed voltage electric line	Nominal Voltage					
	50kV	4	4	*5*	*6*	*7*
	33kV					
	11kV	8	6	*6*	*6*	*8*
	Total	7	6	6	6	8

Reliability Performance Measures (Schedule 1, Part 5)

Para	SAIDI	Class	Average SAIDI Targets 2001/05	SAIDI Targets 2001	Actual SAIDI 2001	2000	1999	1998
8	**SAIDI for total number of interruptions (= a/b)**				1,043.04	235.34	404.01	518.77
	where - a = sum of interruption duration factors for all interruptions							
	b = Total consumers							
9, 10	**SAIDI Targets (=a/b)**							
	Planned Interruptions	Class B	45	57				
	Unplanned Interruptions	Class C	165	293				
	where- **Planned Interruptions (pi)**	Class B						
	a^{pi} = sum of interruption duration factors for all interruptions		*1,148,616*	*1,467,504*				
	Unplanned Interruptions (ui)	Class C						
	a^{ui} = sum of interruption duration factors for all interruptions		*4,621,644*	*7,562,754*				
	b = Projected total consumers		*25,800*	*25,800*				
11	**SAIDI for total number of interruptions within each interruption class (= a/b)**							
		Class A			1.27	1.68	0.00	0.00
		Class B			24.12	47.95	164.46	235.95
		Class C			642.95	183.43	239.55	253.16
		Class D			374.71	2.28	0.00	29.66
		SAIDI for total of interruptions			**1,043.04**	**235.34**	**404.01**	**518.77**
	where - a = sum of interruption duration factors for all interruptions within the particular interruption class							
		Class A			32,862	39,732		
		Class B			626,231	1,136,102	3,263,380	4,671,102
		Class C			16,690,867	4,346,118	4,753,391	5,011,809
		Class D			9,727,476	54,126		587,179
	b = Total consumers				25,960	23,694	19,843	19,797

Reliability Performance Measures (Schedule 1, Part 5)

Para	SAIFI	Class	Average SAIFI Targets	SAIFI Targets	Actual SAIFI			
			2002/06	2002	2001	2000	1999	1998
12	**SAIFI for total number of interruptions (= a/b)**				4.39	3.55	4.16	8.72
	where -							
	a = sum of electricity consumers affected by each of those interruptions							
	b = Total consumers							
13, 14	**SAIFI Targets (=a/b)**							
	Planned Interruptions	Class B	0.38	0.44				
	Unplanned Interruptions	Class C	2.15	2.48				
	where-							
	Planned Interruptions	Class B						
	a = projected number of electricity consumers affected by each of those interruptions		*9,778*	*11,300*				
	b = Projected total customers		*25,800*	*25,800*				
	Unplanned Interruptions	Class C						
	a = projected number of electricity consumers affected by each of those interruptions		*55,418*	*63,958*				
	b = Projected total customers		*25800*	*25800*				
15	**SAIFI for total number of interruptions within each interruption class (= a/b)**							
		Class A			0.11	0.02	0.00	0.00
		Class B			0.42	0.45	1.33	2.44
		Class C			3.59	2.58	2.83	4.12
		Class D			0.27	0.50	0.00	2.16
		SAIFI for total of interruptions			**4.39**	**3.55**	**4.16**	**8.72**
	where -							
	a = sum of electricity consumers affected by each of those interruptions within that interruption class							
		Class A			2,889	462		
		Class B			10,841	10,714	26,391	48,305
		Class C			93,310	61,081	56,156	81,563
		Class D			6,955	11,743		42,762
	b = Total consumers				25,960	23,694	19,843	19,797

Reliability Performance Measures (Schedule 1, Part 5)

Para	CAIDI	Class	Average CAIDI Targets 2002/06	CAIDI Targets 2002	Actual CAIDI 2001	2000	1999	1998
16	**CAIDI for total number of interruptions (= a/b)**				238	66	97	59
	where - a = sum of interruption duration factors for all interruptions							
	b = sum of electricity consumers affected by each of those interruptions							
17, 18	**CAIDI Targets (=a/b)**							
	Planned Interruptions	Class B	120	130				
	Unplanned Interruptions	Class C	76	118				
	where- **Planned Interruptions**	Class B						
	a = sum of interruption duration factors for all interruptions		*1,148,616*	*1,467,504*				
	b = projected number of electricity consumers affected by each of those interruptions		*9,778*	*11,300*				
	Unplanned Interruptions	Class C						
	a = sum of interruption duration factors for all interruptions		*4,621,644*	*7,562,754*				
	b = projected number of electricity consumers affected by each of those interruptions		*55,418*	*63,958*				
19	**CAIDI for total number of interruptions within each interruption class (= a/b)**							
		Class A			11	86	#DIV/0!	#DIV/0!
		Class B			58	106	124	97
		Class C			179	71	85	61
		Class D			1,399	5	#DIV/0!	14
		CAIDI for total of interruptions			**238**	**66**	**97**	**59**
	where - a = sum of interruption duration factors for all interruptions							
		Class A			32,862	39,732	0	0
		Class B			626,231	1,136,102	3,263,380	4,671,102
		Class C			16,690,867	4,346,118	4,753,391	5,011,809
		Class D			9,727,476	54,126	0	587,179
	b = sum of electricity consumers affected by each of those interruptions within that interruption class							
		Class A			2,889	462	0	0
		Class B			10,841	10,714	26,391	48,305
		Class C			93,310	61,081	56,156	81,563
		Class D			6,955	11,743	0	42,762
		Class I			0	0	0	0

Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF EASTLAND NETWORK LIMITED FOR THE YEAR ENDED 31 MARCH 2001

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 2001. This information is stated in accordance with the accounting policies set out on pages 5 to 7.

Directors' Responsibilities

The Electricity (Information Disclosure) Regulations 1999 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 2001, and results of operations and cash flows for the year then ended.

Auditor's responsibilities

It is the responsibility of the Audit Office to express an independent opinion on the financial statements presented by the Directors and report its opinion to you.

The Controller and Auditor-General has appointed L H Desborough, of Audit New Zealand, 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 generally accepted auditing standards, including 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 give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in Eastland Network Limited.

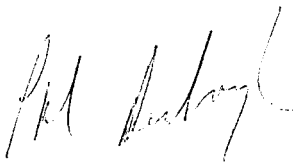
Unqualified opinion

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

In our opinion:

- proper accounting records have been kept by Eastland Network Limited as far as appears from our examination of those records *and*
- the financial statements on pages 2 to 15:
  - comply with generally accepted accounting practice *and*
  - give a true and fair view of the financial position of Eastland Network Limited as at 31 March 2001 and the results of its operations and cash flows for the year ended on that date; *and*
  - comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 27 August 2001 and our unqualified opinion is expressed as at that date.



L H Desborough
Audit New Zealand
On behalf of the Controller and Auditor-General
Napier, New Zealand

Audit New Zealand

AUDIT OFFICE OPINION

ON THE PERFORMANCE MEASURES OF EASTLAND NETWORK LIMITED

We have examined the information on pages 15 to 17 being –

(a) the derivation table in regulation 16; and

(b) the annual ODV reconciliation report in regulations 16A; and

(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 2001 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999.

In our opinion, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1999.

L H Desborough
Audit New Zealand
On behalf of the Controller and Auditor-General
Napier, New Zealand

27 August 2001

KPMG

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AUDITORS OPINION IN RELATION TO ODV VALUATION

EASTLAND NETWORK LIMITED

I have examined the valuation report of Eastland Network Limited by KPMG and dated 6 August 2001, which contains valuations of system fixed assets as at 31 March 2001.

In my opinion, having made all reasonable enquiry, to the best of my knowledge, the ODV valuations contained in the report, including the total valuation of system fixed assets of $54,017,395 have been made in accordance with the ODV Handbook.

Peter Young
Partner

6 August 2001

CERTIFICATION OF VALUATION REPORT OF LINE OWNERS

We, Arthur Patrick Muldoon and Trevor William Taylor, directors of Eastland Network Ltd 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 the Electricity (Information Disclosure) Regulations 1999, complies with the requirements of those regulations; and
(b) The Optimised Depreciated Replacement Cost of the line business system fixed assets of Eastland Network Limited is $54,771,000; and
(c) The Optimised Deprival Valuation of the line business system fixed assets of Eastland Network Limited is $54,017,395; and
(d) The valuation of the line business assets of Eastland Network Limited including system and non-system fixed assets and net working capital is $51,624,395; and
(e) The values in (b) and (c) have been prepared in accordance with the ODV Handbook.

These valuations are as at 31 March 2001.

..... Director

..... Director

Dated this 24th day of August 2001

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