MainPower New Zealand Limited ("MainPower")

Lines Business Price Path Threshold Compliance Statement
Commerce Act (Electricity Distribution Thresholds) Notice 2004

<u>Price Path Threshold - Para 5(1)(a)</u>

MainPower's Notional Revenue at 31 March 2008 is not to exceed the Allowable Notional Revenue under the CPI-X Price Path at 31 March 2008 calculated in accordance with Table A.

MainPower's Notional Revenue at 31 March 2008 is less than its Allowable Notional Revenue under the CPI-X Price Path at 31 March 2008 and therefore the Price Path Threshold under Para 5(1)(a) is not breached.

Table A - Price Path Threshold - Para 5 (1)(a)

$$\frac{\mathbf{NR}_{2008}}{\mathbf{R}_{2008}} \leq 1$$

$$\frac{\sum \mathbf{P}_{i,2008}\,\mathbf{Q}_{i,2005} - \mathbf{K}_{2008}}{\mathbf{R}_{2007}\,[(1 + \Delta\,\mathrm{CPI}_{2008} - 1)\,(1 - X)]} = \frac{\$27{,}877{,}318 - \$7{,}662{,}317}{(\$20{,}792{,}418)\,(1.023768)(0.98)}$$

$$= \frac{\$20{,}215{,}001}{\$20{,}860{,}880}$$

$$= 0.96904$$

$$= \leq 1$$

Therefore Threshold not breached.

Price Path Threshold - Para 5(1)(b)

MainPower's Notional Revenue at any time during the assessment period ended 31 March 2008 is not to exceed the greater of the Allowable Notional Revenue at 31 March 2008 and the Allowable Notional Revenue at 31 March 2007 calculated in accordance with Table B.

> MainPower's Notional Revenue at any time during the assessment period ended 31 March 2008 is less than the Allowable Notional Revenue at 31 March 2008 and the Allowable Notional Revenue at 31 March 2007, therefore the Price Path Threshold under Para 5(1)(b) is not breached.

Table B - Price Path Threshold - Para 5 (1)(b)

$$\frac{\mathbf{NR}_{\text{Max } 01/04/07\ -\ 31/03/08}}{\mathbf{ANR}_{\text{Max}}\ (01/04/07,\ 31/03/08)} \leq 1$$

$$\frac{\sum \mathbf{P}_{i,\ \text{Max } 2008}\ \mathbf{Q}_{i,2005} - \mathbf{K}_{2008}}{\text{Max } (\mathbf{ANR}_{2008},\ \mathbf{ANR}_{2008})} \leq 1$$

$$\frac{\sum \mathbf{P}_{i,\ \text{Max } 2008}\ \mathbf{Q}_{i,2005} - \mathbf{K}_{2008}}{\text{Max } (\mathbf{R}_{2007}),[(\mathbf{R}_{2007})(1 + \Delta\ \text{CPI}_{2008}\ -1)(1 - X)]} = \frac{\$27,877,318 - \$7,662,317}{\text{Max } (\$20,792,418),((\$20,792,418)(1.023768)(0.98))}$$

$$= \frac{\$20,215,001}{\text{Max } (\$20,792,418),\ (\$20,860,880)}$$

$$= \frac{\$20,215,001}{\$20,860,880}$$

$$= 0.96904$$

$$\leq 1$$

Therefore Threshold not breached

Explanation

Notional Revenue	-	Revenue less pass-through costs.
$\sum \mathbf{P}_{i,2008}\,\mathbf{Q}_{i,2005}$	-	Revenue as at 31 March 2008 based on 31 March 2008 price structure and year ended 31 March 2005 quantities. Being $27,877,318 as per Appendix 1.
$\mathbf{Q}_i$	-	Base quantity for the year ended 31 March 2005.
$\mathbf{K}_{2008}$	-	The sum of the transmission charges, rates and Electricity Commission levies for year ended 31 March 2008. Being $7,662,317 as per Appendix 2.
$\mathbf{R}_{2007}$	-	The allowable notional revenue under the CPI – X Price Path for the year ended 31 March 2007. Being – $\mathbf{R}_{2006}\,[(1 + \Delta\,CPI_{2007} - 1)\,(1 - X)]$ = ($20,526,687)(1.033618)(0.98) = $20,792,418
X	-	2% - as per Schedule 1 of the Commerce Act (Electricity Distribution Thresholds) Notice 2004.
$\mathbf{\Delta}\,CPI_{2008}$	-	1.023768 being the average change in the All Groups SE9A Consumer Price Index over the calendar year ended 31 December during the assessment period

Notional Revenue

All Fixed and Variable Line Function Services have been included in the above calculation.

The following sources of revenue have been excluded from the calculation of Notional Revenue:

- Connection, Disconnection or Reconnection Services charged to Energy Retailers;
- The value of assets vested in MainPower by customers in the form of customer contributions;
- Non-conveyance revenues including interest, rents and profit on sale of assets.

Lines Business Quality Threshold Compliance Statement
Commerce Act (Electricity Distribution Thresholds) Notice 2004

Quality Threshold - Para 6(1)(a) – Interruption Duration SAIDI

MainPower's SAIDI for the Assessment Period, the 12 month-period ended 31 March 2008, is not to exceed the five-year average SAIDI to 31 March 2003, calculated in accordance with the following table.

MainPower's SAIDI for the 12-month period ended on the Assessment Date, 31 March 2008 does not exceed MainPower's five-year average SAIDI and therefore the Quality Threshold under Para 6(1)(a) is not breached.

$$SAIDI_{2008} \leq \left(\frac{SAIDI_{1999} + SAIDI_{2000} + SAIDI_{2001} + SAIDI_{2002} + SAIDI_{2003}}{5} \right)$$

$$110.12 \leq \left(\frac{195.29_{1999} + 90.33_{2000} + 148.45_{2001} + 151.85_{2002} + 150.29_{2003}}{5} \right)$$

$$110.12 \leq 147.24$$

Quality Threshold - Para 6(1)(b) – Interruption Frequency SAIFI

MainPower's SAIFI for the Assessment Period, the 12 month-period ended 31 March 2008, is not to exceed the five-year average SAIFI to 31 March 2003, calculated in accordance with the following table.

MainPower's SAIFI for the 12-month period ended on the Assessment Date, 31 March 2008 does not exceed MainPower's five-year average SAIFI and therefore the Quality Threshold under Para 6(1)(b) is not breached.

$$SAIFI_{2008} \leq \left(\frac{SAIFI_{1999} + SAIFI_{2000} + SAIFI_{2001} + SAIFI_{2002} + SAIFI_{2003}}{5} \right)$$

$$1.25 \leq \left(\frac{2.08_{1999} + 1.44_{2000} + 2.12_{2001} + 1.22_{2002} + 1.69_{2003}}{5} \right)$$

$$1.25 \leq 1.71$$

Quality Threshold - Para 6(1)(c)

Customer Communication

"MainPower must, at least once during the period of two years ending 31 March 2008:

(i) Properly advise its customers about the price-quality tradeoffs available to them in relation to the goods and services provided by MainPower; and

(ii) Consult with its customers about the quality of goods and services that they require, with reference to the prices of those goods and services; and

(iii) Properly consider the views expressed by customers during and after that consultation; and

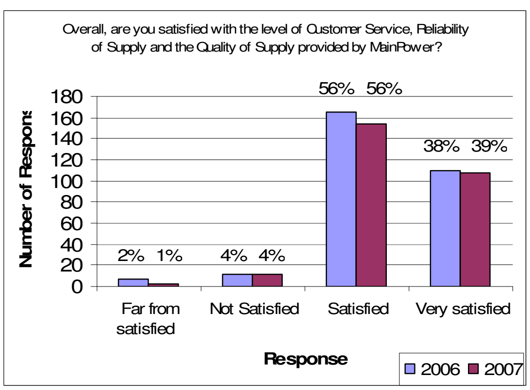
(iv) Adequately take these views into account when making its asset management decisions."

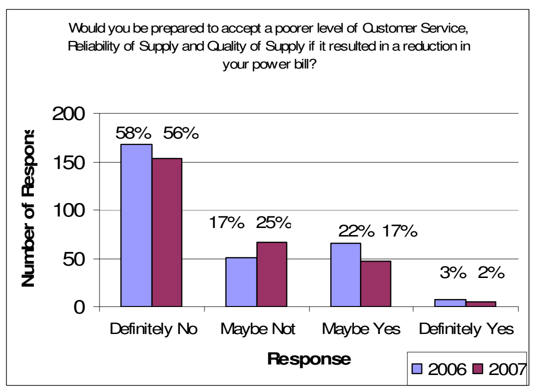
During the two-year period ended 31 March 2008, MainPower has undertaken one "short form" survey and one more comprehensive survey. An independent research organisation was contracted to undertake the more comprehensive survey. The opportunity is also taken to provide customers with information on MainPower's price and quality performance and this is made available either by way of an accompanying note to the survey or by way of a full page advertisement in newspapers circulating free of charge throughout MainPower's area of supply. SAIDI and SAIFI quality statistics during recent years, together with the target SAIDI and SAIFI for the current year compared to the performance of other line companies is made available. MainPower also provides customers with a comparison of the most recent disclosed line service charges on a pre and post discount basis ranked against other line company prices.

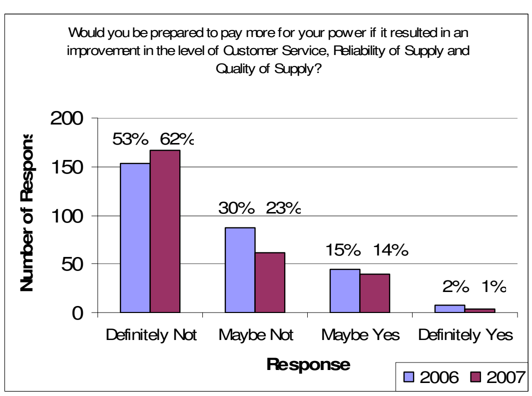
The short form survey, in the form of a mailout questionnaire and covering note, is managed internally by MainPower staff and deals specifically with the price-quality trade-off. The short form survey was undertaken during the year ended 31 March 2007 and was forwarded to 1,000 MainPower customers.

Customer comments noted on the survey form are properly considered for corrective action and are also taken into account when making the company's Asset Management Plan decisions.

A summary of the short form survey result for 2007 compared to the survey carried out during 2006 follows:







The comprehensive customer survey covers a far wider range of matters impacting on MainPower's business, including the customers' views on the price-quality trade-off. Normal statistical sampling methods are applied. The most recent survey was undertaken during late 2007. This survey included a telephone survey of 400 residential customers and 330 non-residential customers, and one-on-one meetings with 18 key stakeholders including high-use customers as follows:

Garry Jackson, Mayor, Hurunui District Council
Ross Little, Councillor, Environment Canterbury
Graeme Abbot, Manager, Hanmer Springs Thermal Resort (customer)
Kevin Heays, Mayor, Kaikoura District Council
Stuart Grant, Chief Executive, Kaikoura District Council
David Viles, Executive Director, Enterprise North Canterbury
Robin Brown, Manager, New World Rangiora (customer)
Jim Palmer, Chief Executive, Waimakariri District Council
Ron Keating, incoming Mayor, Waimakariri District Council
Jim Gerard, outgoing Mayor, Waimakariri District Council
Chris Sundstrum, President, Federated Farmers North Canterbury
Allan Fowler, Managing Director, Elizabeth Estates (developer)
Tony Sewell, Manager, Ngai Tahu Properties
Peter and Judy Van Beek, Manager, VB Properties (developer)
Lee Myrton, Manager, Countdown (customer)
Rod Crone, Manager Networks and Reconciliation, Contact Energy
Neville Clarke, Manager, Belfast Timber Kilns (customer)
Mark Manson, Manager, Heller Tasty (customer)

An extract from the summary statistics resulting from this independent customer survey and Research First's comments on Customer Satisfaction and the Price-Quality Trade-off follows.

Chart 5.5: Levels of Satisfaction with MainPower

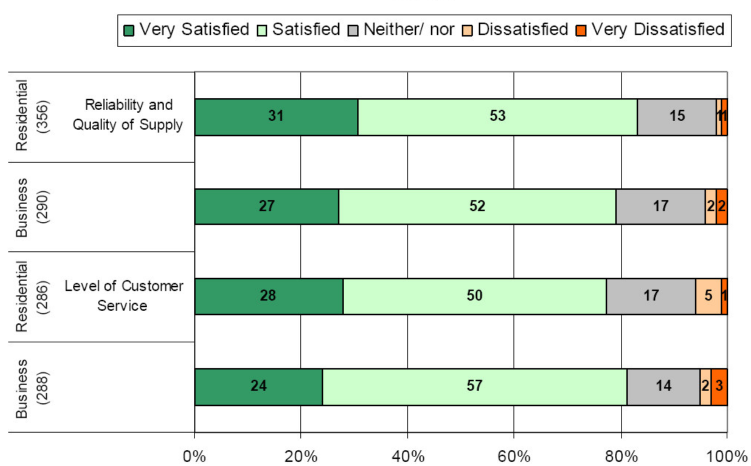


Table 5.15: Willingness to Trade-Off Service and Price

	Residential Customers	Business Customers
	369	*324*
Lower levels of customer service/ reduction in power bill		
Yes	30%	29%
No	45%	53%
Not sure	25%	18%
Lower levels of reliability and quality of supply/ reduction in power bill		
Yes	15%	8%
No	68%	78%
Not sure	17%	14%
Higher levels of customer service/ increase in power bill		
Yes	11%	8%
No	76%	78%
Not sure	13%	15%
Higher levels of reliability and quality of supply/ increase in power bill		
Yes	16%	13%
No	69%	71%
Not sure	15%	15%

Satisfaction with MainPower Services and Supply

The research shows very high levels of satisfaction in both populations with both the reliability and quality of supply provided by MainPower and the level of customer service provided to those who interact with MainPower.

- *84% of residential customers and 79% of business customers were either 'very satisfied' or 'satisfied' with the reliability and quality of supply provided by MainPower.*

- *78% of residential customers and 81% of business customers who had dealt with MainPower were either 'very satisfied' or 'satisfied' with the level of customer service provided by MainPower.*

Willingness to Trade-Off Service Quality and Price

In general, the results show that the majority of respondents in both surveys are happy with the current levels of customer service; reliability and quality of supply; and price. The majority of respondents in both surveys would not be willing to accept lower standards of either (i) customer service or (ii) reliability and quality of supply even if these lower standards resulted in a reduction in their power bill. Nor would they be willing to accept higher levels of service if those higher standards meant a higher power bill."

Linkage with MainPower's Asset Management Plan

The following customer communication-related sources are taken into account preparing MainPower's Asset Management Plan.

- Feedback from customers from any source including customer surveys, outage notices, webpage, electricity retailers, etc.

- Any customer complaints relating to service, quality, security, reliability and availability of supply.

- Customer feedback at meetings of the Company, including meetings called by either customers or the Company to discuss matters of concern or significant changes to the distribution system, e.g. new substations, upgrade of major feeders, undergrounding.

- Input from major customer interviews.

- Information received from employees in the field following communication with customers.

Information Requirements - Para 7(a)(iii)

Policies and procedures used by MainPower when recording the SAIDI and SAIFI statistics for the 12 months ended 31 March 2008.

Definitions

"Planned Interruption" means any interruption in respect of which at least 24 hours' notice was given to the customers affected by the interruption.

"Prescribed Voltage Electric Line" means an electric line that is capable of conveying electricity at a voltage equal to or greater than 3.3 kilovolts.

"Unplanned Interruption" means any interruption in which less than 24 hours' notice, or no notice, was given to the customers affected by the interruption.

Policy and Procedure - Inclusions and Exclusions

Only interruptions arising from incidents on Prescribed Voltage Electric Lines are included.

Voltage fluctuations and momentary interruptions of less than one minute are not included.

The operation of a single high voltage fuse supplying a three-phase transformer is excluded.

An interruption caused by the operation of 11kV fuses on transformers supplying up to three customers, is excluded.

Policy and Procedure - Recording of Statistics

Statistics are based on the actual number of customers at each distribution transformer and the actual number of customers at each 11kV feeder using the Company's electronic outage management software/GE Network Solutions' geographical information system.

The duration of a Planned Interruption including staging of disconnection and/or reconnection of supply, is recorded on an actual time basis.

The duration of an Unplanned Interruption including the staging of the associated reconnection of supply, is recorded on an actual time basis, i.e. from the time the supply is interrupted when this is initiated by MainPower without 24 hours' notice being given, or from the time MainPower is first notified of the interruption.

Policy and Procedure - Internal Audit

Quality statistics are subject to internal audit.

Quality Statistics for the Assessment Period ended 31 March 2008

Interruption Class	Average Customer Connections	Classification of Interruptions	SAIDI		SAIFI	
			Customer Minutes	Minutes per Customer Connection	Number of Customer Interruptions	Interruptions per Customer
B		Planned	1,962,009	61.11	9,055	0.28
C		Unplanned	1,573,476	49.01	31,129	0.97
	32,105	**Total**	**3,535,485**	**110.12**	**40,184**	**1.25**

Deloitte.

TO THE READERS OF THE THRESHOLD COMPLIANCE STATEMENT OF MAINPOWER NEW ZEALAND LIMITED FOR THE ASSESSMENT PERIOD ENDED ON 31 MARCH 2008

We have examined the attached statement, which is a threshold compliance statement in respect of the price path and the quality threshold prepared by MainPower New Zealand Limited for assessment as at 31 March 2008 and dated 21 May 2008 for the purposes of information requirements set out in Clause 7 of the Commerce Act (Electricity Distribution Thresholds) Notice 2004 ("the Notice"). In this report the attached statement is called "the threshold compliance statement".

Directors' Responsibilities
Directors of MainPower New Zealand Limited are responsible for the certification of the threshold compliance statement in accordance with this Notice.

Auditor's Responsibilities
It is our responsibility to express an independent opinion (in the form prescribed in the Notice) on the threshold compliance statement and report our opinion to you.

We conducted our audit in accordance with the Auditing Standards issued by the New Zealand Institute of Chartered Accountants.

Basis of Opinion – Price Path Threshold; and Quality Threshold: SAIDI and SAIFI Statistics for the Assessment Period ended 31 March 2008
Our audit included examinations, on a test basis, of evidence relevant to the amounts and disclosures contained in the attached threshold compliance statement and which relate to:

- the price path threshold set out in clause 5 of the Notice; and
- the SAIDI and SAIFI statistics for the assessment period ended on 31 March 2008 which are relevant to those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice.

It also included assessment of the significant estimates and judgements, if any, made by MainPower New Zealand Limited in the preparation of the threshold compliance statement and assessment of whether the basis of preparation has been adequately disclosed.

We planned and performed our audit of the threshold compliance statement so as to obtain all the information and explanations which we considered necessary, including for the purpose of obtaining sufficient evidence to give reasonable assurance that the threshold compliance statement is 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 threshold compliance statement.

Basis of Opinion – Quality Threshold: SAIDI and SAIFI Statistics for the Years Ended 31 March 1999, 2000, 2001, 2002 and 2003.
In relation to the SAIDI and SAIFI statistics for the years ended 31 March 1999, 2000, 2001, 2002 and 2003 which are relevant to those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice, we have undertaken procedures to provide reasonable assurance that:

- the amounts and disclosures in the threshold compliance statement relating to those statistics have been correctly taken from the information disclosed by MainPower New Zealand Limited in accordance with the Electricity (Information Disclosure) regulations 1999; and
- those statistics have been calculated based on the source data provided to us. We have not performed audit procedures on the source data.

Deloitte.

Relationship and Interests
We have no relationship with or interests in MainPower New Zealand Limited other than in our capacity as auditor and the provision of advisory services. We are not aware of any relationships between our firm and MainPower New Zealand Limited that, in our professional judgement, may reasonably be thought to impair our independence.

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

Price Path Threshold
In our opinion, having made all reasonable enquiry, to the best of our knowledge the amounts or details set out in the threshold compliance statement relating to the price path threshold set out in clause 5 of the Notice and related information have been prepared in accordance with the Notice, and give a true and fair view of the performance of MainPower New Zealand Limited against those thresholds for the assessment period ended on 31 March 2008.

Quality Threshold: SAIDI and SAIFI Statistics
In our opinion, having made all reasonable enquiry, to the best of our knowledge:

a) the SAIDI and SAIFI statistics for the assessment period ended on 31 March 2008 which are relevant to those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice and related information have been calculated or prepared in accordance with the Notice and in accordance with MainPower New Zealand Limited's policies and procedures for recording SAIDI and SAIFI statistics as disclosed in the threshold compliance statement, and fairly represent the performance of MainPower New Zealand Limited for the assessment period ended on 31 March 2008;

b) the SAIDI and SAIFI statistics for the years ended 31 March 1999, 2000, 2001, 2002 and 2003, which are relevant to those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice, have been correctly taken from the information disclosed by MainPower New Zealand Limited in accordance with the Electricity (Information Disclosure) Regulations 1999. Those statistics have been properly calculated based on the unaudited source data provided to us by MainPower New Zealand Limited;

c) the SAIDI and SAIFI statistics for the assessment period ended on 31 March 2008, together with the SAIDI and SAIFI statistics for the years ended 31 March 1999, 2000, 2001, 2002 and 2003, give a true and fair view of the performance of MainPower New Zealand Limited against those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice for the assessment period ended on 31 March 2008.

Out audit was completed on 21 May 2008 and our opinion is expressed as at that date.

Deloitte

Christchurch, New Zealand

CERTIFICATION OF
THRESHOLD COMPLIANCE STATEMENT

We, Wynton Gill Cox and Allan Berge, being directors of MainPower New Zealand Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Threshold Compliance Statement of MainPower New Zealand Limited, and related information, prepared for the purposes of the Commerce Act (Electricity Distribution Thresholds) Notice 2004 complies with the requirements of that notice.

W G Cox
Director (Chairman)

A Berge
Managing Director

Dated 21 May 2008

MainPower New Zealand Limited

Appendix 1

Summary - Line Services Revenue, 31 March 2005 Quantities, 31 March 2008 Rates.

Excludes GST

	Tariff Codes	Distribution Fixed Tariff Cents Per day	Distribution Variable Tariff Cents per kWh	Trans Tariff Cents per kWh	Total Tariff Cents per kWh	Total Actual Cust/kWs Days/ kWhs	Distribution Revenue Fixed $	Distribution Revenue Variable $	Trans Revenue $	Total Revenue $	Calculated Tariff
Mainpower ICPs											
Fixed Charges											Cents/day
Residential Controlled Supply	101, 129,	15.000				7,092,360	1,063,854			1,063,854	15.000
Residential Controlled Supply - Low User Option	111	15.000				169,593	25,439			25,439	15.000
Residential Uncontrolled Supply	102	60.000				212,798	127,679			127,679	60.000
Residential Uncontrolled Supply - Low User Option	112	15.000				21,520	3,228			3,228	15.000
Residential Night Special	103	15.000				931,373	139,706			139,706	15.000
Residential Night Special - Low User Option	113	0.000				7,980	0			0	0.000
Industrial, Commercial, Farming, Community	121, 123, 130, 131	50.000				1,612,318	806,159			806,159	50.000
Temporary Supply	122	200.000				67,588	135,176			135,176	200.000
Irrigation Per kW Connected	124	2.000				8,809,832	176,197			176,197	2.000
Council Pumping	125	15.000				47,559	7,134			7,134	15.000
CHH Panels Mill (100% Fixed Distribution Line Charge)	0	60624.658				365	221,280			221,280	60,624.658
Variable Charges											Cents/kWh
Residential Uncontrolled Supply - Low User Option	112		7.302	1.468	8.770	0		0	0	0	0.000
Residential Night Special	103		3.979	0.000	3.979	7,979,729		317,513	0	317,513	3.979
All Other Supply	101, 102, 113, 121, 123, 124, 125, 126, 127, 128, 129, 130, 131		5.249	1.468	6.717	329,541,067		* 16,907,546	4,837,663	* 21,745,209	6.599
CHH Panels Mill Transmission Charge Only. Based on actual cost	0		0.000	Actual	Actual	72,450,531		0	1,015,527	1,015,527	Actual
MainPower - Total Distribution and Transmission Line Revenue						**409,971,327**	**2,705,851**	**17,225,060**	**5,853,190**	**25,784,101**	**6.289**
								* Includes Volume Discount of $390,064.52			
Kaiapoi Electricity ICPs											
Fixed Charges											Cents/day
Residential Controlled Supply	201, 229	15.000				856,597	128,490			128,490	15.000
Residential Controlled Supply - Low User Option	211	15.000				41,466	6,220			6,220	15.000
Residential Uncontrolled Supply	202	60.000				13,623	8,174			8,174	60.000
Residential Uncontrolled Supply - Low User Option	212	15.000				440	66			66	15.000
Residential Night Special	203	15.000				128,917	19,338			19,338	15.000
Residential Night Special - Low User Option	213	0.000				6,930	0			0	0.000
Industrial, Commercial, Farming, Community	221, 223, 230, 231	50.000				115,568	57,784			57,784	50.000
Temporary Supply	222	200.000				2,637	5,274			5,274	200.000
Council Pumping	225	15.000				4,864	730			730	15.000
Variable Charges											Cents/kWh
Residential Uncontrolled Supply - Low User Option	212		4.916	1.949	6.865	0		0	0	0	0.000
Residential Night Special	203		2.074	0.000	2.074	894,391		18,550	0	18,550	2.074
All Other Supply	201, 202, 213, 221 223, 225, 226, 227, 228, 229, 230, 231		2.863	1.949	4.812	35,502,646		* 932,849	691,947	* 1,624,795	4.577
Kaiapoi Electricity - Total Distribution and Trans Line Revenue						**36,397,037**	**226,074**	**951,399**	**691,947**	**1,869,419**	**5.136**
								* Includes Volume Discount of $83,591.89			
Wigram ICPs											
Fixed Charges											Cents/day
Residential Controlled Supply	301, 329	15.000				48,291	7,244			7,244	15.000
Residential Controlled Supply - Low User Option	311	15.000				3,052	458			458	15.000
Residential Uncontrolled Supply	302	60.000				3,362	2,017			2,017	60.000
Residential Uncontrolled Supply - Low User Option	312	15.000				0	0			0	0.000
Residential Night Special	303	20.000				2,475	495			495	20.000
Residential Night Special - Low User Option	313	0.000				0	0			0	0.000
Industrial, Commercial, Farming, Community	321, 323, 330, 331	50.000				10,543	5,272			5,272	50.000
Temporary Supply	322	200.000				176	352			352	200.000
Council Pumping	325	15.000				0	0			0	0.000
Variable Charges											Cents/kWh
Residential Uncontrolled Supply - Low User Option	313		5.018	3.487	8.505	0		0	0	0	0.000
Residential Night Special	303		2.802	0.000	2.802	11,588		325	0	325	2.802
All Other Supply	301, 302, 313, 321 323, 325, 326, 327, 328, 329, 330, 331		2.965	3.487	6.452	3,218,165		95,419	112,217	207,636	6.452
Wigram Network - Total Distribution and Trans Line Revenue						**3,229,753**	**15,837**	**95,743**	**112,217**	**223,798**	**6.929**
Total Distribution and Trans Line Revenue						**449,598,117**	**2,947,763**	**18,272,201**	**6,657,354**	**27,877,318**	**6.200**

MainPower New Zealand Limited

Appendix 2

Pass-through Cost Year Ended 31 March 2008

TransPower Transmission Charges.

Year Ended 31 March 2007	$
Connection Charge	3,487,702
Interconnection Charge	5,764,677
Economic Value Adjustment	893,631
Transition Adjustment	0
Sub Total	**8,358,748**
Transmission Rentals	651,331
Intrim Rebate	1,123,705
Ancillary Charges	18,469
Wigram	150,010
Total Transmission Cost	**6,752,191**

Year Ended 31 March 2008	$
Connection Charge	3,189,822
Interconnection Charge	5,438,197
Economic Value Adjustment	836,357
Transition Adjustment	0
Sub Total	**7,791,662**
Transmission Rentals	460,809
Intrim Rebate	0
Ancillary Charges	0
Wigram	159,176
Total Transmission Cost	**7,490,029**

Increase(Decrease) **737,838**

Local Body Rates

	$
Year Ended 31 March 2007	105,915
Year Ended 31 March 2008	115,777
Increase(Decrease)	**9,862**

Electricity Commission Levies

	$
Year Ended 31 March 2007	45,509
Year Ended 31 March 2008	56,511
Increase(Decrease)	**11,002**

Total Year Ended 31 March 2007	**6,903,615**
Total Year Ended 31 March 2008	**7,662,317**
Total Increase(Decrease)	**758,702**