

MainPower's Customer Service at its Best

Mr Peter Hurford, MainPower's Network Manager comments on customer service levels.



The February 2005 independent report on line company service performance, prepared by the national accounting firm PricewaterhouseCoopers ("PwC"), has confirmed that MainPower's 2004 customer service performance in terms of network reliability, was near to the best of all line companies in New Zealand.

PwC reports on the number of times that the supply of power is interrupted over a 12-month period. The average for all New Zealand line companies was 10.9 interruptions per annum per 100 kilometres of power line and the maximum was 41 interruptions on the same basis. MainPower, on average, experienced 2.2 interruptions per 100 kilometres of power lines during the year. This result was in fact, the best recorded in New Zealand.

PwC also reported that on average, electricity customers on a New Zealand wide basis experienced 2.3 interruptions to their power supply during the year, while customers in the MainPower region experienced 1.2 interruptions. Only two of the other 27 line companies achieved a better result than MainPower.

PwC reported that customers throughout New Zealand were without power during the year for an average of 186 minutes. MainPower achieved 94 minutes. Only four line companies achieved a better performance and all of these are city-based. It is expected that response times should be shorter in the city than in rural areas where far greater distances may be involved.

MainPower's electricity network is well maintained and the performance statistics highlighted by PricewaterhouseCoopers signal that this is the case. MainPower staff are confident that the current year's performance will show a further improvement.

The commitment of MainPower's front-line staff also has an impact on service performance. Their willingness to give urgent attention to faults on a 24-hour a day, 7-day a week basis goes a long way to achieving these excellent results.

Hurunui Environmental Awards

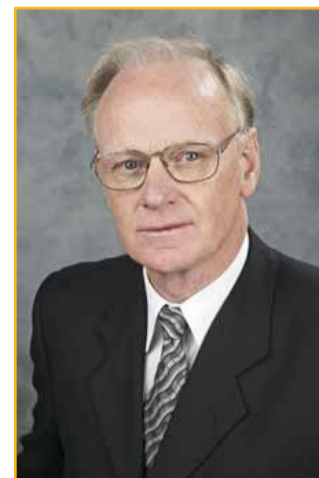
Successful applicants for the 2005 MainPower Hurunui Environmental Awards, totalling \$10,000, were presented with their cheques by Mayor Garry Jackson at a function on Thursday 21 April at the Hurunui District Council offices. The recipients this year were Max and Lorna Winskill, Euan Godsitt, Sharon and Paul Earl, and Liz Teulon and Francis Renford



L-R Sharon Earl, Euan Godsitt and Liz Teulon pictured with Hurunui Mayor Garry Jackson and MainPower Managing Director Allan Berge at the recent Awards function in Amberley.

Changes to Line Charges & Rebates Deferred until after the Winter

The Board of MainPower recently approved its Business Plan and Budgets for the 2005-2006 financial year. The Company's line services charging policy has also been reviewed.



Allan Berge, Managing Director

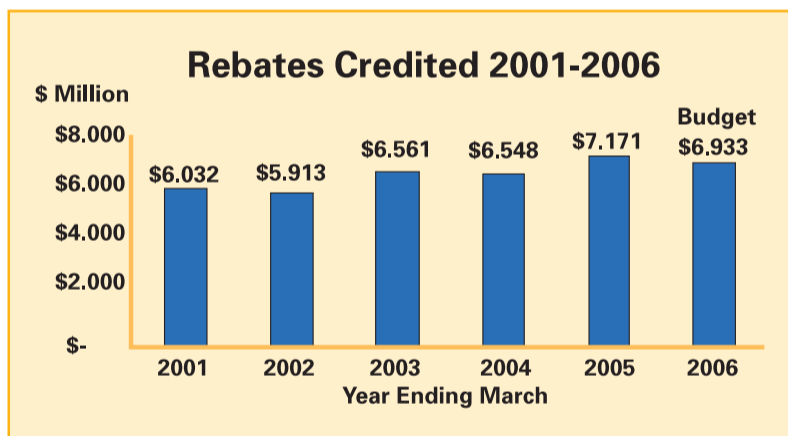
Mr Allan Berge, Managing Director of MainPower said that a number of principles were applied when approving the Budget:

1. Line charges will be held at current levels through the coming winter. The adjustment to Rebates and the recovery of increases in Transpower's transmission charges will now become effective 1 October 2005.
2. Line charges payable by Kaiapoi residential customers and the net line charges payable by all other MainPower residential customers irrespective of where they reside, will continue to be charged on a uniform basis.
3. MainPower will continue to credit Rebates to Qualifying Customers' power accounts and \$6.93 million of MainPower's funds will be made available during the year for this purpose.
4. The increase in Transpower's transmission charge is to be recovered in full from customers.
5. Customer service standards are to be maintained at the highest possible level.

Rebates

For a number of years, MainPower has returned to Qualifying Customers in the form of Rebates, all moneys collected from customers that are surplus to the needs of the lines business. Traditionally, these have been credited to customer accounts on a monthly basis, although in 2001, \$13.5 million was returned to Qualifying Customers in cash.

During the past five years, a total of \$45.7 million has been returned to Qualifying Customers as Rebates on their power accounts, or in cash. \$7.2 million was rebated to Qualifying Customers during the year ended March 2005. Rebates for the coming year will total approximately \$6.9 million. Rebates will reduce from 2.421 cents per unit to 2.143 cents per unit, including GST from 1 October 2005. Qualifying Customers will experience a reduction in Rebates of approximately \$2 per month depending on the number of units consumed.



When determining the total amount of Rebates to be credited, the Board retains sufficient funds in the business to cover its operating and capital expenditure. Major capital works on the electricity network to be undertaken during the year will total \$12 million and the Board has committed a further \$3.5 million to the maintenance of the existing network. This represents a record level of expenditure for any year in the Company's history.

Recovery of Transmission Charges

Transmission charges that apply to customers previously connected to the Kaiapoi Electricity network will increase by 0.278 cents per unit to 2.267 cents per unit including GST from 1 October 2005. The additional funds generated as a result of this change will be used to offset the increase in Transpower's charges for the use of the Kaiapoi substation.



Transpower's Substation at Kaiapoi

Line Charges Remain Near the Lowest in New Zealand

MainPower's line charges continue to be near the lowest in New Zealand, said Mr Berge. Government's Ministry of Economic Development continues to monitor charges applied by all of New Zealand's line companies, including MainPower. The Ministry compares current line charges with line charges that applied during 1999 and monitors all changes in line charges since this date. This information is available to all customers on the Ministry's website, under the "Energy Resources and Safety" section.

The Ministry's report focuses on residential line charges and uses 8,000 units per annum as the benchmark for comparing one line company's performance with another. MainPower is pleased to note that it is one of only 12 line companies whose current line charges are less than the charges that applied during 1999 and according to the Ministry, there are only two of the other 27 line companies whose charges are less than MainPower's.

MainPower, through the success of its Rebate scheme, continues to pursue the principle that customers should pay the minimum amount for their line services while at the same time should receive the highest possible level of customer service.

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