

Auditor's independent assurance report**To the board of directors of Waipa Networks Limited****Report on Waipa Networks Limited's compliance with the Electricity
Distribution (Information Disclosure) Requirements 2008
for the financial year ended 31 March 2008**

The Auditor-General is the auditor of Waipa Networks Limited (the company). The Auditor-General has appointed me, John Scott, using the staff and resources of Audit New Zealand, to provide an opinion on the compliance of the attached reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP1, MP2, MP3 and AM1 (inclusive) prepared by Waipa Networks Limited with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements) for the financial year ended 31 March 2008. In this independent assurance report the attached reports are called the "disclosure information".

Respective Responsibilities

The Board of Directors is responsible for preparing disclosure information which complies with the Requirements.

Clause 10 of the Requirements requires the Auditor-General to provide an opinion that the disclosure information prepared by Waipa Networks Limited has complied with the Requirements for the financial year ended 31 March 2008.

Use of this Independent Assurance Report

This independent assurance report has been prepared solely to provide assurance that the disclosure information prepared by Waipa Networks Limited complies with the Requirements for the financial year ended 31 March 2008. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

Scope and Limitations of the Engagement

We conducted the engagement in accordance with the New Zealand Institute of Chartered Accountants International Standard on Assurance Engagements (New Zealand) 3000:

Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

In respect of disclosures of prospective financial information we conducted the engagement in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information (ISAE 3400). Where relevant, we have applied the principles of ISAE 3400 to the disclosure of prospective non-financial information.

This independent assurance report provides assurance that the disclosure information prepared by Waipa Networks Limited complies with the Requirements. Waipa Networks Limited's financial statements and Threshold Compliance Statements prepared pursuant to the Commerce Act (Electricity Lines Thresholds) Notice 2004 for the year ended 31 March 2008 have been subject to audit. The audit opinions on the financial statements of Waipa Limited for the year ended 30 March 2008 and Threshold Compliance Statements of Waipa Networks

Limited for the year ended 31 March 2008 were unqualified and dated 6 June 2008 and 19 May 2008 respectively.

Our work has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information has been presented in all material respects in accordance with the Requirements. Material misstatements, whether caused by fraud or error, are differences or omissions of amounts and disclosures that would affect a user's overall understanding of the disclosure information prepared by Waipa Networks Limited.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the financial year and the procedures performed in respect of Waipa Networks Limited's compliance with the Requirements are undertaken on a test basis, our engagement cannot be relied on to detect all instances where Waipa Networks Limited may not have complied with the Requirements. Our opinion has been formed on the above basis.

Basis of Opinion

Our work in respect of any historical financial and non-financial amounts and disclosures that were audited under the financial statement and Threshold Compliance Statement audits has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements or Threshold Compliance Statements of Waipa Networks Limited.

Our work in respect of historical financial and non-financial amounts and disclosures that were not audited under the financial statement and Threshold Compliance Statement audits, has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information has been presented in all material respects in accordance with the Requirements.

In the case of prospective financial and non-financial information our work has been limited to assessing whether the information has been presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2008 and the immediately preceding financial year, and that the prospective financial and non-financial information has been calculated based on source data provided by Waipa Networks Limited. We have not performed audit procedures on the source data.

Independence

When carrying out the engagement we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants. We also complied with the Independent auditor provisions on independence, as specified in clause 2(1) of the Requirements.

Other than the engagement and the annual audit of the Waipa Networks Limited's financial statements and Threshold Compliance Statements carried out on behalf of the Auditor-General, we have no relationship with or interests in Waipa Networks Limited.

Unqualified Opinions

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

In our opinion, Waipa Networks Limited has:

- kept proper records to enable the complete and accurate compilation of required information, in all material respects, as far as appears from our examination of those records;
- prepared disclosure information for the financial year ended 31 March 2008 that complies with the Requirements;
- presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2008 in accordance with the Requirements, in all material respects;
- compiled the historical non-financial information included in reports MP1, MP2 and MP3 in accordance with the guidance issued pursuant to the Requirements, and has calculated the historical non-financial information based on unaudited source data provided by Waipa Networks Limited; and
- presented the prospective non-financial information in reports MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2008 and the immediately preceding financial year, and has calculated the prospective non-financial information based on unaudited source data provided by Waipa Networks Limited.



John Scott
Audit New Zealand
On behalf of the Auditor-General
Auckland
6 April 2009

Matters Relating to the Electronic Presentation of the Electricity Distribution (Information Disclosure) Requirements 2008

This audit report relates to the Electricity Distribution (Information Disclosure) Requirements 2008 of Waipa Networks Limited Ltd for the year ended 31 March 2008 included on Waipa Networks Limited Ltd's website. The Waipa Networks Limited Ltd's Board of Directors is responsible for the maintenance and integrity of the Waipa Networks Limited Ltd's website. We have not been engaged to report on the integrity of the Waipa Networks Limited Ltd's website. We accept no responsibility for any changes that may have occurred to the Electricity Distribution (Information Disclosure) Requirements 2008 since it was initially presented on the website.

The audit report refers only to Electricity Distribution (Information Disclosure) Requirements 2008 named above. It does not provide an opinion on any other information which may have been hyperlinked to or from these Electricity Distribution (Information Disclosure) Requirements 2008. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Electricity Distribution (Information Disclosure) Requirements 2008 and related audit report dated 2 April 2009 to confirm the information included in the audited Electricity Distribution (Information Disclosure) Requirements 2008 presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.