

5 August 2010

Mr Paul Goodeve
Regulatory & Business Manager
Powerco Limited
Private Bag 2061
NEW PLYMOUTH

Dear Paul

TAX DEPRECIATION CLAIMED ON POWERCO'S NETWORK ASSETS

In reference to our recent discussions, you have asked whether we can calculate the tax written down value of Powerco's network assets as at 1 April 2010 had they not included amalgamation or acquisition premiums.

On 1 September 2000, Powerco Limited (Old Powerco), CentralPower Limited (CentralPower), Taranaki Energy Limited and MergeCo Limited (MergeCo) amalgamated by way of a non-qualifying amalgamation into MergeCo Limited. MergeCo was subsequently renamed Powerco. On amalgamation Powerco acquired Old Powerco's and CentralPower's network and non-network assets at market value for tax depreciation purposes. Powerco subsequently acquired the network assets of AGL NZ Energy Limited (AGL) and United Networks Limited (UNL) also at market value.

The fixed asset information contained in our files for the relevant period, when combined with information from Powerco's records, will allow for the calculation of the tax written down values of network assets as at 1 April 2010 with a high degree of accuracy.

We will contact you shortly to discuss the timing of the provision of this information. In the meantime, please contact either Greg on (07) 838 4805 or Anna on (07) 838 7924 if you have any questions.

Yours sincerely



Greg Harris
Partner

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