

Chairman's Annual Report
August 2004

It is my pleasure to report on another year of satisfactory operation of the Trust, which hold all of the shares of Westpower Ltd. and the associated companies.

Trustees appoint the directors and monitor their performance. We also carefully examine the Company's Statement of Corporate Intent and suggest changes which we think are in the best interests of consumers.

It is pleasing to report that the Company has been able to hold the charges to consumers for yet another year. However increased regulation and operational costs have placed a burden on the company and the trustees will not be recommending a discount to consumers in the current year. We are of the opinion that holding charges at their present level is a better option than a one off hand out annually.

We have noted during the year that some consumers and groups do not fully understand the structure of the electricity industry that has been forced upon us. Westpower is no longer responsible for the unit charge made to consumers. The only charge that comes to consumers from your company, is the line charge. This charge has not increased for more than (*seven?*) years. The Trust has given their total support to Energy Trusts of New Zealand who have obtained an assurance from the Minister that in the future energy companies will be required to make their accounts much easier to follow. This will result in consumers receiving an account, which will clearly show which portion of the total charge is being levied by Westpower Ltd. Hopefully the local Company and Trust will then no longer be blamed for the often hard to justify price increases made by the energy suppliers.

For several years, the Trust has been doing their utmost to make the government aware that the huge increases in agricultural, mining and tourism activity that are happening in our area are reducing the security of supply to the region. Pleas have been made for the authorities to realize that the approval of generation projects locally is essential. To date our petitions and those of other Northern South Island companies and local authorities have fallen on deaf ears. The Trust has also been supporting the company in their efforts to have the bulk supply lines to the area upgraded. Hopefully the negotiations at present taking place will bring about a positive outcome.

During the current year we have made every effort to keep our consumers well informed. Our Link publication edited by hard working trustee Margaret Moir has been well received and our web site at www.wcept.org.nz has been upgraded.

The continued success story of Westpower Ltd. and the subsidiary Electronet Services Ltd. is witness to the laudable performance of the directors, management and staff. On behalf of consumers, I sincerely thank them for their work.

On behalf of consumers, I offer my sincere thanks to my fellow trustees for their diligent work during the past twelve months. As required by the Trust Deed, a Trust election for three trustees was held in the current year. Unfortunately Durham Havill who has been of great value to the Trust since its inception, has found that his business commitments now take up so much of his time, did not make him available for re election. In the election Kevin Brown and myself were re-elected and we were delighted to welcome new trustee Maureen Pugh, who is proving to be a valuable member of our team.

Trustees holding office at present are:

Chairman	Dom O'Sullivan M.N.Z.M.
Deputy Chairman	David Robinson J.P.
Trustees	Ted Gutberlet Q.S.M.
	Maureen Pugh
	Kevin Brown Q.S.M.
	Margaret Moir Q.S.O. J.P.

Dom O'Sullivan
Chairman.