



Independent Auditors' Report

To the Directors of EA Networks Limited and the Commerce Commission as a recipient of the Report

Assurance Report Pursuant to Electricity Distribution Information Disclosure Determination 2012

We have completed our assurance engagement in respect of the compliance of EA Networks Limited (the 'Company') in the preparation of Schedules 1 to 4, 5a to 5g, 6a and 6b, 7, 10(i) to 10(iv), the explanatory notes disclosed in boxes 1 to 12 of Schedule 14 (the 'Schedules') in accordance with the Electricity Distribution Information Disclosure Determination 2012 (the 'Determination') for the year ended 31 March 2014.

Directors' Responsibilities

The Directors are responsible for preparation of the Schedules in accordance with the Determination and ensuring the Company keeps records to enable the preparation of the Schedules that are free from material misstatement.

Auditors' Responsibilities

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2014 and to report our opinion to you.

Basis of Opinion

Our engagement has been conducted in accordance with ISAE (NZ) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and SAE 3100 Compliance Engagements to obtain reasonable assurance that the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2014.

The procedures we performed were based on our professional judgment, including assessment of the risks of material misstatement in the Audited Schedules, whether due to fraud or error. In making those risk assessments, we considered internal controls relevant to the Company's preparation of the Schedules to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures included analytical procedures, evaluating the appropriateness of assumptions used and whether they have been consistently applied, and agreement of the Schedules to, or reconciling with, source systems and underlying records. We included an assessment of the significant judgements made by the Company in the preparation of the disclosure information and also evaluated the overall adequacy of the presentation of supporting information and explanations.

These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2014.

We believe that the recorded evidence and explanations we have obtained is sufficient and appropriate to provide a basis for our opinion expressed below.

Use of Report

This report has been prepared for the Directors of the Company in accordance with section 2.8.1(1) of the Determination and is provided solely to assist you in establishing that compliance requirements have been met. We acknowledge that the Directors will provide the report to the Commerce Commission in accordance with clause 2.8.1(1)(a) of the Determination.



The report has been prepared in accordance with the scope and terms of our letter of engagement with the Company dated 7 July 2014. The terms and conditions are attached and form part of this report and are applicable to the Commerce Commission. Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors, or for any purpose other than that for which it was prepared.

Inherent Limitations

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 year and the procedures performed in respect of the Company's compliance with the Determination are undertaken on a test basis, our engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. Our opinion has been formed on the above basis.

Independence

Other than this engagement, the annual audit of the Company's financial statements and an assignment providing assurance over compliance with the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2012, we have no relationship with or interests in the Company or any of its subsidiaries. We are not aware of any relationship between our firm and EA Networks Limited that, in our professional judgment, may reasonably be thought to impair our independence.

Basis for Qualified Opinion on Schedules 10(i) to 10(iv)

As described in Box 14 of Schedule 14, there are inherent limitations in ability of the Company to collect and record the network reliability information required to be disclosed in Schedules 10(i) to 10(iv). Consequently there is no independent evidence available to support the completeness and accuracy of recorded faults and control over the completeness and accuracy of interconnection point ('ICP') data included in the SAIDI and SAIFI outage statistics is limited throughout the year.

There are no practical audit procedures that we could adopt to confirm independently that all the outage and ICP data was properly recorded for the purposes of inclusion in the amounts relating to SAIDI and SAIFI outage statistics set out in Schedules 10(i) to 10(iv). Because of the potential effect of the limitations described above, we are unable to form an opinion as to the completeness and accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(iv). In these respects alone we have not obtained all the information and explanations that we have required.

Qualified Opinion

In our opinion, except for the matters described in the Basis of Qualified Opinion paragraph above:

- As far as appears from our examination, proper records have been kept by the Company to enable the complete and accurate compilation of the Schedules;
- The information used in the preparation of the Schedules has been properly extracted from the Company's accounting and other records and has been sourced where appropriate, from the Company's financial and non-financial systems; and
- The Company has complied, in all material respects, with the Determination in preparing the Schedules.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written over a light blue horizontal line.

Chartered Accountants
19 August 2014

Christchurch, New Zealand