

Chairman's Annual Report
August 2008

It is my pleasure to report on another year of satisfactory operation of the Trust, which holds 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.

The shortfall in generation capacity nationally, is of great concern. Trustees have given their approval to our company in their efforts to move back into hydro generation activity. We have visited the site of the proposed Amethyst hydro station and are strongly supportive of the company in their efforts to bring this project to fruition.

During the year ABB Ltd. who were responsible for most of the maintenance of the Transpower high voltage lines in our region, decided to cease their line maintenance operations in New Zealand. After careful consideration the directors of Westpower asked for our approval of their intention to make a tender for the Nelson, West coast portion of ABB's operation. We gave our wholehearted approval and the tender was successful.

The addition of the former ABB operation alongside the company's ownership of the engineering company Mitten Electronet, has substantially increased the involvement of the company in the broader industry. This breadth of operation adds a capacity for earnings which will be of benefit to our shareholders.

The Trust discussed with our Directors the possibility of making a discount to consumers during the year. We were of the opinion that supporting the company in extending their sphere of operation would be of more value at the present time than giving a discount that could jeopardize our policy of keeping line charges at their lowest possible level.

The Trust and other groups in the community have been very vocal in their concerns regarding the security of supply of high voltage electricity to the region. Outages of the line which comes over the mountains from Canterbury, on several occasions caused distressing cuts to consumers and industry in our area. The Electricity Commission and Transpower carefully considered the problem and have agreed that the provision of an additional 110kv line from the north is necessary. Construction of this line is to begin shortly.

The Trust along with other consumer owned trusts, has recently made a submission to the Electricity Commission asking for a requirement that consumer accounts be simplified be mandatory. Trustees are often approached by consumers who are annoyed at the huge increase in their monthly accounts. The Trusts are of the opinion that if the charges being made by the line company were clearly separated from the unit charge being extracted by the energy supplier the confusion would disappear.

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

Early in 2008 Mr. Richard Wilding who has served the Trust as Executive Secretary for more than a decade found it necessary to give up the position due to pressure of work in his accountancy business. The Trust received his resignation with regret and we wish him all the best for the future.

Following Mr. Wilding's resignation the Trust decided to pass their administration duties over to staff at the Westland District Council. Mr. Geoff Day is our new secretary and he is coping with the duties well.

During the year an election was held as required by our Trust Deed. The three trustees to retire by rotation were all re-elected. We appreciate the confidence that the consumers have shown. Trustees in office are as follows

Chairman	Dom O'Sullivan M.N.Z.M.
Deputy Chairman	David Robinson J.P.
Trustees	Ian Hustwick Maureen Pugh Kevin Brown Q.S.M. Frank Wall

Dom O'Sullivan
Chairman.