

## Who is Electricity Invercargill Limited?

If you're reading this with the lights on, or while you're waiting for the jug to boil, you're using the Electricity Invercargill network.

From Invercargill City to Bluff, Electricity Invercargill Limited (EIL) owns the electricity network equipment to supply over 17,200 consumers with reliable, safe and secure power.

The company was formed in 1992 but has supplied power to Invercargill since 1905, operating under a variety of different names over the years, most notably the Invercargill Municipal Electricity Department.

EIL is owned by the Invercargill City Council through its subsidiary, Invercargill City Holdings Limited.



The Electricity Invercargill Limited (EIL) Board is made up of two Directors from the Invercargill City Council and three Directors appointed by Invercargill City Holdings Limited.

EIL contracts PowerNet to manage the electricity network assets on its behalf.

The board's role includes determining policy, preparing a Statement of Intent, a Business Plan and an Asset Management Plan, monitoring PowerNet's performance, reporting to the shareholder (Invercargill City Holdings), publishing an Annual Report and ensuring that EIL complies with all relevant legislation.

## The Directors are:

### Neil Boniface (Chair) JP



Neil is a Director of PowerNet Limited, Member of OtagoNet Joint Venture Governing Committee, an Invercargill City Councillor and Chairman of the Southland Warm Homes Trust.

He operates a driving school business in Southland and also serves on several charitable trusts.

Neil is a Member of the Institute of Directors.

### Thomas Campbell BSc (Metallurgy)



Tom is a former Managing Director of Comalco and General Manager of the Tiwai Smelter who now works as an independent company director.

His directorships include Todd Corporation and PowerNet Limited, as well as being Chair of GNS Science.

Tom is an Accredited Member of the Institute of Directors.

### Darren Ludlow



Darren has been a Director of Electricity Invercargill Limited since November 2010.

He is a fifth-term Invercargill City Councillor and the City's Deputy Mayor. Darren is a trustee for several community groups and chairs the Southland Museum & Art Gallery Trust Board and the Southland Art Foundation.

He has worked in the media and communication industries for 25 years and currently manages Radio Southland.

### Ross Smith BCom



Ross joined the Board of Electricity Invercargill Limited in November 2003. He is Chief Executive of SBS Bank, the only member owned Building Society with Bank Registration in New Zealand.

Ross is also a Director of SBS Bank, Finance Now Limited, Funds Administration NZ Limited, Southsure Assurance Limited and PowerNet Limited.

### Sarah Brown LLB/BA



Sarah joined the Board of Electricity Invercargill Limited in November 2013.

She is an Associate with Goodman Tavendale Reid, specialising in general commercial and rural based legal work. She has been the Council Chair of the Southern Institute of Technology since 2011 and is also on the board of Kindergartens South.

Sarah is a Member of the Institute of Directors.

## Smart Meters

“Over 32,000 electricity meters will be replaced in homes and businesses over three years as Electricity Invercargill Limited (EIL) switches to smart meters,” PowerNet chief executive Jason Franklin says.

“Across the EIL network, this \$6.5 million project is going to ensure we, as network managers, have a better ability to manage security and reliability of supply,” he says. “Consumers will see the benefits as their electricity retailers start to use the smart metering technology.”

The smart meters, which use a radio frequency mesh network to communicate with a central control centre, will start to be installed from 2014.

“The connectivity gives us the ability to manage the network in real time. We will be able to see exactly where faults are occurring. We can also measure energy loss between substations and consumers, manage peak loads and of course the data provided to retailers will enable them to work with their customers to change the way they use electricity in the future,” Mr Franklin says.

EIL is part of the SmartCo consortium, which is installing smart meters across 10 networks in New Zealand.

Mr Franklin says the smart meters would replace all other meters, reducing the number of meters across the local network from 32,000 to 19,000.

“PowerNet is managing the project on behalf of EIL, as the Company invests for the future,” he says.



The current meters (left) will be replaced with the new smart meters (right)

## Customer Survey

A recent survey of Electricity Invercargill Limited (EIL) customers by our network manager PowerNet shows most are happy with the service we offer:

Six major commercial customers and 200 residential customers were surveyed and overall, EIL received an 8.8 out of 10 favourable ranking for key areas such as reliability of supply, supply quality, outage communication and rapid response to any outage.

Our annual surveys are important to our business, and as such, we would like to thank the customers who took part. The feedback we get from these surveys is important to us in planning for the future and ensuring we are meeting customer needs wherever possible.

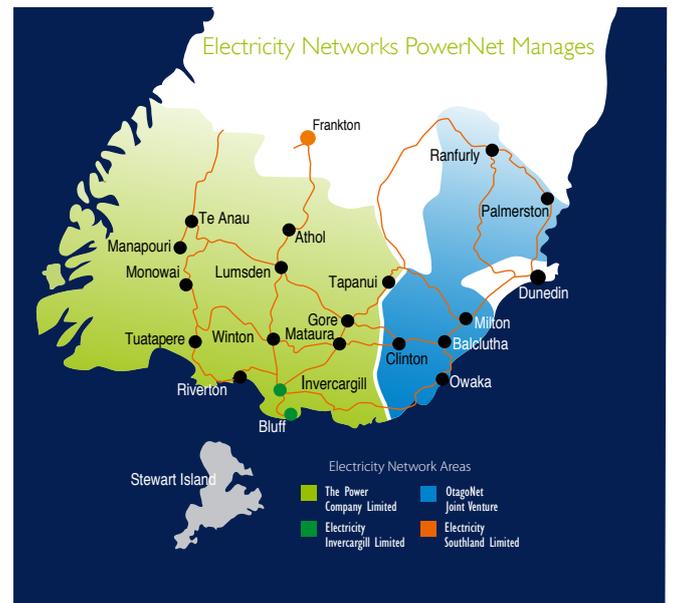
## Who is PowerNet Limited?

PowerNet is New Zealand's fifth largest electricity network manager.

The company manages assets with a regulatory value of \$506 million, maintains and operates 13,760km of power lines and cables, 15,550 transformers, operates 71 zone substations, and serves 67,000 residential, commercial and rural customers.

The total energy conveyed through the PowerNet managed networks is 1467 GWh, with a maximum demand of 264 MW.

PowerNet staff work from an office at Racecourse Road in Invercargill, with a 24/7 control centre located at the Invercargill Transpower substation.



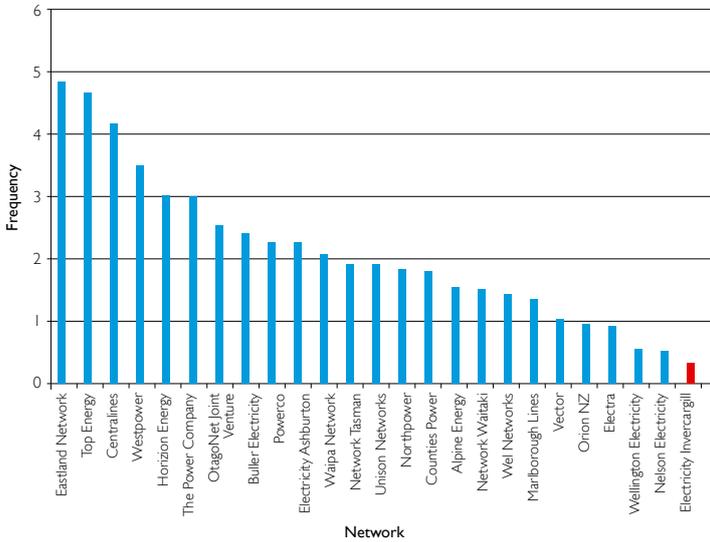
## EIL statistics as at 31 March 2013

|                                     |                   |
|-------------------------------------|-------------------|
| Consumers Connected                 | <b>17,236</b>     |
| Residential Consumers               | 15,059            |
| Industrial Consumers                | 126               |
| Commercial Consumers                | 2051              |
| Network Length                      | 658km             |
| Consumer Density                    | 26.2 consumers/km |
| Number of Distribution Transformers | 447               |
| Maximum Demand                      | 66.7MW            |
| Total Energy Conveyed               | 279GWh            |
| Regulatory Value                    | \$63 million      |

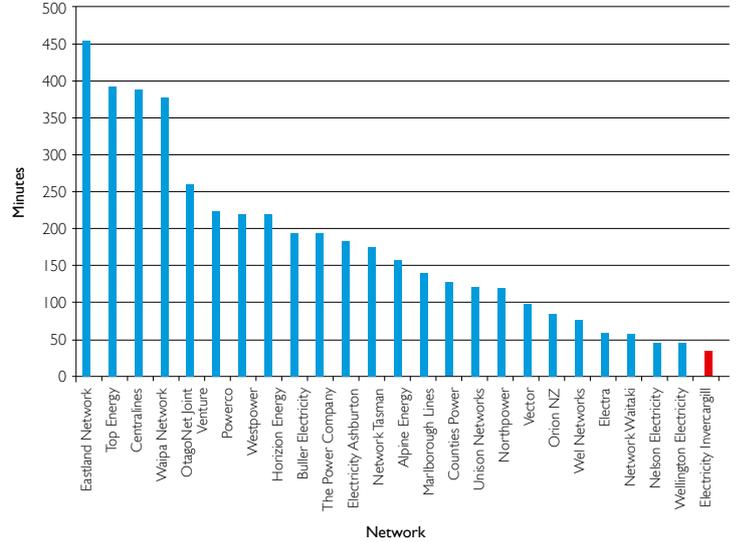
## Network Reliability

The graphs below are known as reliability graphs. These show Electricity Invercargill Limited's (EIL's) performance against other network companies in New Zealand. The graphs highlight how reliable the EIL network is and how infrequently customers are affected by power outages compared to other network customers in New Zealand.

**Number of times each year a customer can expect to have a power cut**  
Industry SAIFI as at 31 March 2013

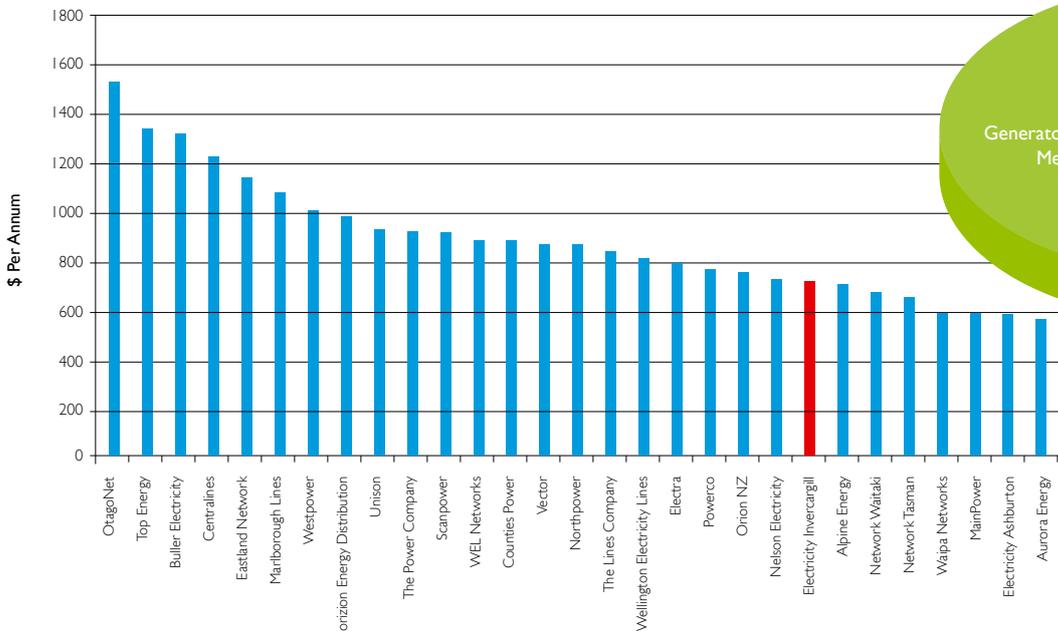


**Duration in minutes a customer can expect to be without power each year**  
Industry SAIDI as at 31 March 2013

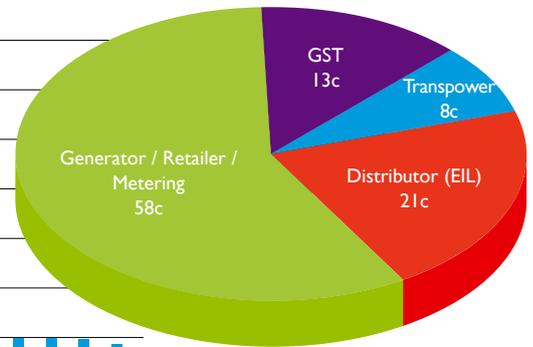


## New Zealand Domestic Electricity Prices as at 31 August 2013

This graph shows the average cost of consumers electricity network line charges in comparison to other networks in New Zealand.



Breakdown of your electricity dollar



Source: Ministry of Economic Development - Quarterly survey of domestic energy prices August 2013



## Spey Street Substation and cable from Findlay Road to Spey Street via Yarrow Street

Ground works have started on the new multi-million dollar substation at Spey Street.

"We have got approval to start ground works and so from here on it's an ongoing project to transfer from the Doon Street substation to the new site in Spey Street," project manager Mark Zwies says.

The substation will replace the Doon Street substation, which does not meet new earthquake guidelines, and its proximity to the Water Tower meant a more suitable site had to be found to ensure security and reliability of supply to the central business district and other areas in the event of an earthquake.

"An unexpected consideration for the combined projects was the interest from the New Zealand Historic Places Trust due to the age of the site. The works are now subject to monitoring and review, which adds complexity to the project."

This has not stopped the various aspects of design, planning and procurement progressing.

Running in conjunction with the new substation project is the installation of a 33kV cable installation project from Transpower's Invercargill substation in Findlay Road to Spey Street via Yarrow Street.

"The route of the new cable has been agreed with the Invercargill City Council with ducting now in place to minimise the impact on the ICC's completed road works along Queens Drive," PowerNet's general manager of network operations Gary Pritchard says.

"The 33kV cable installation project should progress once the contracts and the necessary road corridor access documentation is in place."



Ducting being laid on Yarrow Street

## Customer Function

The Invercargill branch of St John South Island Region has two new defibrillators thanks to the generosity of Electricity Invercargill Limited (EIL).

EIL donated the defibrillators to the charitable organisation at a commercial customer function held in Invercargill at the end of October. The customer function, held in conjunction with the Chamber of Commerce, saw over 40 commercial customers join EIL directors and staff for an update on our network projects and the presentation of the defibrillators.

EIL Chair Neil Boniface said as there were a number of defibrillators in the network area, with the recent opening of the St John Training Centre and the St John Op Shop it was clear to the EIL Directors that these two new public venues should be equipped with permanent on-site defibrillators.

"With the large number of Southlanders expected to visit the sites we believe the defibrillators are an excellent gift to the community," Mr Boniface says.

St John South Island Region area executive officer Sally Jarvie says the defibrillators were a valuable donation to the Group.

"St John want to have defibrillators in all of their buildings that the public have access to. It is important for the community to have access to a defibrillator as this can mean the difference between life and death," Mrs Jarvie says.

Both Heartstart FRx defibrillators are a world leading brand and have New Zealand local service support. They are also fully portable and have automatic voice prompts to assist the user through the resuscitation procedure.



Darren Ludlow (EIL), Richard Gray (St John), Neil Boniface (Chair EIL), Jason Franklin (CEO PowerNet).

## Christmas Message

The board of Electricity Invercargill Limited and I would like to wish you, our customers, a Merry Christmas and a very Happy New Year.

We have continued making significant capital and maintenance investments in our network in 2013 and 2014 brings the exciting new innovation of smart meters. There is more information in this newsletter about that \$6.5 million project.

Best wishes to you all and we look forward to continuing to deliver a secure, reliable, and safe electricity supply to you in 2014.

Neil Boniface  
Chair



Christmas lights on Tay Street



## Queens Drive Upgrade Stage 3

The final stage of the Queens Drive cabling is underway. Network maintenance manager Ian Roberston says the final stage of the project became a lot simpler after a decision by the Invercargill City Council to utilise reserve land.

“Council was going to go down the east side of Queens Drive, but there were a few issues with that land so there was a change from what was initially planned,” he says.

“Using the reserve land on the western side instead has made our work a lot easier.”

The cabling stages have followed the Council works as Queens Drive is upgraded,

Ian, who has managed the cable replacement from Herbert Street through to Tay Street over three stages, says the end is in sight.

“Each one has been slightly different to the others,” he says. “Being able to take advantage of the Council opening up the road as they do their own upgrade has been useful.”



Ken McWilliam – Bond Contracts Ltd working on stage 2 of the cable laying on Queens Drive

## Asset Management Plan

In 2014, Electricity Invercargill Limited is spending \$8.6 million on upgrading its network to ensure customers have access to a reliable and secure electricity supply.

As well as our smart meters project noted in this newsletter; we are making provision for growth on the network with our Spey Street substation upgrade (including the new 33kV cable from Findlay Road to the new substation), safety and security through the introduction of Neutral Earthing Resistors and seismic reinforcing where required.

We are spending \$6.9 million in capital works, and maintenance works will cost \$1.7 million in the coming year.

It’s important to ensure the Invercargill and Bluff electricity networks have the capacity for growth and provide a secure, reliable supply when needed.

## Electricity Invercargill Limited Supporting SWHT

The work of the Southland Warm Homes Trust (SWHT) is to continue after funding from the Energy Efficiency and Conservation Authority (EECA) was approved earlier this year.

The SWHT, in conjunction with EECA, has carried out insulation and heating retrofits in over 6,000 Southland and West Otago homes since 2008.

The latest round of funding under EECA’s Healthy Homes Programme is targeted at those who stand to benefit most from having their homes insulated. Those being low income households with high health needs, including families with children and the elderly. Landlords with eligible tenants are also included, but will be required to make a contribution.

To be eligible, homes must have been built prior to 1 January 2000, occupants must have a Community Services Card and occupants with high health needs must be referred through an approved referral service.

In addition to the continued EECA/SWHT programme, SWHT and Awarua Synergy are also offering a subsidy of up to \$2,000 to middle income families to undertake insulation and heating retrofits. To find out if you meet the qualifying criteria, phone 0800 927 676.

The SWHT is very pleased to be able to carry on the work begun in 2008 and assist the more vulnerable members of our community.

For more details, contact the Southland Warm Homes Trust on 0800 WARM SOUTH or 0800 927 676.

| Funding for                                                                                                                                                                             | Insulation Contribution |       |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------|----------------|
|                                                                                                                                                                                         | EECA                    | SWHT  | Home Owner     |
| Residential dwelling built prior to 1 January 2000, and Community Services Card (CSC) holders with one or more occupants under 17 years or over 65 years or who have a medical referral | 60%                     | 40%   | *FREE*         |
| Landlords with CSC holding tenants with one or more occupants under 17 years or over 65 years or who have a medical referral                                                            | 60%                     | 15%   | 25%            |
|                                                                                                                                                                                         |                         | SWHT  | Awarua Synergy |
| Qualifying middle income families                                                                                                                                                       |                         | \$800 | \$1,200        |



## Before U Dig

When electrical cables are underground as they are over much of the EIL network, it is vital to be aware of what's down below when you start digging.



Electricity Invercargill Limited is part of a "one stop shop" which helps people and contractors identify underground services before they start excavating.

Before U Dig ([www.beforeudig.co.nz](http://www.beforeudig.co.nz) or 0800 248 344) is a service that allows you to provide details of planned works on a particular site. The Before U Dig team contacts member utilities in the area who then supply information about the location of underground infrastructure to the contractors before they start work.

"Safety is the thing here," says chief engineer Roger Paterson. "If you are going to dig below 300mm you should be contacting this service because contact with live cables or lines carries immense risk."

"It also impacts us as damage and unplanned outages caused by persons not locating underground services before digging becomes an issue for us and other infrastructure providers."

He says it is a free service to the people requesting the information and has been popular, with hundreds of enquiries across the Otago and Southland areas serviced by PowerNet.

"If people want us to come out and physically locate a cable for them, we can do that too, and there may be a charge."

PowerNet quality services manager Graeme Webby says sometimes digging can come across older cabling work not noted on Council or network management plans.

"If you aren't sure if a cable is live or not, don't try and find out yourself. Assume it is live and contact us first," he says.

## Safety around homes inside and out

Everyone has heard the old adage that 'safety begins at home'. One in three of all injuries reported in New Zealand occurs in the home.

When it comes to electricity there are a lot of simple things you can do to ensure your own and your family's safety in the home.

- Appliance repairs: always use an authorised tradesman to fix electrical appliances that are not working
- Regularly check electrical appliances, including electric blankets
- Have power turned off when waterblasting or painting around barge boards
- If doing alterations, the assistance of a certified electrician may be required

Even seemingly simple tasks such as changing plugs on electrical cords needs to be carried out correctly to avoid the potential risk of receiving an electric shock.

And, if you do feel the need to get that stuck bit of toast from the toaster with a bread knife, please make sure the toaster is unplugged first.

## Faults - Freephone 0800 808 587

PowerNet's faults call centre based in Invercargill is literally just a phone call away on 0800 808 587 and it operates 24 hours a day, 7 days a week.

We are happy to talk directly to our customers when a power fault occurs so you only need to contact us. The quicker we get accurate information directly from those affected, the quicker we can get the power restored.

If your lights are flickering or dull, it could indicate a potential problem that could turn into a major cost.

"Dim or flickering lights are a warning something is wrong with your electricity supply," says quality services manager Graeme Webby. "The first thing you should do is turn off or unplug as many appliances as possible, and then call our faults number 0800 808 587 for assistance."

Mr Webby says if there is low or fluctuating power there is a chance that appliances, particularly electronics, could be affected. He says sometimes the fault will be in the house itself which will require checking by your own electrician, but if homeowners contact our call centre first we can discuss the situation with you and if necessary send our contractor to check the external connection.



**Power out?**  
**Call PowerNet on**  
**0800 808 587**

**EIL**  
Electricity Invercargill Ltd  
**THE POWER COMPANY LTD**