

Chief Executive's Message



Jason Franklin

It has been another massive year for PowerNet. Reflecting on the year, it is very noticeable that we are now a very different company to what we were 12 months ago.

There has been a very good focus on continually improving our workplace and public safety programmes. The changes have been very pleasing with ongoing initiatives planned. We are still experiencing workplace incidents that are resulting in personal harm, so this will continue to be the number one priority for PowerNet. There is nothing more important than ensuring our people and our communities are safe when it comes to our assets and activities. Some great work is happening in this area and will continue into the future.

This time last year we were at the front end of the amalgamation of PowerNet and Power Services. The integration of the business is now complete. In addition, the technical team from Transfield Services joined PowerNet in August. This transition went very well and bolstered our internal capability to undertake technical work on the network assets. The former Transfield employees are now very much part of the PowerNet team.

The PowerNet Shared Vision development was planned as part of the integration. This programme, which involved all employees, was a significant step in the development of the new integrated PowerNet. The PowerNet Purpose;

Safe / Efficient / Reliable Power to Communities

fits very well with our business and what we are all about. It was great to see how the various teams developed their own team shared vision and purpose statements. This work is the key in developing our new culture.

The commissioning of the Athol Substation and Mossburn to Athol line occurred mid-year and was a significant milestone. The Athol Substation is the first new-site substation in 20 years for the The Power Company Limited network. While we have built and commissioned substations for OtagoNet and Electricity Southland (Frankton) over recent years, it is noticeable that there is now a step change in new substation activity with Puketoi, Merton, Milton, Hedgehope, Isla Bank, Colyer Road, Spey Street, Southern and Waikiwi underway or being actively planned. This step change in the investment in the networks reflects the growth we are experiencing or projecting. The purchase of the Halfway Bush to Palmerston 110kV Line and Palmerston Substation from Transpower on April 1 was also a major milestone, and one that now allows us to significantly improve the network reliability in OtagoNet, which will really benefit those customers.

Our shareholders secured the remaining interests in the OtagoNet network in September, which now allows PowerNet to further integrate those assets to enable us to now operate as 'one best way' across all the networks we manage. The full ownership of Otago Power Services (OPSL) also enables us to now move forward and amalgamate and integrate PowerNet and OPSL over the coming 18 months. It is also great to have the Balclutha-based PowerNet staff back into the fold and well and truly part of the team.

The new PowerNet building completion in Invercargill caps off a great but very busy year. The building is fantastic and will provide a much improved working environment for the team and is without doubt something for us all to be very proud of.

On behalf of the senior leadership team and I, thank you all very much for your great work this year. Have a happy and safe break over Christmas and I look forward to working with you all in 2015.



Jason Franklin
Chief Executive

Chair's Message



Maryann Macpherson

On behalf of my fellow directors, I would like to wish all PowerNet staff and their families a very Merry Christmas and a Happy New Year.

It has been a busy, fruitful and successful year for the company and the networks we manage. This is down to your hard work and diligent management of the various aspects of our business.

Thank you all for your efforts during the year to ensure lower South Island consumers have a safe, efficient and reliable electricity supply.

I am already looking forward to 2015 and hope you are too.

Have an enjoyable break and get ready for another successful year at PowerNet.



Maryann Macpherson
Chair

ACROSS^{the}LINES

Building update

Now the shift into the new office is complete, attention has turned to the development of the former Electricity Invercargill Limited (EIL) shed area to the north of the PowerNet site.

"The Board has approved the change of ownership and the shed is will shortly now owned by The Power Company Limited (TPCL) and it will be used for transformer storage, a workshop and refurbishment area," PowerNet general manager business support Tim Brown says.

He says the existing land use contract finishes on December 31 and then TPCL will then own all the land to the east of the site.

"There's still a fair bit to work through, such as easements for various things like the cabling and works associated with the Spey Street connection and other logistical matters," Tim says.

"The shed will be used for short term storage of transformers and other equipment, but it will also be a productive area for the technical and projects teams as needed."

The site will also be environmentally compliant in line with statutory requirements and PowerNet's own policies.



The new PowerNet office

The Power Company discount

In 2014, The Power Company Limited (TPCL) and the Southland Power Trust returned a collective discount of \$8 million (including GST) to their consumers.

"The TPCL Directors and the Southland Power Trust are committed to continue the improvement in reliability of supply and to maintain competitive line charges," Southland Power Trust chairman Jim Hargest says.

"We are pleased to be able to offer another discount in 2014, which takes the total amount of discounts over the last 14 years to \$68 million. The Southland Power Trust works for consumers to ensure TPCL's focus is on operating a successful business and keeping line charges as low as possible to help Southland and West Otago grow."

Domestic consumers received a discount of 1.78 cents per kWh (including GST) on their annual power consumption. An average domestic consumer using 9,000 kWh/pa received a discount of \$160.20.

The discount for other consumers was based on their supply contracts.

TPCL is one of the best performing, predominantly rural networks in New Zealand. Rural Southland and West Otago continue to experience significant and sustained agricultural, domestic and commercial growth.

TPCL spends over \$20 million on capital investment each year to maintain and upgrade the network to meet the needs of consumers.



Our man in Otago



Justin Peterson

Justin Peterson, previously technical project manager at PowerNet, has been appointed as service delivery and integration manager for Otago Power Services Limited (OPSL).

Justin's role is to provide leadership for the OPSL staff and to ensure a well planned and smooth integration into the PowerNet team after the recent purchase of the company as part of the OtagoNet ownership transfer.

"I'm really looking forward to the challenge," Justin says. "It's going to be great working with the OPSL team to create the best amalgamation solution as they become part of PowerNet."

After the ownership change at OtagoNet and OPSL it was decided that by March 2016 OPSL and PowerNet will amalgamate into one company.

"Senior leadership decided that we needed to deliberately take time to do this, given the other recent significant changes that have occurred at PowerNet. The integration will be two-way so that best practice from each company will ensure our future success as PowerNet," Justin says.

Justin started his new role on November 3 and will be based in Invercargill but spend the majority of his time working in Gore and Balclutha.

"Our initial priorities are to get to know all the staff and inform everybody of the changes. It's about being upfront and honest with all staff at OPSL and the feedback to date has been very encouraging," he says.

Commercial customer function in Gore and defibrillator donation

The Power Company Limited (TPCL) directors and senior staff from PowerNet met with commercial customers at a client function in Gore on September 24.

"The meeting with customers was to give them an insight into our future planning and share ideas on how both PowerNet and TPCL can improve the quality of electricity supply and services, particularly in the rural Southland area," PowerNet chief executive Jason Franklin says.

"As one of the best-performing, predominantly rural electricity networks in the country, we are doing well, but we are also always looking at the future needs of our customers."

Jason says ongoing programmed customer meetings are an excellent way for the directors and network managers to get feedback.

"We find these meetings very useful and the conversations we have with the people who rely on our network give us excellent feedback on network performance and their expectations."

He says the TPCL directors had also used the meeting as an opportunity to formally present defibrillators to the Gore Volunteer Fire Brigade.

"TPCL had actually donated these in February this year and they have saved lives already," Jason says. "This was the first opportunity we had had to actually formally present them to the brigade, who do a great job at saving lives in Eastern Southland."



L/R TPCL Chairman Alan Harper, PowerNet CEO Jason Franklin, Gore Chief Fire Officer Steve Lee, Deputy Chief Fire Officer Don McGuigan, Senior Station Officer Richard Tremaine.

New building, new phone system

We're replacing the phone system as we prepare to move into the new Racecourse Road office.

"We've put the same Avaya phone system in at Balclutha and next year we plan to roll it out to Onslow Street, Gore and the rest of the depots," PowerNet IT manager Waric Cross says.

The phone system at Balclutha was due for replacement, and Waric says it made sense to get the same phone system across all the PowerNet offices.

"Everyone will still have voicemail, call forwarding and the other usual functionality," he says, "The Avaya system allows for some new features such as integration with Outlook, so that when you get a voicemail, you'll receive an email telling you the message is there and there's also the ability to have a 'soft phone' via your smartphone which is handy for people who aren't in the office all the time."

There will also be upgraded video conferencing through the new system for those who will use it in the course of their work.

"Trish (Hazlett) wouldn't have to leave her desk to do video interviews for jobs, for example, and if senior management needed to have video meetings with Terry Jones in Balclutha, they could do it from their desktop," Waric says.

He said one of the time savers for the IT team was that if a staff member shifted desks, they can just take their phone with them and not have to have it physically re-patched to the new extension. Faxes will also be able to be sent and received on your desktop computer.

There are benefits for system control as well.

"We won't be limited to the old storm gallery," Waric says. "Any phone will be able to be used to take calls in a storm or weather event rather than having to use the storm gallery."

The technology has other features that may be utilised in future and Waric said the IT team would be undertaking training at the current PowerNet office so everyone knows how to use the new phone system before the shift across the car park.

ACROSS *the* LINES

33kV Findlay Road – Spey Street cables

Laying the new 33kV cables for Electricity Invercargill Limited's new Spey Street Substation began in September.

The cables, which will run to Spey Street from the Transpower Invercargill Substation in Tuai Street, will improve the security, reliability and capacity of the network for the future.

Contractor Delta and subcontractors Bond Contracts Limited are expected to complete the four kilometre-plus project in March 2015.

PowerNet's project manager Mark Zwies says the project will future-proof Invercargill's CBD ensuring the residents and businesses have a safe, efficient, and reliable electricity supply with the capacity to meet future growth in the city.



Stage two cable laying - Yarrow Street heading towards Racecourse Road

"The project has been split into 700m sections; there are six stages along the project route. It is anticipated we will have stage four completed prior to Christmas," Mark says.

Trenching began in upper Spey Street and is now progressing east along Yarrow Street towards Racecourse Road. All trenching has been down the centre of the roads to cause minimal disruption to residents, traffic flow and existing underground services.

"The Traffic Management Plan has tried to minimise disruption to the residents and businesses along the route. We have also run radio advertising at the beginning of each stage which informs the public of where the project is at," Mark says.

Spey Street Substation

Construction of the new Spey Street Substation has now commenced with the \$5 million project expected to be completed by March 2015.

The substation build is running in conjunction with the laying of the new 33kV cables from the site in upper Spey Street through to the Transpower Substation in Tuai Street.

PowerNet project manager Mark Zwies says the new substation would replace the existing Doon Street Substation which was situated near the Invercargill water tower. Seismic testing had identified the Doon Street Substation as a high-risk location if an earthquake should occur.

This project is one of the most significant upgrades to Invercargill's electricity network. The new 33kV cables and substation will ensure EIL remains committed to its consumers by providing a safe, efficient, and reliable electricity supply to the 6,300 residents and businesses in the CBD.

"The new substation will be fully enclosed, housing two 33/11kV transformers, 33kV and 11kV switchboards and other associated electrical equipment," Mark says.

The work is being undertaken by contractors DECOM and subcontractors Calder Stewart.



Foundations being boxed for the transformer

Winton-Centre Bush upgrade

A new design feature is being utilised on the Winton-Centre Bush 66kV/22kV line upgrade.

"We are using a new technique to have all the pole foundations in before the works start on site," PowerNet project manager Roger Scott says.

As the poles are being put on terrain which includes running river gravels, a hydrovac truck will extract water and debris from the pole sites and a steel casing is inserted into the ground.

"Then the line crews come along, put up the pole and fill in around it. We're looking at putting in 97 poles over three days," Roger says.

The benefit of the design means that if there is a failure of a pole in the future (for example, after being hit by a vehicle) the replacement is relatively easy as a new concrete pole can be inserted into the sleeve.

The design work on the line upgrade is almost complete and this section (Stage 1) of the \$10.3 million project to have the 66kV line come from Mossburn to Winton via Dipton will be completed by the end of March 2015.

Windsor New World

Capacity demand in the suburb of Windsor saw a new transformer installed at Windsor New World supermarket in October. With load demand and growth in the area, PowerNet saw the need to replace the existing 500kVA transformer with a larger 750kVA transformer.

PowerNet technical distribution supervisor Ray King says with extra loading required for the supermarket and a greater supply demand within the Windsor community it was necessary to increase the supply capacity.

"The new ETEL 750kVA transformer also has a Schneider SF6 ring main unit fitted within the equipment," Ray says.

Four PowerNet staff worked on the upgrade with electrical fitter/apprentice cable jointer Paul Barclay the onsite project supervisor. Bond Contracts provided the groundwork at the site.

"The transformer was placed beside the existing 500kVA transformer and once the new supply was livened the old supply was dismantled and removed," Ray says.

The installation took two weeks to complete, with consumers offloaded onto another feeder to ensure no outages occurred.



Phil Wilson and Ken McWilliam (Bond Contracts) with Peter Guise and Paul Barclay (PowerNet) placing the 750kVA transformer on site at Windsor New World

Airport transformer installation

With the construction of the new Invercargill Airport terminal underway, EIL took the opportunity to undertake some planned maintenance work and replace the 50 year old 300kVA transformer and cables.

PowerNet technical distribution supervisor Ray King says during the maintenance work a temporary supply to the airport was run from a 550kVA generator owned by PowerNet.

PowerNet's electrical fitter/cable jointer Jason Nicolson supervised the onsite project.

"The benefits of using the 550kVA generator meant we could minimise the outages. The only outages experienced during this project consisted of two minutes to switch the load on to the generator and a further two minutes to disconnect the load after work was completed. Both shutdowns were co-ordinated around the airport's flight timetables," Ray says.

"When we installed the generator and transformer we worked between flights so as not to block emergency exits and baggage trolley routes," Ray says.

The work took just four days to complete and will ensure the new airport building will receive a safe, efficient, and reliable supply of electricity in the future.



PowerNet staff Jordan Coutts, Allister Hitchcock and Jason Nicolson lifting the Caterpillar generator into place at the airport

Winton upgrade continues

The 2014 upgrade of the Winton Zone Substation switchboard is complete, but work to reconfigure the lines running out of Winton continues.

"The switchboard upgrade was completed in the middle of the year," PowerNet project manager Roger Scott says, "and now that it is completed we can reconnect the section of the 66kV line that was used for the 11kV bypass."

The 66kV line running between Centre Bush and Winton will be reconfigured at the Winton Substation to have the Centre Bush line on the top of the poles and Hedgehope line moved to underneath the Centre Bush line, with the two lines separating on the corner of Gerard and Winton Substation Roads.

This is part of the Oreti Valley project which is planned for completion in late December or early January.

OtagoNet into the fold update

There has been a change in the ownership of the OtagoNet electricity network following Electricity Invercargill Limited (EIL) and The Power Company Limited's (TPCL) purchase of Marlborough Lines Limited's 51 per cent share on September 30.

EIL and TPCL had previously each held a 24.5 per cent interest in the electricity network since 2002.

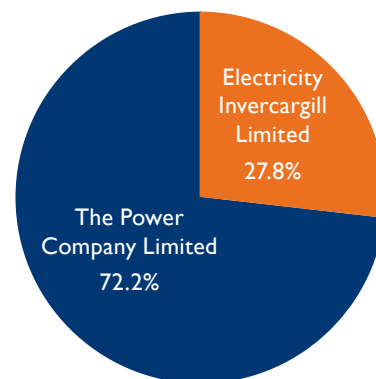
"The increased investment by TPCL and EIL in the OtagoNet network is a natural progression for those two companies," PowerNet chief executive Jason Franklin says. "The interest they have held since 2002 has been very successful and both will continue to ensure the investment in the network is a successful one for both companies and their shareholders."

The average life of the network has come down over the last decade thanks to our investment in capital works and maintenance and further increasing the safety, reliability and security of the OtagoNet electricity supply is a key part of our approved work programmes for the future.

"We have increased capacity on the network since 2002, allowing for the growth on the predominantly rural network and our asset management planning will carry on this investment," Jason says.

Over the 2002-14 period, the joint venture partners spent \$72.75 million on capital works on the OtagoNet network assets, and \$34.5 million in maintenance and repair works. Over the next five years, the new owners plan to spend \$60 million on capital works.

OJV Ownership at 30 September 2014



Isla Bank to Fairfax Line upgrade to support new substation

The Power Company Limited has a number of development projects underway. The Isla Bank to Fairfax 66/11kV line is part of the planned \$20 million of capital investment on the network for this financial year.

Construction of a new 66/11kV line is almost complete and once commissioned will deliver a secure and reliable electricity supply for future load growth in the Western Southland region.

PowerNet's Winton depot supervisor Murray Hamilton says the building of the Isla Bank to Fairfax 66/11kV line project commenced in July and was expected to be completed by late 2014.

"This is an in-house PowerNet job. We are constructing the overhead 11kV and 66kV line and 11kV underground cable that comes out of the new Isla Bank Substation," Murray says.

Beginning at Isla Bank, the line will run nearly nine kilometres and when completed will connect to the 66kV Riverton/Otautau line at Fairfax.

The existing Isla Bank 11kV line provides electricity to the local school and surrounding farms. The new upgraded line is required for the new Isla Bank Substation and will ultimately boost supply capacity into the area to support further growth in the dairy industry.

"There is a lot of dairying in the area and it looks like it might be increasing. We need to keep supply and voltage up in the area," Murray says.

There have been three organised shutdowns since work commenced and consumers were switched to alternative feeders, where possible, to ensure minimal disruption of electricity supply.

"Shutdowns are timed to happen between 9am and 4pm, and we try to achieve as much as we can and minimise the amount of shutdowns we need," he says.

The new Isla Bank Substation is currently under construction by PowerNet contractors DECOM and is expected to be completed in mid-2015.



The Isla Bank to Fairfax 66/11kV Line

Colyer Road Substation

An imposing 3.8m deep basement for the new Colyer Road Substation control room has been dug and works are beginning on one of TPCL's most significant projects for the year.

"We have dug out the basement where the cabling will be installed and the flooring of the substation control room will be level with the ground," PowerNet project manager Roger Scott says.

The works are being carried out by Donaldson Construction under sub-contract to DECOM who are doing the electrical construction.

The substation will supply Open Country Dairy who have recently doubled the size of their milk plant at Awarua. At present, TPCL is supplying the dairy factory with a temporary transformer which will be moved to Colyer Road Substation once the 11.5/23MVA transformer has been installed and commissioned.

Roger says the Colyer Road Substation will also supply future development on the industrial land owned by the Invercargill City Council southeast of the substation.

The new site is being developed to incorporate indoor 33kV and 11kV switchgear and space for up to three 11.5/23MVA transformers.

"The control room panels are being built now and we're planning for the building to be completed by January," Roger says.

The existing substation at Awarua had limited opportunity for expansion, which brought about the need for a new substation. The existing substation will be retained to supply industrial consumers it currently services.



Groundwork on the Colyer Road Substation control room

Waikiwi Substation upgrade

The upgrade of the Waikiwi Substation is planned to start in May 2015.

"We have completed the electrical design and the civil design contracts are about to be awarded," PowerNet project manager Roger Scott says.

The substation, which is being upgraded to handle increased load growth, will see two indoor 33/11kV 11.5/23MVA transformers installed.

"We will take the rear transformer out, build the new building for the transformer and then have the whole substation enclosed," Roger says.

The building will be architecturally designed and landscaped to fit in with the surrounding environment.

The existing building on the Waikiwi site will stay in place to house the 33kV and 11kV switchgear.

The substation services a large area, including Lorneville and Otatara, and the rapid growth in Waikiwi itself over recent years means this will future-proof the electricity requirements of TPCL consumers.

The enclosing of the transformers will also ensure the site meets the requirements of the Invercargill City Council District Plan by reducing ambient noise.



The existing Waikiwi Substation

Seismic strengthening at Mataura Substation

Bringing our substations up to scratch in the event of an earthquake is an ongoing project for TPCL.

PowerNet's technical services manager Trevor Simmonds says the latest seismic strengthening has taken place at the Mataura Substation and brings the switchroom building up to 100 per cent of New Building Standard (NBS).

"At Mataura, we are using internal steel framing to keep the building up in the event of an earthquake," he says.

"This came about after the building was assessed at 8 per cent of NBS." Trevor says our target is to achieve 100 per cent NBS provided this is economic. "The works, carried out by Calder Stewart, with PowerNet handling site supervision and safety, have not affected consumers on the network."

Heavy steel channels run up and down the walls as part of the works, but none of the major equipment in the control room needed to be moved.

The works, completed at the end of November, are part of a seismic strengthening programme being carried out at Mataura, Waikiwi and Seaward Bush Substations.

Distribution automation

A clever idea utilising remote switching technology will help reduce TPCL and EIL networks System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) indices – industry measures of electricity network reliability.

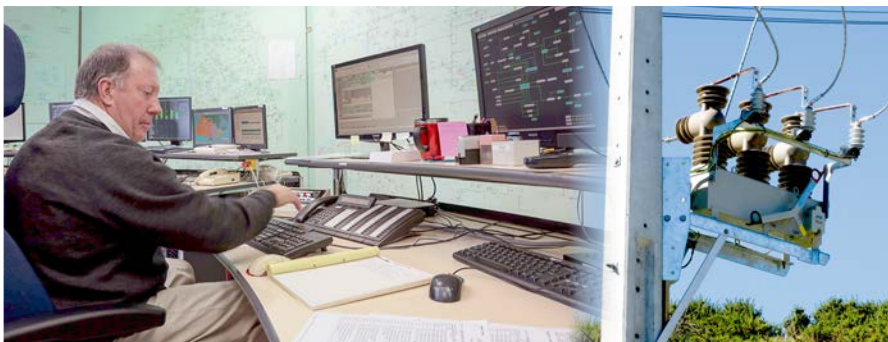
"We are implementing a distribution automation system on parts of the networks that means instead of having to dispatch a field crew to fix the problem, a remote controlled switch can reduce the time without power," PowerNet network assets engineer Bevan Cooper says.

"For example, in particular situations a fault will open a breaker. However, a remote controlled switching scheme will open a second breaker and close the automated tie point very quickly, meaning consumers on the end of the feeder incur negligible interruption of supply," he says.

In that situation only the consumers between the first and second breakers will lose their supply.

"Using this distribution automation helps us reduce the amount of time consumers are without electricity in the event of unplanned outages," Bevan says. "It will be a great benefit in the event of storms and accidents such as when a vehicle takes out a pole or vegetation causes an outage."

The distribution automation system has been approved by the network Boards and will be rolled out across parts of the network in 2015.



Distribution automation switches (right) that are controlled remotely by PowerNet's System Control room staff

New generator for Stewart Island

The new Scania D13 generator installed into the Power House at Stewart Island delivers both efficiency and reliability to over 420 consumers on the Stewart Island Electrical Supply Authority network.

PowerNet station operator Steve Lawrence says the installation of the Swedish generator took place back in January and it now ran alongside the three existing generators, one of which was installed over 25 years ago.

"Generators 1 and 2 are Caterpillars (one V8 and the other a straight six) have to run in tandem to supply the whole island when demand is high," Steve says.

Steve says the old Caterpillar engines use mechanical injection giving around 3.6kW per litre of diesel, whereas the Detroit S60 uses electronically controlled injection and gives around 4.1kW. The new Scania generator takes the technology a step further giving around 4.4kW output.

The Detroit or Scania generators can normally supply the whole island, but when there is an increase in load demand, such as those experienced over public holidays, a second generator would be brought into use.

The Caterpillar and Detroit generators each require a service and oil change every 250 hours. With a built-in oil centrifuge, servicing of the Scania extends out to every 400 hours.

"The used Scania engine oil is recycled and with the assistance of a purpose-made burner the oil is used to heat the Stewart Island community centre," Steve says.



The new Scania D13 generator

Remarkables Park extension

Electricity Southland's collaboration with the Remarkables Park business and shopping complex continues to grow, with the announcement of two new buildings and a recreational complex.

Being developed opposite the New World supermarket and adjacent to Queenstown airport, the building project is called "The Landing".

The first building will house Super Liquor. Construction has started and the shop is expected to be completed and opened before Christmas.

The second building will have 12 retail tenants. Construction has started on this second building but will not be finished until after Christmas.

The recreational precinct is further down Hawthorne Drive, just past the entry to Remarkables Park's car parking area.

The reticulation for this new development has been completed with the installation of a 300kVA transformer and switch gear. Earthworks have begun on the site and should be completed by February or March 2015.

A go-kart operator is the first confirmed tenant and Remarkables Park is hoping to have a range of other leisure opportunities to join them at the site.



Remarkables Park Extension

Shotover Country keeps us busy

Major cable, transformer and switchgear materials have been ordered for the upcoming Electricity Southland Limited (ESL) projects including the remainder of the Shotover Country development at Frankton Flats.

During 2014, ESL prepared the site works for electricity supply to the 650-pupil Shotover Country school, which is due for completion in 2015, completed the Shotover Country stage two cabling and low voltage reticulation, installed street lighting and lived in stage two.

Earlier this year, stages three and four of the development were under construction and the other stages are now open for development up to stage seven, so we have been extremely busy ensuring the electrical reticulation and our other services are ready for section owners.

The 770-lot subdivision, close to Ladies Mile and Lake Hayes, is served by ESL and will see the number of connections to the network grow substantially.



Shotover Primary School under construction

Remarkables Park Eastern Access Road extension

The new Eastern Access Road (EAR) in Queenstown to connect Remarkables Park and Frankton Flats with State Highway 6 and Glenda Drive has had the PowerNet/Peak Power Services touch.

Our crews have installed a 22kV cabling extension while the EAR works are underway, and this will be followed shortly by the installation of several switch units and transformers.

The \$6 million road to open access to Frankton Flats and cut peak hour gridlock will service the new Remarkables Park Recreation Precinct, the new secondary school site and future commercial buildings.

The works undertaken by our Queenstown staff consolidates Electricity Southland's position as a growing network in the Queenstown Lakes region.



Eastern Access Road at Remarkables

Contracts workshop

An important part of PowerNet's everyday business is entering into legal contracts. To assist staff understanding of contract law a series of workshops were held in September by the AWS Legal team of Rachel Lindsay and Katie Robinson.

The workshops were coordinated by PowerNet's compliance and risk advisor Tania Cribb and aimed at PowerNet senior leaders down to leading hands and administrators who interact with public, customers and service providers.

Over the one hour session attendees learnt what elements formed a contract, when to use a contract versus a purchase order and the processes PowerNet has for handling contracts.

"The workshop was designed as a 'crash course' in understanding legal terminology. Both Rachel and Katie presented excellent examples to identify the use of this terminology," Tania says.

"A contract is a legally binding arrangement between two or more parties. It must have five binding elements present in order to exist. These elements include offer, acceptance, consideration, certainty and intention to create legal relations," Tania says.

"The rule of thumb is purchase orders need to only be issued for low value and low risk goods and services," she says.

Any staff members who have contract concerns should contact Tania. "If in doubt, check it out," she says.



Rachel Lindsay and Katie Robinson

Connexis Competition and Awards

PowerNet electrical fitter Lisa Terepai was a nominee for the Trainee of the Year at the Connexis Awards, run alongside the Connexis Line Mechanic and Cable Jointers competitions, which ran in Christchurch over October 14-16.

"The awards are for trainees who have reached the highest achievement in the electricity industry in either generation, transmission, distribution or telecommunications," PowerNet's general manager technical and network performance Keith Burns said.

"Lisa was in pretty good company and it was special to have her nominated for such an important award."

PowerNet is a supporting sponsor of the Connexis Awards and has been for two years.

Keith says about 400 people attended the awards, including PowerNet's competition team members.

The Connexis awards also covered the Connexis competition which took place in the three days prior, with the winners also announced at the award ceremony.

While the PowerNet team did not win any awards in the Connexis line mechanics and cable jointers competition, team advisor Phil Johnson said the competition was a valuable experience.

"A competition like this and the training that goes on before it helps to reinforce what we do on the job. It's good practice for work in the field," he says.

"While the team didn't pick up any prizes, the competition was pretty fierce and I was still proud of what they did achieve."

Phil says the PowerNet team was never far off a prize placing and had to work hard over the three days of competition.

"This is great to check and see where we are against other network companies, but also to share ideas and experiences that we can bring back and use in our business," Phil says.

The PowerNet team that attended the competition was: Paul Barclay (cable jointer), Robert Allan, Nathan Dickens, Joseph Reti and Mike Johnston with team manager Murray Cunningham and 'camp mother' Sharon Johnston.



L/R Back row - PowerNet staff Joseph Reti, Robert Allan, Nathan Dickens and Mike Johnston
L/R Front row - St John representatives Debbie Pipson, Patsy Manuel, Edwin Blakeway, Ian Henderson, Michael MacLachlan and Millie O'Grady who arrived to support the PowerNet team during the competition

TradeQual Awards

The annual TradeQual Awards were held on November 13 at the Ascot Park Hotel in Invercargill.

The presentation evening rewards the efforts of Southland trade graduates and gives trade industries, businesses, employers, family and friends the opportunity to acknowledge the graduates who have gained their trade qualifications during the year.

Eighteen technical and field staff from PowerNet graduated this year, each gaining their electrical trade qualifications.

PowerNet attendees were Lisa Terepai, Gene Brookland and Marlon McLean.

Congratulations to you all from the management and staff of PowerNet.



Gene Brookland, Lisa Terepai and Marlon McLean meet motor racing legend Greg Murphy (second from right) at the awards

ACROSS^{the}LINES

Invercargill Truck Parade

Thanks to Ray King and Wade Mason (Onslow Street) and their families for assisting in the Southland Transport Invercargill Truck Parade held in October.



Ray King's grandchildren - Madison (5) and Jack Ward (6)



Wade Mason's grandson - Lane Kempton (5)



ICAM trainees

Five PowerNet staff travelled to Auckland in September to attend the two day Incident Causation Analysis Methodology (ICAM) training course organised by the Electricity Engineers' Association.

PowerNet's health, safety, environment and quality manager Graeme Webby says the company now has a total of 32 PowerNet staff, four Otago Power Services Limited staff and one DECOM staff member proficient in the procedure.

"The ICAM process provides a consistent approach to investigations to ensure we identify what really went wrong, particularly systemic failures. The process also focuses on what needs to be done to prevent recurrence," Graeme says.

"The ICAM process is incorporated into PowerNet's Accidents and Incidents procedure (PNM-111). We anticipate that ICAM training will be mandatory for staff in a range of positions and included in the competency framework," he says.

Tour of Southland

The PowerNet Tour of Southland team did themselves and PowerNet proud in the 2014 tour.

Ryan Wills, Paul Odlin, Brad Evans, Robert Huisman, Roman van Uden and Tim Rush finished second overall in the teams' event behind the powerful Avanti Racing team, with Brad taking out the final stage into Queens Park and Roman finishing third.

The blue PowerNet jerseys made for great TV on ONE News on the final Saturday night of the Tour as they swept up Gala Street.

"The team set out at the start of the week with the intention of supporting Ryan Wills to win the overall race," PowerNet team manager Aaron Sinclair says.

"Ryan crashed on the first stage to Gore losing nine minutes to the leaders; this effectively took him out of overall contention. We then set about a plan to win stages with each team member being given the opportunity to be supported by the rest of the team if the stage suited them for a win."

The Avanti team was too good for all comers, but the strong team performance got the PowerNet boys to a deserved podium spot after seven hard days of racing over the 904km of the Tour.

"Ryan was very active and managed to get himself in the break most days and finished third on the stage into Lumsden. On the last stage from Winton to Gala Street we planned for Paul to get in the break and if the break stayed away for him to attack the break and win, if the break got caught we were to protect and lead out Brad Evans for a sprint win. Fortunately for us, the latter happened, the break was caught 1km from the finish, Roman van Uden did a perfect lead out and Brad finished in style with a fantastic sprint to win the stage comfortably," Aaron says.

Local rider Robert was PowerNet's best overall, finishing 14th on general classification. Paul and Ryan finished in the top five overall in the sprint ace and King of the Mountains respectively.

"Overall, the team was a pleasure to manage and I must thank the work of Jim, Alaister, Steve, Tony and all the other PowerNet staff who helped out to make the tour a success for PowerNet. We now look forward to next year," Aaron says.



The 2014 PowerNet Tour of Southland team L/R - Kyle Wood (mechanic) Brad Evans, Roman van Uden, Ryan Wills, Paul Odlin, Tim Rush, Robert Huisman

Corporate Rowing

Less than perfect conditions and tough racing were no barrier to the PowerNet corporate rowing team, who came home an excellent second in the C final at the event held in mid-November.

"The crew was great," PowerNet team manager Shirley Whitaker says. "They worked really well together and had a great team spirit." Four of the PowerNet crew were novices to rowing.

Racing was put off from Saturday November 15 as stormy conditions hit the Oreti River race course, and the crew hit the water the next day on a river that still had a strong current in the outside lanes.

"It was postponed from Saturday because of the gale force winds, then it was postponed to 10am on the Sunday and luckily the weather had calmed down a bit by then so we started on schedule," Shirley says.

The PowerNet crew of coxswain Charlotte Whitaker, stroke Paul Barclay, Rob Tweedie, Scott Murch, Tauria (Daggs) Patterson, Dyson Gentle, Phil Hartley, Nathan Donnelly, Lisa Terepai and Birgit Crean (with reserves Justin Peterson and Shirley) had a convincing win in their heat before striking the hardest semi-final of the day.

The crew came home a solid third behind the NZ Fire Service and the "massive" crew from Whyte's Gravel to qualify for the C final where they finished an excellent second to be 10th overall out of 27 teams, an improvement on 2013's 15th out of 25 crews.

"It's a great event for team building," Shirley says. "We had a range of staff from Onslow Street and Racecourse Road sites who took part and they all came together comfortably. The crew worked well together and they peaked on the day."

Shirley says the support from other staff and family members cheering on the crew was much appreciated.

The day's racing capped eight weeks of training where the crew took to the river after work and at weekends to prepare for the event. PowerNet's crew also finished second in the B final of the indoor rowing event at James Hargest College on October 22 which determined seedings for the November event on the water.



L/R Back row - Charlotte Whitaker (coxswain), Lisa Terepai, Paul Barclay, Nathan Donnelly, Phil Hartley and Dougal McDonald (coach) L/R Front row - Birgit Crean, Scott Murch, Dyson Gentle, Tauria Patterson, Rob Tweedie and Shirley Whitaker (coach)

PowerNet's quality complaints service

PowerNet has a new complaints administrator skilled to assist in external complaints on the networks we manage.

PowerNet's health, safety, environmental and risk compliance administrator Amanda Milne was appointed to the position in August and shortly after headed away to Wellington to attend the Electricity and Gas Complaints Commissioner (EGCC) induction workshop.

"The induction workshop identified the complaints process and our obligations to this process as a lines company," Amanda says.

The number of external complains per month can vary. Complaints are generally received from insurance companies on behalf of their clients and land or house owners within The Power Company Limited, Electricity Invercargill Limited and OtagoNet networks.

"The majority of complaints that we deal with are to do with supply quality and damage to equipment, such as household or farming business items. We also receive complaints from loss of income due to unplanned outages," Amanda says.

All complaints are investigated by PowerNet and followed up with a summarised outcome report.

PowerNet's aim is to gain a positive outcome for each complaint. Customers who we are unable to assist have the right to contact EGCC.

"I see receiving complaints as an opportunity to improve on a service, system or process. How can we improve our service to our customers if we don't know there is an issue?" Amanda says.

Safety Day

PowerNet's Safety Days ensure our employees stay on top of safety standards.

Safety Days are held twice a year, in April and October.

"It's a requirement that registered electrical workers attend a safety refresher every seven months," PowerNet health, safety, environment and quality manager Graeme Webby says. "PowerNet employees have refreshers every six months. In October, we focused on pole top rescues, elevated work platform (EWP) rescue and earthing. In April the focus was on driving safely."

A range of employees attended the Safety Day – which actually ran over three days (with the same messages repeated each day to a different audience) - to accommodate everyone.

"At October's Safety Day, we had 70 employees from supervisors right down to trainees at the Onslow Street Depot," PowerNet health, safety, environment and quality administrator Amanda Milne says. "St John as our First Aid providers ensured everyone's CPR and first aid was up to date."

Graeme says the days are important as training tools. "We look back at any incidents that have occurred over the previous six months and what we learned from them, and it gives us a chance to run refresher courses on testing and switching."



Jonathan Wills (Left) Sheree Vettors (St John) Peter Guise (Right)

PPE undergarments for field staff

Following the March road show of 'Brothers in Arms' the decision was made by PowerNet to provide personal protective equipment (PPE) to our field and technical staff.

Health, safety, environmental and risk compliance administrator Amanda Milne says if there was an arc flash incident, employees wearing synthetic materials (not 100 per cent cotton or merino) would be at risk of receiving third degree burns to their bodies.

"By only having 100 per cent cotton or merino undergarments, this significantly reduces the risk of our employees being seriously harmed," Amanda says.

After extensive research, a business case was presented to PowerNet's chief executive, Jason Franklin.

"The safety of our staff is paramount. We believe supplying this necessary PPE means we are investing in the safety of our employees," Jason says.

Feedback has been extremely positive from all staff receiving the gear.

"They are all delighted that their safety is 100 per cent in the minds of the PowerNet management," Amanda says.

The gear consists of the normal work overalls with the additional PPE including undergarments made from natural fibre.

"The clothing items are compulsory for the staff to wear underneath their overalls once they have received them" she says.



PowerNet Winton depot staff - Shannon Lynch (left) and Sam Stewart (right)

Queenstown Marathon

What started as a nice way to clear her head after a busy day became one of running's ultimate challenges for EIL Director Sarah Brown, who ran the Queenstown marathon in late November.

"I'd never run a marathon before. I ran a half marathon three years ago. It's a bit of a bucket list thing for me - I wanted to do a marathon before I hit 40 - and when I saw they were starting up the Queenstown one again it seemed like the perfect opportunity," Sarah says.

Five training sessions a week, including one very long run a week prepared her for the scenic marathon, which takes in Millbrook, Lake Hayes and the Frankton track alongside Lake Wakatipu.

"I trained with two friends, one of whom was doing the half marathon (and has never run further than five kilometres until two months ago) and the other who is training for the Kepler Challenge and has run for years," she says.

"We've got wonderful bush running tracks in Southland and I mostly enjoyed the training - running with two women there was not a lot of silence over the course of the runs!"

Sarah finished the marathon in 4 hours 43 minutes.

PowerNet distribution engineer Peter Eastwood also ran the full marathon and finished in 4 hours 31 minutes. This was Peter's seventh full marathon.

"I will return next year, but don't know if I have got another marathon in me, might settle for the half marathon," Peter says.

Well done both of you!

A 'Lifestyle Change' for Jim Dawson



PowerNet company secretary Jim Dawson first walked through the doors of what was the Southland Electric Power Supply (SEPS) offices in 1974 to take up a role as a senior clerk.

Forty years on, and a failed attempt to resign later, Jim might finally be slipping quietly out the door – but he isn't retiring.

"I don't call it retirement," he says. "I call it a lifestyle change."

Jim spent three years at SEPS before going to work for the Forest Service. He returned to SEPS four years later in 1981 and has stayed ever since, working in a range of corporate services management roles.

"The big change for us was when PowerNet was formed. We had gone from being this bureaucratic government department, to being managed by Electricorp and then a Board of Directors for a number of years," he says. "Then we became much more accountable with the formation of PowerNet. That was a big change, but one of the most rewarding things I've been involved with."

Jim says the thrill of being "so close to the action" as PowerNet grew from managing two networks to three made his job interesting. "Things like winning the contract to manage Otago Power Limited in 2000 and then buying that network (which became the OtagoNet Joint Venture) two years later were a real buzz."

Jim also enjoyed being involved with the PowerNet sponsorship of the Tour of Southland. "The Tour was a great promotion for the company and really put our name out there and got us recognition," he says.

Jim attempted to resign in 2007 to enjoy some of his leisure pursuits, but then-chief executive Martin Walton managed to convince him to stay on as company secretary on a part-time basis.

"I liked the degree of flexibility I had, but it's definitely it this time."

He intends to get back into trout fishing, spend more time with his grandchildren and on the bike, and – once unfettered by PowerNet's impairment policy – expand his home brewing activities. He will also work quietly on finalising the history of the Southland Electric Power Board and The Power Company with Martin Walton, over the next few months.

Farewell Jim and enjoy your 'lifestyle change'!

New babies

Congratulations to Taniela Moce and wife Debra who welcomed a baby girl on September 16, and to Hamish Prentice and wife Sarah – a baby girl named Anise Rosalie on July 29.

Educational

Congratulations to Lynley Hall and Kathryn McCoy who graduated with a Level 5 National Diploma in Business.

Santa Parade

Thanks to all staff and their families who helped and participated in the 2015 Southland Santa Parade. A special thank you to Sharon Johnston who organised the float decoration, the participants and costumes.



L/R Back row children and adult on float- Mackensie Middlemiss, Madison Ward, Elayne Swain, Jack Ward and Jena King. L/R Front row adults - Tristan Swain, Sharon Johnston, Helana Middlemiss, Ann McDowall, Bevan Cooper

Congratulations to our Directors

The leadership of PowerNet and the networks we manage was recognised when three of our governance leaders were made Chartered Fellows of the Institute of Directors at a ceremony at the Ascot Park Hotel last month.

Neil Boniface, Maryann Macpherson and Doug Fraser were all awarded the honour by the Institute for their recognised governance capability, well-honed technical skills and extensive experience.

Neil has been a director of Electricity Invercargill Limited for 23 years, a director of PowerNet for 17 years, a director of Electricity Southland for 13 years and an OtagoNet director for 12 years.

Maryann, PowerNet's current Chair, has been a PowerNet, The Power Company and Electricity Southland director for 11 years.

Doug has been a director of PowerNet, Electricity Southland and The Power Company for 10 years and was recently appointed a director of Otago Power Services.

Congratulations

To our PowerNet photographer Jacqui Van Dam who finished second in the 2014 NABBA South Island Bodybuilding Championships in the figure category in late September.

Thanks from

Murray Cunningham to all the staff and management that visited him whilst he was recuperating after his accident/operation.

ACROSS^{the}LINES

New staff

Welcome to all our new staff. With the changes at OtagoNet and with former Transfield staff joining us, we have a lot of new faces:

Racecourse Road



Maree Hallgath
Commercial Analyst



Maria Devery
Financial Accountant



Mike Dela Cruz
Financial Accountant



Vikas Sharma
Project manager

Onslow Street



Birgit Crean
Substations Engineer



Dick McGregor
Substation Maintainer



Dirk Gunter
Substation Maintainer



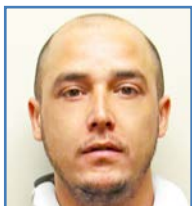
Jacques Vergottini
Substation Maintainer



Jack Senior
Trainee Line Mechanic



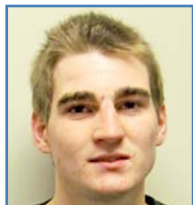
John Murphy
Line Mechanic



Jordan Coutts
Technical Apprentice



Kieran Lawrence
Maintenance Supervisor



Orion Gallagher
Trainee Line Mechanic



Peter Guise
Electrical Fitter/ Cable Joints



Richard Lee
Distribution Services Manager



Slade Evans
Trainee Line Mechanic

Balclutha staff



Adrian Cross
IT Analyst



Andrew Body
GIS Technician



Brian O'Neill
GIS Project Manager



Debbie Taylor
Contracts and Office Administrator



Helen Widdicombe
GIS Technician



Kristie Hanlon
Office Manager



Mike Harris
Surveyor/Engineering Assistant



Rajinda Senaratne
Electrical Engineer

Congratulations

Barry Kereama on your appointment as Substation supervisor

Ray King on your appointment as Technical distribution supervisor

Farewell

Salman Rahman returning back to Canada

Welcome

Reece Stephenson of OPSL Gore who will be taking the temporary lead role in the planning and execution of the Winton to Centre Bush line construction. Reece will be based at our Racecourse Road office until the completion of the project in May 2015.

Ben Williams is our PowerNet scholarship student home from Canterbury University. Ben will gain work experience with various teams during his six weeks with the company.

Alex Herring, a casual office assistant, will be spending a three month period assisting all the teams at PowerNet.

Winton



Nic Boyle
Trainee Line Mechanic



Sam Stewart
Trainee Line Mechanic

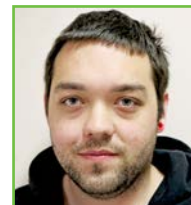


Tristan Swain
Trainee Line Mechanic



Sean Christensen
Trainee Line Mechanic

Te Anau



Shane Evans Rautahi
Trainee Line Mechanic

Lumsden



Joel Lee
Trainee Line Mechanic



Wondimu Gebretsadek
Graduate Electrical Engineer