26 February 2025

Dear Customer,

On January 27, Southland Power Trust, The Power Company Limited, and PowerNet representatives attended a community meeting in Kennington, organised by residents affected by the Awarua Line Upgrade.

Below is some additional information and answers to key questions asked at the meeting.

Exclusion zones and property impingement

When a power pole carrying 66kV is erected, does this create an excavation exclusion zone in proximity to the poles' footings?

We've enclosed a diagram from the New Zealand Electrical Code of Practice for Electrical Safe Distances (page 6/6). We understand that the diagram is very detailed and may be difficult to interpret. We encourage anyone planning excavation work near power poles to contact PowerNet for advice before starting work.

We'll also include the diagram, as well as the Code of Practice in full at www.powernet.co.nz/current-projects.

The distance between some private property boundaries and the road verge is less than the span of the pole crossarms. How does this avoid aerial trespass over a private property?

Poles with a 2m crossarm will be placed at least 2.5m from the legal property boundary. It is important to note that we work to the legal property boundary, rather than the fence line. In some cases, fences are not located on legal boundaries. If you believe that aerial trespass is likely to occur on your property, please contact awarualine@powernet.co.nz

Road safety and environmental concerns

The new poles are much taller and have a concrete footing which extends above the ground. Will that create increased risk in a car versus pole incident?

Safety is the top priority in every aspect of our work. An independent road safety assessment has been completed for the line route. We are implementing all safety recommendations including relocating poles and installing safety barriers, where recommended, to mitigate safety risks. A copy of the assessment has been provided to Invercargill City Council (ICC) and to New Zealand Transport Agency (NZTA).

Can the road safety assessment be shared with residents?

Yes, we are happy to share it. We have uploaded it to www.powernet.co.nz/current-projects.

What is happening to the trees in the road reserve near Seaward Bush Reserve? Are they native?

We are committed to preserving the natural environment. An external arborist has assessed the trees in the reserve which will be impacted by the line build. We've consulted with ICC and agreed to carefully trim any vegetation where it is close to the line. No native trees will be removed. Some non-native species will be removed if necessary.

Improved communication

In some cases, the electricity bill payer and property owner differ (e.g. because the property is rented), or there is no mailbox (e.g. because there is a bare section).
In addition to mail drops along the line route, can PowerNet confirm property owners not living along the line route are advised of updates related to this project?

We are using various methods to identify all possible stakeholders – both landlords and tenants – to resolve gaps in our database. We also continue to encourage everyone to register their contact details with us at awarualine@powernet.co.nz to ensure you receive information as efficiently as possible. If you are not the property owner, please encourage your landlord to register too. We will continue to provide updates via email, letterbox drops, some local advertising and on our website at www.powernet.co.nz/current-projects. Our site teams will be door-knocking to touch base with residents before work starts in your area.

Some people have tried to contact PowerNet, and not received a response.
What should they do?

We've reviewed our contact register and forms completed by residents and have followed up on any outstanding queries. If you have been in touch and still have not received a response from our team, please reach out to us again on (03) 211 1899 , awarualine@powernet.co.nz, or by popping into our Racecourse Road office and ask to speak with a member of the Awarua Network Project Team. Feel free to call ahead to make an appointment if that works best for you.

How will you communicate with residents directly impacted by the construction phases of the project?

We are sending batch communications via letterbox drop and email to affected residents prior to work starting in your area. These letters include information about what the work is, when it is happening, any impacts that the work might have on residents, and how we intend to communicate with you while the works are being undertaken.

Each letter or email is provided to residents directly affected by the specific phase of work. For example, we have recently delivered letters and sent emails to residents in Motu Rimu Road and in Findlay Road.

Timeline

The entire Awarua Network Project includes work to upgrade the Transpower GXP Substation (off Findlay Road) and building a new substation at Awarua. The line-build timeline is outlined below.

Please remember that these timeframes are subject to change – weather, contractor availability, or other unforeseen circumstances may cause some slight delays. We've built some contingency into our timelines, but work could also be completed faster than anticipated, meaning we might move between stages sooner than expected, too.

We will directly notify residents about upcoming works and impacts prior to work starting in your area. We'll include information about how long the work is expected to take, and what impacts there might be.

- Stage 1: Motu Rimu Rd – February to March
- Stage 2: Ballance corner to Motu Rimu Rd – March to April
- Stage 3: Wilson Rd North to Gorge Rd/Invercargill Highway – March to April
- Stage 4: Gorge Rd/Invercargill Highway to Seaward Bush corner – March to April
- Stage 5: Seaward Bush corner to Judge Rd – March to April
- Stage 6: Judge Rd to Mason Rd – March to April
- Stage 7: Mason Rd to Mill Road South – April
- Stage 8: Mill Road South to East Rd – April to May
- Stage 9: East Rd to South corner of the Racecourse – April to May
- Stage 10: South corner of the Racecourse – Findlay Road – April to May
- Stage 11: Findlay Rd to Invercargill GXP – May to June.

When can we expect to see the line construction start?

Work started on Motu Rimu Road in the week beginning 17 February. Our team delivered information about this first stage of works to the people living in the area on 10 February.

We have also recently begun work to install 33kV and 11kV cables along a short section of Findlay Rd to connect into the overhead line section of the network. This work is explained in a letter to residents affected by the work, delivered on 18 February.

Both of the letters can be read at www.powernet.co.nz/current-projects

What are the next steps in the process?

As we enter the construction phase, residents along the line route will be notified in advance of confirmed construction dates and potential impacts, such as road closures and power outages, and how we plan to reduce those impacts (e.g. use of temporary generators). These communications will be sent in batches that correspond to the start date of the specific area work stage. Where power outages are planned, you should also receive notice of these from your electricity retailer (who you pay your power bill to).

PowerNet staff will also visit your property to speak with you directly about what's happening, and how we can help.

When does the new line need to be completed by?

Our industrial customers in the Awarua area need increased electricity supply by September 2025, and we plan to complete to the line build part of this project by August 2025 to meet their needs.

Other design and funding considerations

A recap of why the Awarua 66kV line route and design option is optimal.

The line route and design options for the Awarua 66kV line upgrade have been carefully considered. The route chosen is optimal because the infrastructure is robust, easily maintained and cost-efficient. This project is about ensuring there is an adequate, reliable electricity supply to Awarua, South Invercargill, and Bluff for the next 50 years.

The line build cost for the Awarua Network Upgrade project to meet Awarua customer demand in September 2025 is $10.9 million.

We are making provision now during the construction phase of the line build, for a second circuit. This provision will cost and additional $8.2 million, bringing the total line build cost to $19.1 million.

This design allows for comparatively easy and cost-effective futureproofing with limited impact on residents. As capacity needs increase, additional power lines can be attached to the poles we are installing now at a lower incremental cost. We have appropriate consents, and the project fulfils our regulatory obligations.

We have provided detailed explanations for our decision on our website and in public meetings. However, we acknowledge that electricity distribution is technically complex and difficult to explain.

Here are the key points:

a) Why not a Grid Exit Point (GXP) near the Awarua area?

- ***Overcapacity*** – there are already two existing GXP's in the Invercargill region (North Makarewa and Invercargill) with sufficient capacity to supply the required load to the Awarua area. Adding a third GXP would create excess capacity which is not needed. As the cost of the assets are paid for by consumers over the life of the asset, power bills would significantly increase.
- ***Time*** – once a GXP is approved, it would take at least an additional 3-4 years to complete. The increased electricity supply is needed by September 2025.

- ***Cost*** – $40 million for the GXP alone, plus additional costs of $7-10 million for a line from the GXP. This would mean other projects and upgrades required over time to deliver a safe, efficient and reliable electricity supply to all consumers would risk not be able to be funded, so would either be cancelled or delayed due to debt restraints.

b) Why won't you use underground cable for all or part of the line?

- ***Technical issues*** – Installing a 66kV cable with the required capacity to supply the load over the distance of the line introduces some technical issues, such as degradation of the cable capacity due to overheating, which would be difficult to overcome. It would also be necessary to dig another trench along a different route when more capacity is required in future. Fault finding and repair would be much slower and more complex, resulting in longer power outages when a fault occurred.
- ***Availability of specialist skilled personnel (locally, and in New Zealand)*** – for both installation, and timely maintenance or fault repairs.
- ***Timing –*** a 66kV cable is made-to-order, with at least one year lead-in time for manufacturing and shipping. There is not enough time to have the cable made, shipped to New Zealand, and installed by September 2025.
- ***Cost*** – the cost of the cable and installation is approximately $34 million to supply the capacity required now, potentially significantly more. When further capacity was required in future, a similar amount would be required.

Why can't you fund the more expensive options via a levy on all 37,900 consumers of the Southland Power Trust?

Aside from the technical and other rationale outlined above which make the more expensive options unfeasible, seeking additional funding via a levy is not appropriate.

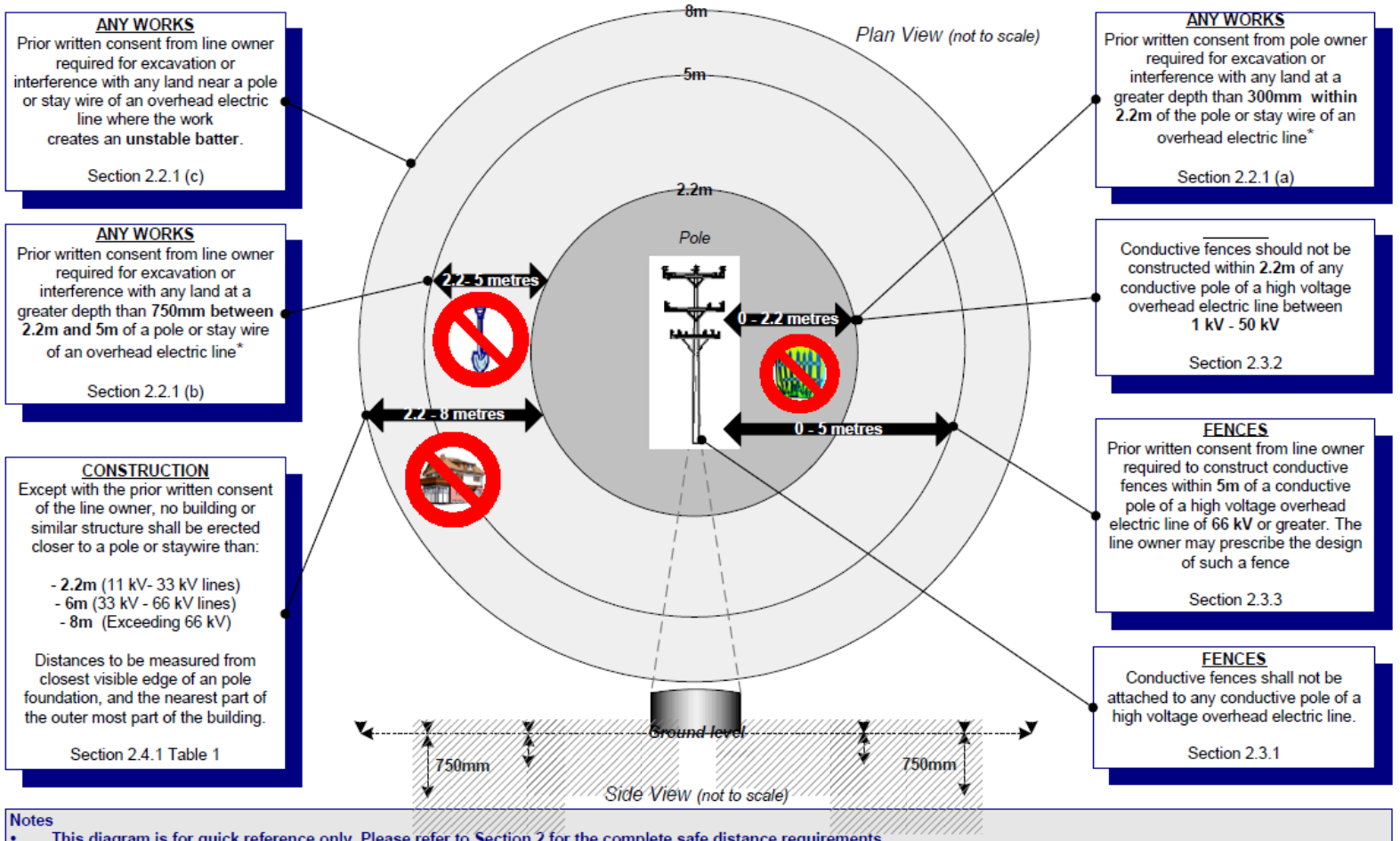
The owner of The Power Company Limited (TPCL), the Southland Electricity Power Supply Consumer Trust (Southland Power Trust), is in turn owned by the local community. The Trust has a mandate to act in the best interests of all 37,900 consumers it represents.

Therefore, the optimal solution must – and does – consider the long-term interests of **all** electricity users in the region.

TPCL must carefully consider how the company invests capital and recoups costs from customers who are the beneficial owners of the company through the Southland Power Trust.

Charging a levy would see all consumers fund the additional cost of beginning Southland's effort towards New Zealand's decarbonisation and electrification journey. There are going to be a lot more similar investments required of the next 20-30 years. Making the most efficient investments throughout this period is important and will be in the best long terms interests of all consumers.

FIGURE 1 MINIMUM SAFE DISTANCES FOR EXCAVATION AND CONSTRUCTION NEAR POLES OR STAY WIRES



Notes
- **This diagram is for quick reference only. Please refer to Section 2 for the complete safe distance requirements.**
- Nothing in clauses 2.2.1 - 2.2.3 applies in respect of normal agricultural cultivation or the repair, sealing, or resealing of the existing surface of any road, footpath, or driveway (Section 2.2.4).

* Clause 2.2.1 does not apply to vertical holes, not exceeding 500 mm diameter, beyond 1.5m from the pole or stay wire.

SOURCE: Worksafe's *New Zealand Electrical Code of Practice for Electrical Safe Distances.*
A full copy of this document is availabe at **www.powernet.co.nz/current-projects**