

CONNECTIONS

SUMMER ● 2019–2020



Financial benefits to consumers

In February 2020 consumers will again receive the financial benefits of Marlborough Lines' investments including Yealands Wine Group and Nelson Electricity via the Marlborough Electric Power Trust as a credit to your electricity account.

Marlborough Lines has paid the Trust dividends of \$6.01m during the year and the Trust has advised the amount to be distributed to individual consumers will be \$200.

Additionally, in April next year, Marlborough Lines anticipates paying discounts of \$9.7m inclusive of GST. The actual amount paid per consumer will relate to the value of line charges paid to Marlborough Lines but a typical domestic consumer in Marlborough will receive \$226.



\$200

TRUST DISTRIBUTION
TO EVERY CONSUMER

\$226

DISCOUNT PAID TO A
TYPICAL DOMESTIC
CONSUMER

Our investment within the network is ongoing

Our feedback from consumers is that reliability of supply is paramount. Accordingly we have a continuing programme to ensure that our network is as reliable as we can make it.

For the year to 31 March 2019 we recorded 129 average minutes of lost supply per consumer which was the seventh best of the 29 networks in New Zealand. The reliability of the Marlborough network was markedly better than that of New Zealand's largest city. The other networks with a greater level of reliability than Marlborough Lines were typically networks which have significant underground supply.

The new 33/11kV substation at Renwick is now operational with all circuit breakers remotely controlled to maximise reliability of electricity supply. We now have in excess of 300 remotely operated switches on our network.

Electricity pricing

From time to time it is necessary for us to review the composition of our pricing to ensure that the cost of providing the required capacity of electricity to various categories of consumers is fair and equitable.

One of the regulatory authorities which provides oversight of the electricity industry is the Electricity Authority, and it is a requirement of the Authority that network companies move further towards cost-reflective pricing and services.

One of the concerns of the Electricity Authority is that consumers without photovoltaic installations may be subsidising those with photovoltaics. This is because, although the energy consumption of consumers with photovoltaics may have been reduced, they still require the same backup from the network. In such circumstances this suggests the fixed component of the network charge be increased to ensure consumers with photovoltaics are not subsidised by others.

Marlborough Lines currently determines network charges for each category of consumers which are then shared between individual consumers. Your retailer encompasses the Marlborough Lines charges in their overall electricity account which is provided to you.

Within practicable limits, Marlborough Lines has sought to ensure that prices are fair and equitable to all consumers and reflective of costs. Irrespective there are elements of cost sharing between consumer groups particularly between urban and remote rural areas. Within Marlborough we have a number of lines which are uneconomic but electricity supply was provided within these areas in accord with the Government legislation which prevailed at the time.

There are also anomalies which have arisen through the legislated low user fixed charge which was mandated by the Government some years ago.



Whilst this provides benefits to consumers using small amounts of energy it is recognised that in some instances electricity consumers who are financially disadvantaged use greater than average quantities of electricity and accordingly the low user fixed charge is of no benefit. It is the intent of Government to progressively phase out the low user charge.

Essentially the costs of maintaining the Marlborough Lines network are fixed regardless of the electricity which is conveyed over the network.

So from an economic pricing perspective ideally Marlborough Lines should be generally recovering its costs on a fixed rather than variable basis.

It is important to recognise that the current fixed charge component of your electricity account is not solely that of Marlborough Lines for its own distribution and the transmission costs of Transpower but also for components of your retailer's charges.

Marlborough Lines' charges on a post-discount basis comprise only 31% of the total electricity account for the average domestic customer.

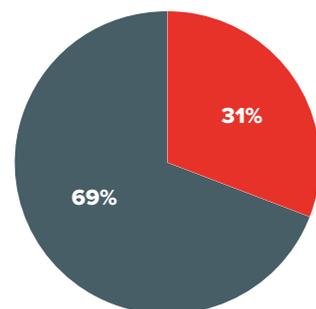
Overall, with any restructuring of prices there will be winners and losers within consumer groups, and from Marlborough Lines perspective any re-adjustment of pricing is not to increase revenue but to consider allocation of costs between consumer groups.

Irrespective it is necessary for us to consider alternatives in relation to network pricing and we welcome the input of our consumers.

Accordingly we have established a survey which can be accessed at www.marlboroughlines.co.nz and we would be appreciative of your views.

Alternatively if you do not have internet access please phone us and we will forward you a copy of the questionnaire to enable your participation.

Allocation of the average annual electricity account for a typical domestic consumer.



- Marlborough Lines Post discount 30.8% **\$791**
- Transmission, Energy and Other 69.2% **\$1,774**

To have your say access the **Distribution Pricing Survey** at: www.marlboroughlines.co.nz

Service lines

Property owners are responsible for the power line from the point of supply, which is normally where the line crosses the boundary of the property, to the point of connection to the installation.

This is typically known as the service line. However in some areas, especially in rural areas the point of entry to a property may not be clearly apparent.

Overhead service lines may extend over several poles on a property before they connect to our Network.

If you are not sure which portion of the power line is your responsibility please contact us.

It is recommended that property owners carry out periodic visual checks to ensure that the lines, and poles supporting the lines on their property, are in good order. Checks should include determining that lines are not likely to be subject to interference by trees. We can undertake inspections as required.

Where service lines cross over buildings or roofs care needs to be taken to prevent direct contact. Please ensure there are no opportunities for children to climb trees or other objects and make contact with service lines.

Ideally any overhead service line should be replaced with underground cable especially where there is a risk that they might be contacted by any activity, plant or equipment. This is particularly so in relation to vineyards and farm properties.

Painting near power lines

If you are about to paint your house or any other buildings and power lines are in the vicinity please do not take any unnecessary risks. Please contact us to arrange for your electricity supply to be isolated so that live lines are not a danger.

Regrettably on occasions the danger of painting in the vicinity of live lines has been overlooked and there have been tragic consequences as a result.

Low power lines

If you come across an accident where power lines are in close proximity to the ground or are on the ground please treat them as live. Power lines that appear to be dead can be live or automatically re-livened at any time. Making contact with the lines or even standing on the ground in close proximity to lines on the ground can result in electrocution.

We are available and attend emergencies on a 24 hour basis.



Trees and power lines

Trees and vegetation management continue to be an ongoing issue for us.

If you can assist us in identifying any trees which are interfering, or have the potential to interfere with a power line please do not hesitate to give us a call.

Trees interfering with power lines can cause flicking of lights but in more severe cases can result in broken lines, loss of electricity supply and unfortunately fire.

Should you be aware of any trees which you consider are a potential hazard please contact us on **(03) 577 7007** at any time 24 hours a day.

The safety of our network

Within Marlborough Lines we undertake regular surveillance of our Network assets to ensure that all parts of it are safe. But if at any time you see any damage to any line, cable box or any part of our electricity system please do not hesitate to give us a call.

Digging

If you are digging please give consideration to the possibility of electric cables in the vicinity. Similarly if you are driving metal stakes into the ground please consider the proximity of underground cables.

If you are unsure where cables are installed please let us know and we can locate them for you.

Using appliances or extension cords outside

When using appliances or extension cords outside please use an isolating transformer or an earth leakage protection device if such is not provided within your installation at the switchboard. The chance of electrocution is not worth the risk.



Marlborough Lines Springlands Gardens

Sponsorship

Marlborough Lines has a proud record of supporting community, cultural, youth and sporting causes and initiatives.

For the financial year to 30 June 2019 grants, sponsorship or in kind donations of time and materials were made to some 33 different organisations totalling \$475k.

In recent months Marlborough Lines has provided sponsorship for Garden Marlborough, Marlborough Schools Science & Technology Fair, new external lighting of Marlborough Lines

Stadium, Marlborough Chamber of Commerce Business Awards, Marlborough Riding for the Disabled, the Blenheim and Picton Christmas Parades and the planting of 30,000 daffodil bulbs at our Springlands system control site to provide an ongoing supply of flowers for the Marlborough Cancer Society's Daffodil Day.

Upcoming sponsorship events include the Picton Maritime Festival, Marlborough Lines Tertiary Study Awards and the illumination of Pollard Park.

Electric vehicle

Within New Zealand the number of electric vehicles in use is continuing to increase.

Within our fleet we have a Nissan Leaf electric vehicle and a number of people in Marlborough have taken the opportunity to test drive this vehicle.

Accordingly should you wish to try an electric vehicle please do not hesitate to give us a call.

We would not pretend that this vehicle will readily suit everyone's requirements. But for those who can operate within the limitations of the battery, and its charging requirements, it offers motoring at a cost less than that of a conventional vehicle.



Scam calls

In some parts of New Zealand electricity consumers have been subject to calls from people saying that they represent the local electricity network or retailer, and asking for immediate payments to be made to avoid disconnection of their electricity supply.

If you receive a telephone call from someone saying they are ringing from Marlborough Lines and have any doubts about who you are dealing with, you should hang up and then call the Marlborough Lines Customer Advisory Service 03 577 7007, to ascertain the correct position.

Marlborough Lines is not an electricity retailer and does not send you accounts for electricity consumption. Marlborough Lines would only be involved in a disconnection process if there were safety issues at the installation.



Always at your service

Our fault service operates 24 hours a day, 7 days a week.

Any problems with your electricity supply please call us on **(03) 577 7007**.

Otherwise our office at 1 Alfred Street is open 7.30am to 5pm weekdays.

Our website: www.marlboroughlines.co.nz also provides information in relation to a range of issues relative to the electricity network and Marlborough Lines.