



Marlborough Lines in the Community



As a locally-owned business, our company has a long history of community support, and contributes to a very wide range of local activities and projects that help to make Marlborough a special place to live.

One of our major areas of sponsorship is in supporting the region's young people. In addition to our annual Tertiary Study Awards the company has a long-standing association as principal sponsor of the Marlborough Science and Technology Fair.

The Fair aims to promote a greater interest in science and technology amongst youth of all ages. It encourages primary, intermediate and secondary school students (either individually or in groups) to develop scientific investigations and technological solutions in a competition that is initially held within their own school. The projects that are successful at each local school level then compete at a regional level where they are exhibited to the public.

The Science Fair has been evolving in Marlborough for more than 25 years and is now organised as a partnership of Blenheim Lions, local schools, teachers, community organisations and businesses with Marlborough Lines as the lead sponsor.

For Marlborough Lines the Science and Technology Fair is an opportunity to highlight the fundamental role that science plays in our daily lives and the need to stimulate educational youth interest in this subject. The company is a strong advocate of the efficient use of energy, both now and in the future, and regards the encouragement of education as an important part in this strategy. The Marlborough Lines Science and Technology Fair gives students of all ages an opportunity to explore scientific concepts and take some pride in their endeavours and achievements.

The 2006 Fair will be held at the Stadium 2000 19th - 20th September

Judging takes place on Tuesday 19th and the stadium will be open from 4.00 to 7.00pm for public viewing.

On Wednesday 20th the Fair will be open for public viewing from 9.00am to 7.00pm; immediately followed by the prize giving ceremony.

We encourage all members of the public to visit the Fair during the viewing hours as it is a wonderful opportunity to see the minds of young Marlburians at work.

Keep Safe with Electricity

From time to time people take risks regarding the safe use of electrical appliances, particularly in wet or outdoor situations.

It is now a legislative requirement for all new houses to be fitted with earth leakage circuit breakers to enhance electrical safety. However, in the majority of homes no such devices exist and it is imperative that everyone who uses an appliance in a wet or damp situation either uses an isolating transformer or an approved earth leakage circuit breaker at the plug. These earth leakage circuit breakers are relatively inexpensive and are readily available at electrical and hardware stores.

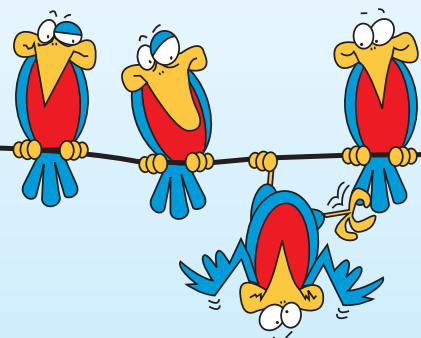
Unfortunately electrical fatalities have occurred in Marlborough as a consequence of inappropriate use of appliances and for our part we want to keep you and your families safe in the use of electricity.

Check out the Consumer Information section of our website: www.marbloroughlines.co.nz for general electrical safety hints around the home and outdoors.

Bright Sparks



Why is it that birds can sit on power lines and not get an electric shock?



It's because the electricity running through the lines is always looking for a way to get to the ground, but the birds are not touching anything in contact with the ground. If you touched a power line while you were in contact with the ground (or standing on a ladder, tree or roof that was touching the ground) electricity would travel through you. Equally, if your kite or balloon got tangled in a power line and you touched the string, electricity could travel down the string and into you on its way to the ground. Both situations would mean a serious electric shock.

People such as Marlborough Lines linesmen who work up on power lines don't get electric shocks because they are specially trained to work with electricity. They wear special insulated boots, hardhats, and gloves, and use insulated tools that help prevent shock.

Always remember – electricity is dangerous. Every year people are killed or injured from contact with electricity. The more you know about how electricity works, the better you can keep yourself, your friends, and your family safe.

Connections

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The first installment of a new feature that aims to help younger readers understand electricity and be electricity safety conscious.

Overhead to Underground Conversion

From time to time we receive requests from customers to convert overhead power lines to underground reticulation to improve the aesthetics of a particular area.

We also recognise the benefits of converting lines from overhead to underground but unfortunately the cost of doing so is high. Typically the cost of underground lines is five to seven times greater than the cost of equivalent overhead lines. The current regulatory requirements of the Commerce Commission do not enable us to recognise the full value of underground lines in our regulatory asset base and until the Commerce Commission alters its criteria, conversion of overhead lines to underground will cease.

We have recently completed the overhead to underground conversion of Renwick in conjunction with the Marlborough District Council when its new sewage system was installed and unfortunately this will be the last major work until the policy of the Commerce Commission is altered.



Measures to Increase Network Capacity

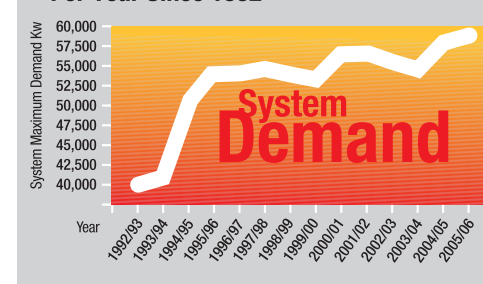
As Marlborough's residential, commercial and viticultural sectors continue to grow, so too does the demand for electricity.

In June the company recorded an average half hourly chargeable peak at our Blenheim Substation of 61.1MW – the largest recorded to date.

Marlborough Lines has long recognised the region's rapid growth and planned accordingly. For the year ended 31 March 2006 we spent some \$10.5m on measures to increase the capacity of the network and improve reliability of supply and we will be doing the same again this year. To wait until the demand exists is too late.

We are also continuing to undertake appropriate levels of maintenance to ensure that the reliability of our network is improved or at least maintained.

Maximum Daily System Demands Per Year Since 1992



Over the last few months Transpower have erected an additional set of 110kV conductors on the existing steel towers between Stoke and Blenheim to provide three 110kv circuits into Blenheim rather than the two lines currently available. Transpower have advised that the new third circuit will be commissioned during August.

The stringing of this third circuit on the existing towers required that the existing Stoke line be taken out of service to enable the conductors to be run for spans greater than 700 metres. To ensure that supply to Marlborough was not interrupted over this period we liaised with Transpower to install temporary diesel generation to supplement the supply to Marlborough when the line was out of service.



Temporary generation provided by Marlborough Lines while Transpower installed the new conductors for the third 110kV Stoke to Blenheim circuit.

Marlborough Lines installed and operated the diesel generators totalling some 10MW and the cost of the generation is to be met by Transpower. Without this temporary diesel facility water heaters and other off-peak load in Marlborough would have needed to be cut severely over a period of some weeks while Transpower had the line out of service. The generation operated very successfully without any problems and it has now been removed from service.

Transpower has also erected a third circuit on existing 220kV towers from Islington to Kikiwa and this was commissioned prior to the commencement of the winter load.

The addition of this 220kV line and the new 110kV circuit from Stoke to Blenheim markedly improves the grid supply to Blenheim.

The next step is to increase the capacity of the 110/33kV transformers at Blenheim and discussions are currently being held with Transpower in this regard.



Keeping trees away from lines is **EVERYONE'S** responsibility

For public safety and to protect your power supply, trees need to be kept at a safe distance from power lines. Trees can become a dangerous hazard and can interrupt your power supply when they grow too close to power lines. They have the potential to cause power surges and appliance damage, power failure, fire, electric shock or electrocution.

New regulations about the safety of trees relative to power lines became effective from July 2005. The Electricity (Hazards from Trees) Regulations 2003 set down rules for tree owners and electricity network companies with regard to cutting or trimming trees that grow too close to electricity network lines.

The legislation requires clearances of 2.6 metres for 11kV lines and 1.5 metres for those of lower voltage

The key points of the new legislation are as follows:

Marlborough Lines' Responsibilities

All electricity network companies, including Marlborough Lines, are required by the regulations to ensure that trees do not grow too close to our (network) lines or electrical equipment. We are responsible for:

- Inspecting our networks to identify trees inside the Growth Limit zone. The Growth Limit zone specifies the distance around power lines and electrical equipment which must be kept clear of trees, shrubs and vegetation. The Growth Limit zone varies for different voltages and span lengths. (There is a schedule in the regulations that Marlborough Lines can provide you as required to determine appropriate distances.)
- Providing the First Cut or Trim free of charge for trees inside the Notice Zone unless the tree is covered by a previous arrangement with us or is part of a horticultural shelterbelt. The Notice Zone is the space extending not more than 1 metre beyond the Growth Limit Zone. This zone provides for growing time so that trees can be cut before they grow into the Growth Limit Zone.
- Notifying tree owners with a Cut or Trim Notice when a tree is too close to power lines.
- Ensuring that the tree owner complies with the Cut or Trim Notice and the regulations.

Tree Owner's Responsibilities

Network power lines

After the First Cut or Trim, it is the tree owner's responsibility to keep the tree clear of the Growth Limit Zone around network power lines. Marlborough Lines will notify residents of a property with a Cut or Trim Notice when a tree needs to be cut or trimmed. The tree owner must comply with that notice using an approved arborist, within the time stated. Tree owners who fail to cause the tree to be cut or trimmed, or fail to advise of the time and location of the cutting or trimming of the tree, could be fined up to \$10,000 and other costs, and could also be liable for costs if power lines or equipment are damaged by a tree. If the offence continues a further fine of up to \$500 per day could be imposed for every day or part of a day that the offence continues.

Important: Do not trim trees near network lines yourself as this is very dangerous. The regulations require that the work be undertaken only by professional arborists approved by the electricity network company. In Marlborough tree trimming can be undertaken by Marlborough Lines Contracting or other approved arborists.

Service lines

The property owner is responsible for the maintenance and repair of electrical lines and equipment, known as service lines, on their property. This means that property owners are responsible for the costs of trimming trees near their service lines.

Marlborough Lines Contracting can trim trees around service lines. For a quote and to book a crew to trim trees near your service line call **577 7007**, or alternatively you can hire another qualified arborist or you can do-it-yourself – but remember that unless you are using someone qualified to work around live lines, always have your power supply temporarily disconnected before working near service lines. To arrange a temporary disconnection phone us on **577 7007**.

Penalties

Electricity networks and tree owners must comply with the requirements of the regulations and are both liable for financial penalties if they fail to comply.

A Cut or Trim Notice cannot be ignored.

Tree owners must comply with the notice in the time stated and advise of the time and location of the cutting or trimming of the tree or they could be fined up to \$10,000 and other costs, and could also be liable for costs if power lines or equipment are damaged by a tree. If the offence continues a further fine of up to \$500 per day could be imposed for every day or part of a day that the offence continues.

For further information on the Hazards from Trees regulations, including penalties for non-compliance and dispensation / dispute procedures, please refer to our website: www.marlboroughlines.co.nz



Clip and keep for future reference



If you experience any problems with your power supply, call our 24 HOUR FAULTLINE (03) 577 7007

Annual Customer Satisfaction Survey

We would like to thank everyone who participated in our Annual Customer Satisfaction Survey, which was independently conducted by way of telephone interview with randomly selected residential and commercial customers.

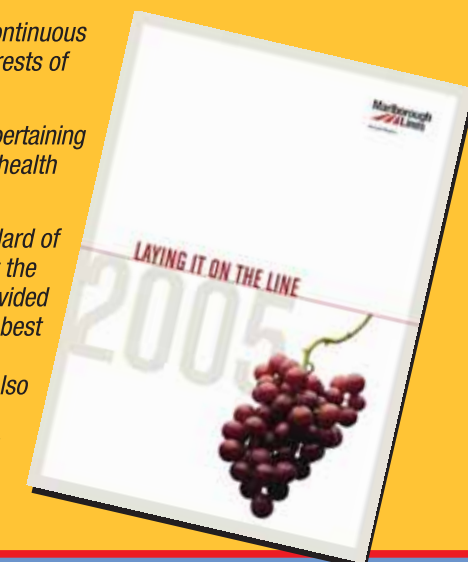
The comments supplied by respondents were helpful and will enable us to improve our performance in some areas. We are pleased to report that overall 90.5% of customers were either satisfied or very satisfied with our performance.

Continuous Improvement in all our Activities

Within Marlborough Lines we have a policy of continuous improvement so that we can best serve the interests of our customers.

We have achieved international ISO accreditation pertaining to systems management, the environment, and health and safety.

We also strive to continuously improve the standard of our communications and are pleased to say that the New Zealand Institute of Accountants recently provided Marlborough Lines with a Commendation for the best Annual Report for a company in New Zealand (excluding the major corporates). The company also gained a Silver Award for its Annual Report from the Australasian Report Awards administered by the Australian Institute of Accountants.



Marlborough Lines Helps to Restore Power after the Southern Snow Storms

The recent Canterbury snow storms inflicted considerable damage on the electricity networks in that region, leaving some customers without electricity for a period of up to three weeks.

The damage, which resulted from what was reported as the worst snowfall in 60 years, was extensive – with broken lines, cables, cross-arms, poles and a lot of lines hooked up in trees.

To assist with the restoration of power supply for the people of the South Canterbury area Marlborough Lines provided 18 staff from its Marlborough and Otago operations, plus plant and equipment.

Our staff were among the first from outside Canterbury to assist and worked long hours in difficult conditions. Their contribution was most appreciated and enabled supply to be restored more quickly to the Waimate area.

