

The Electricity Hazard from Trees



Many areas around the region now reflect the impact of the Electricity (Hazards from Trees) Regulations legislation that took effect from July 2005, which requires a wider safety gap between overhead lines and vegetation.

Marlborough Lines continues to publicise the requirements of this legislation because it is important that all property owners are familiar with their responsibilities in respect of trees near both network power lines and service lines. Even if you don't have trees on your property we appreciate your assistance by letting us know if there are any trees in close proximity to lines that may pose a risk to supply in the event of high winds.

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.

The new regulations about the safety of trees relative to power lines require minimum clearances of 3.5 metres for 33kV lines, 2.6 metres for 11kV lines and 1.5 metres for those of lower voltage.

This is called the "notice" zone. Once vegetation encroaches within these distances a "cut and trim" notice will be served on the tree owner. For this reason, greater cut distances than the "notice zone" are required to achieve a reasonable return time.

For detailed information about the Hazards from Trees Regulations, including penalties for non-compliance and dispensation / dispute procedures, please refer to our website: www.marbloroughlines.co.nz

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.

Marlborough Lines Contracting can also trim trees around your service lines. For a quote and to book a crew to trim trees near your service line call 577 7007. 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.

Marlborough Lines has an on-going tree inspection programme on our network lines however if you are aware of a tree or branches in close proximity to a line please call us. Through acting together we can eliminate danger and maximize the security of your power supply.

HELP US TO HELP YOU

Your electricity supply is important to us. If you are experiencing problems with your electricity supply please do not hesitate to give us a call on 577 7007.



Marlborough Lines

Connections

The Newsletter of Marlborough Lines Limited MARCH 2008

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Consumer Discount Due Later This Month

Marlborough Lines is approaching the end of its financial year, and is currently finalising the amount of annual discount that will be paid out to Marlborough's electricity consumers. We will be paying the annual electricity consumer discount to your retailer later this month. As in previous years the discount will be paid for each installation (e.g. a dwelling or business premises) connected to our network at a specific cut-off date in March and it is based on the line charge revenue received for that installation over the 12 month period to 31 January 2008.

Because Marlborough Lines does not have a direct contract with electricity customers we are unable to track customer movements. The only information that is available for us to determine discount payments is the installation address and the line charge revenue received from that installation. This means that if you move the discount does not go with you.

If you are changing address around this time and wish to receive the discount that has accrued for the premises you are vacating we suggest that you consider coming to some arrangement with the new occupiers, e.g. by way of a provision in your Sale and Purchase Agreement, for the appropriate discount to be forwarded to you. As we will not be able to advise the actual level of discount applicable to your current installation until closer to the date of discount payment we suggest that any such agreement should provide for the discount to be paid on a "days of occupancy" basis or similar.

The fact that we do not have a direct contractual relationship with electricity consumers also means that we are required to pay the discount to your electricity retailer who will then deduct the amount of discount you are due from your electricity account. Direct payment of the discount by us to you would incur tax payments.

Discounts will be paid to the electricity retailer who is recorded in the company's records as supplying the installation on the date the discount is paid to retailers, currently anticipated to be 31 March 2008. If you are considering changing electricity retailer around this time, please contact us to discuss which retailer we should pay the discount to.

The specific amount of discount paid per installation will vary depending upon the geographic location and line charge revenue, but it is envisaged that no installation which has been connected for the full twelve month period will receive less than \$52 and a typical domestic consumer as defined by the Ministry of Economic Development and located in a non-remote area will receive a discount of \$160.

In this regard it is important to appreciate that Marlborough Lines is not responsible for your final electricity account as this is a matter for your retailer. Our responsibility is to pay Transpower for the delivery of electricity over the national grid and provide the delivery of electricity from the Transpower substation in Blenheim to your installation. The actual unit rates and the level of fixed daily charge are set by your retailer.

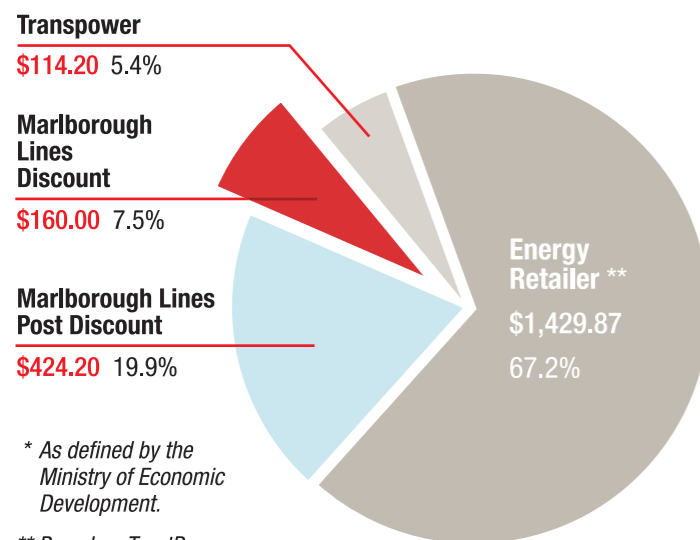
Remember - If you are changing residences or relocating your business at this time and wish to receive a discount for the last year you may wish to make arrangements accordingly. If you have any queries in this regard please do not hesitate to call our customer services division on (03) 577 7007. Alternatively, the Marlborough Lines website www.marbloroughlines.co.nz contains a comprehensive list of answers to commonly asked questions about the consumer discount.

Electricity Prices

We continue to receive enquiries about electricity charges and the way in which your electricity account provides a component to three different entities.

This is shown below:

ALLOCATION OF THE AVERAGE POWER ACCOUNT FOR TYPICAL DOMESTIC CONSUMERS*



* As defined by the Ministry of Economic Development.

** Based on TrustPower standard price for domestic consumers at 22 May 2007.

Interestingly, from the time of the Bradford reforms in 1999 the total charges of Marlborough Lines for a typical domestic customer as defined by the Ministry of Economic Development have increased by 10.51%. Over the same period retailer charges have increased within the range of 118.28% to 130.76%.

Annual Customer Satisfaction Survey Underway

During the month of March we are conducting our annual survey of consumer satisfaction with the performance of Marlborough Lines. The survey is conducted by way of telephone interview with randomly selected residential and commercial consumers and takes approximately ten minutes to complete. We are grateful to all those who have participated in the survey in the past. Your ratings and comments help us to monitor and measure our performance over time and assist us to provide a high level of customer service at all times.

In this issue of the newsletter we are also conducting a survey to gather feedback about the quality and reliability of your electricity supply, in which we encourage all of our customers to participate.

Current & Recently Completed Projects

Keeping ahead of consumer demand for electricity means Marlborough Lines has a continual programme of implementing planned upgrades to our network. Projects recently completed to provide increased capacity for the present customer base and allow for ongoing load growth include:

- Increasing transformer capacity from 20MVA to 30MVA at the Nelson Street substation.
- Installing new high voltage switchgear at the Nelson Street substation.
- Increasing transformer capacity from 7MVA to 15MVA at the Seddon substation.
- Increasing transformer capacity at both Woodbourne and Riverlands substations.
- Increasing transformer capacity from 2MVA to 4MVA at Ward and increasing the number of outgoing feeders from all three.

New equipment, lines or upgrades to older lines have been completed in: Seaview Road, Hardings Road, Jeffreys Road, Pak Lims Road, Boyces Road and Linkwater Road, and a new 33kV cable has been installed between substations at Nelson Street and Redwoodtown.

Looking ahead, new upgrades are shortly to be undertaken in: Picton CBD for a further ground mounted transformer, Para Road, Old Renwick Road, Middle Renwick Road and an additional feeder supply from our substations at both Spring Creek and Picton.

We're also upgrading our substation at Ward and increasing transformer capacity at our substations at Woodbourne, Seddon and in Nelson Street.

Look Up and Live - An Important Safety Message

We should all be vigilant when working near overhead power lines and buried cables. If you're using a digger or a truck with a raised deck you need to be especially careful about the potential to inadvertently make contact with conductors and cables.

Launching yachts at launching ramps where there may be overhead power lines is another area that poses risk and particular care should be taken.



Marlborough Lines in the Community

Community Sponsorship

Marlborough Lines continues to take a strong supporting role in our community through sponsorship of a wide range of activities and events. Over recent months we have assisted with the Marlborough Wine Festival, Blues Brews & BBQs, Carols by Laser Light, the Blenheim and Picton Christmas Parades, Christmas lighting at Beavertown and special effects lighting at Pollard Park. Additionally the company is the major sponsor of the Marlborough Lines Stadium and we maintain on-going support for our region's youth through the annual Science and Technology Fair and the Tertiary Study Awards.

The Marlborough Lines Tertiary Study Awards are awarded at the end of the school year to students in the final year of their secondary schooling. These awards recognise excellence in the students' endeavours and are cash prizes to be used for higher education. The recipients of the 2007 awards were:

Maree Horton and Ian Selby (Rai Valley Area School), **James Hurdell, Wim Looman** and **Jonathan March** (Marlborough Boys College), **Nicholas McManaway** and **Simon Swiggs** (Queen Charlotte College), **Jessica de Ruiter** and **Olivia Dunn** (Marlborough Girls' College).

The 2007 Tertiary Awards in December 2007 saw a special presentation awarded to Queen Charlotte College in recognition of the dramatic turnaround in academic achievement amongst its students as reflected in a glowing ERO report.



Marlborough Lines Managing Director Ken Forrest with the recipients of the 2007 Tertiary Study Awards



Ken Forrest with Queen Charlotte College Principal Tom Parsons receiving the Special presentation at the Tertiary Awards in December 2007.

The Price / Quality Trade-Off - Have your Say

In accordance with the provisions of the Commerce Act (Electricity Lines Thresholds) Notice 2003, Marlborough Lines is required to:

- Properly advise consumers about the price-quality trade offs available to them in relation to the goods and services provided by the lines business; and
- Consult with consumers about the quality of goods and services that they require, with reference to the prices of those goods and services.

As part of our compliance we are bringing these requirements to your attention to find out if there are issues in relation to the above that you would like to see addressed or comment on.

Marlborough Lines has always sought to provide a high level of quality and reliability to all consumers commensurate with providing supply at reasonable cost.

While it is theoretically correct that further expenditure can increase the reliability of the network, from a practical perspective if we were to seek to increase the reliability of the Marlborough Lines network considerable duplication of assets would be required at a significant cost.

This would be particularly so in rural and remote rural areas which are dependent upon many kilometres of power line over difficult terrain. Your electricity supply is also dependent upon the transmission system owned and operated by Transpower. This transmission system typically conveys electricity from generation in Otago to Marlborough over several hundred kilometres.

Even if significant expenditure were undertaken, because of events beyond our control (car accidents, lightning storms etc.) the provision of 100% reliability could not be absolutely guaranteed.

Irrespective of these factors we are committed to improving the reliability and quality of your supply, and if you have any concerns we would be pleased to receive your views.

One easy way for you to give your feedback in this matter is to simply answer the questions on the enclosed form and return it to us in the mail.

Alternatively you can complete the survey on-line by following the Consumer Survey link on the Home Page of our website.

We look forward to your feedback and want to thank those that take the time to consider this matter.