



Electra 2011 Business of the Year – Tuatara Brewery

ELECTRA BUSINESS AWARDS

In 2011 we continued our long-term sponsorship of the Annual Electra Business Awards, an event that has been running for 18 years now. The Awards are an important way of recognising businesses that are helping to drive economic growth in the region. Congratulations to Tuatara Brewery for winning the 2011 Supreme Award, and to Prenail Systems Ltd in being Highly Commended by the Judges.



ELECTRA GROUP BOARD OF DIRECTORS
Russell Longuet, Patricia McKelvey (Chair), Neil Mackay, Martin Devlin, Piers Hamid, Ian Wilson

THIS YEARS RESULTS

The information in this review is derived from the 2012 Annual Report of Electra Limited. The Annual Report of Electra Limited, including the audited financial statements is available on request from Electra. Its adoption will be voted on by the Trustees at the Annual Meeting of the Company on 27 July 2012.

FIVE YEAR HIGHLIGHTS					
For years ended as at 31 March	2012	2011	2010	2009	2008
Electricity sold GWh	413	416	399	403	406
Revenue (\$000)	86,442	75,206	68,835	63,400	59,834
Sales discount issued (\$000)	6,736	6,949	7,235	7,080	7,438
Total shareholders funds to total assets	48%	49%	49%	43%	43%

NETWORK COMPANY ONLY					
For years ended as at 31 March	2012	2011	2010	2009	2008
Electricity operating costs per consumer	\$186	\$183	\$196	\$212	\$159
Reliability average outage minutes per consumer per year	132**	75	161	89*	104

*Excludes extreme events that occurred during the year. Including these events SAIDI would have been 683.1.

**Excludes Transpower outages during the year. Including these events SAIDI would have been 267.3.



REGISTERED OFFICE
CORNER BRISTOL AND EXETER STREETS
BOX 244, LEVIN 5540
PHONE 0800 ELECTRA OR 0800 353 2872

YOUR SALES DISCOUNT

In February 2012 Electra delivered another annual sales discount on your electricity bill.

Our consumers have enjoyed sales discounts totalling \$128 million in the last 18 years, and we look forward to offering you a discount again in 2013.

ELECTRA

Electra Trust holds the shares in Electra Limited, for you the consumers...

The Directors govern the Group...
Electra manages the powerlines and owns...

- Oxford Finance - a financial services company,
- Linework and Stones (LWS) - a power/ electrical contracting and maintenance company,
- DataCol NZ - reading and installing meters for utilities,
- Sky Communications - a full service telecommunications contracting company,
- Sky Communications Pty - a full service telecommunications contracting company operating in Sydney and Melbourne, Australia.



Ian Burnard –
Electra faultman

KEY FACTS

- 9th biggest lines company in the country in terms of consumer numbers at 42,595.
- Electra's network extends from Paekakariki in the south to just north of Foxton and Tokomaru.
- The Electra Trust holds all shares in Electra on behalf of all those consumers connected to its' network.
- Electra employs 284 staff across the network operation and it's subsidiaries.

ANNUAL REVIEW 2011–2012

ELECTRA OWNS AND OPERATES THE ELECTRICITY NETWORK THROUGHOUT KAPITI AND HOROWHENUA. OUR OWNER IS THE ELECTRA TRUST.
ELECTRA'S TRUST OWNERSHIP ENSURES THAT WE DELIVER AN ANNUAL ELECTRICITY SALES DISCOUNT TO ALL CONSUMERS CONNECTED TO OUR NETWORK.

Total revenue earned by the group.

The discount for each individual consumer was based on the amount of network charges paid.

After sales discount and then deducting costs of running the business we're left with this figure.

We paid a dividend to the Electra Trust to cover the Trust expenses.

This is the amount our owners have invested in the company; approximately \$5.36 per share or \$3,077 per consumer. It's made up of the original share capital, reserves (the value that's been built up over the last ten years), and retained earnings (profit that's not paid out by dividend).

The cash generated from day to day operations

The cash spent on assets, new businesses and finance loans

The loans and debentures borrowed or repaid

Cash in bank at the beginning of the year

The bank balance at the end of the year

FINANCIAL PERFORMANCE HIGHLIGHTS

In thousands of dollars	NZ IFRS 2012	NZ IFRS 2011
Operating revenue	86,442	75,206
Earnings before depreciation and taxation	5,756	8,479
Discount issued to consumers	(6,736)	(6,949)
Operating (loss)/surplus	(2,798)	301
Taxation	254	110
Net (loss)/profit after taxation	(2,544)	411
Dividends	(298)	(275)
Equity at start of year	133,809	132,351
Equity at end of year	\$131,054	\$133,809

Includes associate profit.

FINANCIAL POSITION HIGHLIGHTS

In thousands of dollars	2012	2011
Share capital	18,000	18,000
Retained earnings	60,937	63,779
Reserves	52,117	52,030
Total shareholders' equity	131,054	133,809
Long term liabilities and liabilities	90,140	56,109
Total current liabilities	50,185	84,348
Total shareholders' funds and liabilities	271,379	274,266
Non current assets	224,671	225,130
Current assets	46,708	49,136
Total Assets	\$271,379	\$274,266

Arising from revaluation of network assets.

Includes deferred tax liability of \$38m. Over the last year bank loans have increased by \$32m to replace debenture funding.

Amounts due for payment within one year.

The value of cash, inventories, hire purchase loans and the amounts owed to the Company by customers.

The total assets of which 34% is funded by borrowings.

CASH FLOW HIGHLIGHTS

In thousands of dollars	2012	2011
Net cash flows from operations	11,287	7,320
Net cash flows to investing	(10,680)	(9,147)
Net loans raised and cash flows from financing	(1,950)	3,708
Net increase/(decrease) in cash held	(1,343)	1,881
Add opening cash	5,288	3,407
Ending cash carried forward	\$3,945	\$5,288

THE MAN WHO KEEPS THE LIGHTS ON

“Hey Viv, what’s my official title?” Alan Anderson calls across the office in response to a question about his role at Electra. “I don’t know what the official name is, but it should have plenty of pizzazz!” he laughs. “On second thoughts, maybe you should put down Control Centre Operator/ Technician, although I do make lovely coffee too.”

For most consumers on the Electra network, Alan is the man they unknowingly turn to when the lights, and every other electrical appliance in their home or business, goes out. He is Electra’s only fulltime daytime control room operator, and shares the night time duties with a number of other people on a rostered basis.

Generally, Alan is the first person to know a fault has occurred. He is the one who confirms what has happened, contacts Electra’s call centre to find out if any customer calls have come in that might help to isolate the problem, attempts to remotely close the circuit breaker (put the fuse back in), then if that fails he co-ordinates with field staff to identify and repair the fault through a process of elimination.

“Often there’s nothing to see,” he explains. “We can isolate the problem to a specific part of the network pretty quickly but if there are no obvious signs of damage, we need to check every component to work out what’s happened. That’s why it’s great if a member of the public sees or hears anything on the network, like a flash or a bang, that they contact our call centre and let them know – the more information we can get, the quicker we can get the problem fixed.”

A map of the Electra network covers an entire wall in the control centre and Alan uses it to keep tabs on work being carried out on the network – pins indicate open and closed circuit breakers, and areas where maintenance is taking place. From here Alan works out how electricity can be diverted around the network to restore power to affected homes and businesses. “Our aim is to get the power back on to as many people as we can as quickly as possible.”

While extreme weather events have caused high profile issues in recent years, Alan says the biggest causes of outages are still vehicles hitting power poles, followed by falling trees, usually due to strong wind (“southerly or easterly winds are usually the biggest culprits”).

The first impressions of Alan are of a man who is larger than life, who likes to do his job with a smile and an irreverent chuckle, but someone who does the job well and with a great deal of passion. A plastic Viking helmet sits on his desk – “that’s for the people from ScanPower in Dannevirke, I put it on if they call when they are working on our network” he winks.

In response to the question “how long have you been at Electra”, he answers “more years than you can shake a stick at”. Turns out the official response is 23 years.

A qualified electrician, Alan joined the Horowhenua Electric Power Board as a technician. He admits he’s seen a lot of change in his time there, mainly in the area of technology. “When I started we had a landline on a really long extension cord with an answering tape attached to it – we had to drag the phone all around the office with us. We had to live no more than 5 minutes drive from work. If there was a fault we’d get an alarm through our phone and we’d have to get out of bed and go to the office to sort it out. Nowadays we have cellphones and a laptop at home and can manage the whole process from there – it means our response times are a lot faster and, more importantly, we can live wherever we like!”

“Ninety percent of the calls I get are from contractors and field staff working on the network while the call centre handles enquiries from the public. When a fault occurs I keep the call centre informed and they deal with all the enquiries, which leaves me to get on with getting the problem fixed. And given some faults can take all night to resolve, the fewer interruptions I can have, the better.”

When he’s not restoring power to homes and businesses throughout the Horowhenua and Kapiti regions, Alan spends his personal time restoring other things. An accomplished pianist and qualified music teacher, he was a key figure in the creation of the Audio Visual Museum in Foxton. He is also a qualified



Horologist, “that’s a fancy way of saying I repair old clocks” he laughs.

He is currently restoring an architectural concrete home from 1935 that he had transported to a new site in three pieces, and he’s in the middle of rebuilding a 240 year old Grandfather clock as well.

Which begs the question, how does he find the energy to do it all? The answer is typically Alan Anderson, “one does not get sick, one carries on, I’m from Foxton after all!”

Just the sort of man you want on the case when your lights go out and if they do please call us on 0800 LOSTPOWER or 0800 576 876



Another solar powered Data Collect.

A REVOLUTIONARY NEW TOOL TO SUSTAINABLY MANAGE OUR RESOURCES

DataCol is a data collection, monitoring and management business, based in Christchurch with offices in Auckland and Wellington. It is also a wholly owned Electra subsidiary company.

The company’s traditional business has been in providing meter reading services to electricity retailers. In recent years the company has expanded into other forms of meter reading, such as water, and three years after entering the Auckland water meter reading market the company has secured 89% of this business.

However the company identified several years ago that electronic meters, that can be read remotely, would one day threaten the company’s business model and that new revenue sources needed to be found.

So the company made the decision to diversify its business and evolve into a technology-based company, developing electronic

monitoring and reporting solutions for customers to sit alongside its traditional meter reading service.

The company identified New Zealand’s large agricultural sector as an area of great potential given the strict resource management requirements they must comply with in the area of water and waste management.

This led to the development of the “Data Collect” system, an electronic data collection and monitoring system with a particular focus on irrigation and the management of water usage.

The unit, which has been approved by Environment Canterbury, can measure up to seven different inputs such as water flows, electricity use, and CO₂ emissions and demand for the device has far exceeded expectations, attracting the interest of international engineering companies ABB and Siemens.

While the unit was initially manufactured in-house to order, sales have now reached the point where production has had to be outsourced to a 3rd party to meet the increased demand.

Further development is currently underway to include the monitoring and effective management of effluent and nutrients, a major issue for dairy farms and dairy factories.

Datacol General Manager, Bruce Franks says that the Data Collect unit will become an important part of Datacol’s business in coming years as more focus is placed on the efficient use of fresh water and the safe disposal of waste water, effluent and other nutrients.

“This unit will become a vital tool for the agricultural industry and will help businesses to improve productivity and become more environmentally friendly, something that is extremely important to the continuation of New Zealand’s international ‘clean green’ image”, says Mr Franks.

SAVE \$500 WHEN INSTALLING A NEW HEAT PUMP

Since 2004 Electra has been promoting energy efficiency to electricity users on the network by partnering with local heat pump experts, Temperature Solutions. This has enabled a large number of consumers throughout the region to reduce heating costs and to stay healthier inside warmer homes.

Our own market research tells us that 25% of residential consumers and 32% of commercial consumers on the Electra network now have a heat pump installed on their premises.

Energy efficient technology such as heat pumps and energy efficient lighting can help to reduce electricity demand on the network and may delay the need for expensive network upgrades.

That is why it makes sense to encourage the installation and use of more energy efficient equipment and appliances on the Electra network.

