



Dividend Distribution
Lines Trust South Canterbury
Methodology

15 December 2015

In accordance with clause 2.4.23 of the Electricity Distribution Information Disclosure Determination 2012 –
(Consolidated in 2015)

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Introduction

Each year, the Lines Trust South Canterbury (the Trust) distributes an annual dividend. For 2015 the Trust will distribute a dividend of \$2,864,132.

This document describes the methodology used by the Trust to arrive at a payment per consumer for its annual dividend.

Who is entitled to a dividend

All consumers with an active connection as at 5pm on the 11 December 2015 are entitled to a dividend.

How is the dividend distributed

The dividend is distributed as a credit on your power bill sometime after the 11 December each year.

Distribution methodology

The methodology that the Trust uses to distribute the dividend can be broadly described in three steps.

Step one—the Trust sets the amount to be distributed to residential consumers

In 2015 a dividend of \$51 was set for consumers on the 015/Low load groups. It is assumed that the bulk of consumers in the 015/Low load groups are residential consumers.

Table 1: Dividend allocation to 015/Low load group

Total dividend	\$2,864,132
Dividend payment to consumers in 015/Low load group	\$51
Number of 015/ Low load group consumers	28,931
Total dividend paid to 015/Low load group	$28,931 \times \$51 = \mathbf{\$1,475,481}$

The total dividend paid to the 015/Low load group for 2015 is \$1.5 million. The residual dividend available to other load groups is \$1.4 million.

Step two—the residual is allocated to the remaining load groups

The remaining load group's line charge revenue is calculated and expressed as a percentage of total line charge revenue. The dividend pool is then calculated using the same percentage; see Table 2 below.

Table 2: Allocation of residual dividend to each load group

Load group	Load group Line charge revenue	Total Line charge revenue ¹	Load group's share of residual	Dividend pool
360	\$3,389,300	\$27,551,870	12.3%	\$170,825
ASS	\$11,901,744	\$27,551,870	43.20%	\$599,863
TOU400	\$5,800,676	\$27,551,870	21.05%	\$292,361
TOU11kV	\$2,039,188	\$27,551,870	7.4%	\$102,777
Directly Billed	\$4,420,962	\$27,551,870	16.05%	\$222,822
Totals	\$27,551,870	\$27,551,870	100%	\$1,388,651

Step three—allocate payment to each consumer in each load group

Every consumer on our network is allocated a share of their load group's dividend pool.

- For consumers in the 360 and Directly Billed load groups, the allocation is based on the load group revenue divided by the number of consumers in that load group.
- For consumers in the ASS and TOU load groups the allocation is based on a 'demand factor'.

The demand factor, expressed in kW, is the sum of chargeable demand for each consumer. The load group dividend pool (for example, \$102,777 for TOU11kV above) is divided by the demand factor, giving a \$/kW figure. Each consumers individual chargeable demand is then multiplied by the \$/kW figure to arrive at the final dividend payable to that consumer.

Table 3 below shows how consumers in each load group are allocated their dividend payment.

¹ Excludes revenue from 015/Low load groups.

Table 3: Allocating load group dividend to individual consumers

Load Group	Fixed/demand based	Load group (fixed) or total Kw (demand)	Dividend pool	\$ per consumer or kW
360	Fixed	1,176	\$170,825	\$145.26
ASS	Demand	129,727 kW	\$599,863	\$4.62 per kW
TOU400	Demand	30,417 kW	\$292,361	\$9.61 per kW
TOU11kV	Demand	10,457 kW	\$102,777	\$9.83 per kW

I did not get my dividend

If you believe you were entitled to a dividend but did not receive it, first confirm your eligibility, and the release date of the dividend, with your retailer. Should there be an issue with the payment of the dividend your retailer will contact us or the Trust to follow up the issue on your behalf.

Questions about the dividend payment

If you have any questions about your dividend payment please contact us at analyst@alpineenergy.co.nz or on 03 687 4300.