

LineTrust South Canterbury
Dividend Distribution 2022
Methodology



1. Introduction

Each year the LineTrust South Canterbury (LineTrust) pays out up to 90% of its profits to consumers as a credit on their electricity account. These dividends go straight into the South Canterbury economy. This is a direct result of the LineTrust's shareholding in Alpine Energy Limited.

2. Methodology

The LineTrust uses the following methodology to arrive at a dollar per consumer allocation for the annual distribution:

1. The LineTrust determines the total amount to be distributed as a dividend.
2. The LineTrust determines the amount per installation control point (ICP) for the 015/LOW load group.
3. The portion of the dividend to be divided amongst all remaining load groups (excluding 015/LOW) are determined using the following formula:

Remaining dividend to be allocated to all other load groups =

Total dividend distribution determined by the LineTrust *minus* (Number of ICPs in the 015/LOW load group x amount per ICP as determined by the LineTrust)

4. Each load group's distribution revenue is calculated and expressed as a percentage of total distribution revenue, the allocation percentage.
5. The dividend for each load group is calculated using the following formula:

Total dividend per load group =

Load group's allocation percentage (as calculated in Step 4) x Remaining dividend (as calculated in Step 3)

6. Each ICP is then allocated its share of the load group's allocated dividend using the following methodologies:
 - For 360 and direct billed consumers, the allocation is a fixed amount, calculated using the following formula:

Dividend per ICP =

Total dividend per load group (as calculated in Step 5) / number of ICPs in the load group

- For Assessed demand (ASS) and Time-of-use (TOU) load groups the allocation is based on a 'demand factor' - where the assessed demand (in kW) for each load group is summed. The total dividend for the load group is then divided by the total assessed demand or the load group to arrive at a dollar per kW figure. The dollar per kW figure is then applied to the 'demand multiplier'¹ for each ICP to determine the dividend distribution for each ICP.

3. 2022 Dividend Distribution

The LineTrust announced a total dividend distribution of \$599,509 for the year ended 31 August 2022. The LineTrust further advised a \$15.75 dividend for the 015/LOW load group.

The total allocation of the dividend distribution is summarised in Table 1 below:

2022 Dividend Allocation between 015/LOW and remaining load groups	
Total dividend distribution announced by the LineTrust	\$599,509.00
Trust advised dividend to 015/LOW load group	\$15.75
Number of consumers in the 015/LOW load group	30,418
Dividend allocation to 015/LOW load group (\$15.75 x 30,418)	\$479,083.50
Remaining dividend to be allocated to all other load groups	\$120,825.50

Table 1: 2022 Dividend Allocation

Table 2 below summarises the allocation of the remaining dividend from Table 1 above (\$120,825.50) between the remaining load groups. The table also shows the allocation between the load groups and the dollar value per ICP in the dividend per consumer, based on the total distribution revenue of \$28,449,505 (excluding revenue from 015/LOW load groups).

¹ Consumers on these load groups have a demand factor, expressed in kW, which is maximum capacity that can be used at any given time.

Load groups	% of remaining dividend allocated	Remaining dividend allocation dollars	Number of ICPs in load group or total kW (demand)	\$ per ICP or kW
360	15%	\$18,040.66	1,305 customers	\$13.83
ASS	43%	\$51,976.60	147,274 kW	\$0.35 per kW
TOU400	19%	\$22,882.03	30,110 kW	\$0.76 per kW
TOU11kv	7%	\$8,012.68	9,738 kW	\$0.82 per kW
Directly billed consumers	16%	\$19,913.54	6 consumers	\$3,331.46 ²
	100%	\$120,825.50		

Table 2: 2022 Remaining Dividend Allocation

² This represents the average across all 6 direct billed consumers.