



Dividend Distribution
Lines Trust South Canterbury
Methodology



15 December 2020

Each year, the Lines Trust South Canterbury (the Trust) organizes an annual dividend. This year the Trust has set a dividend to be distributed of \$3,509,499.

The Trust uses the following method to arrive at a dollar per consumer allocation for the annual dividend Distribution.

1. The Trust sets the amount to be distributed as a dividend.
2. Each load group's line charge revenue is calculated and expressed as a percentage of total line charge revenue.
3. The dividend for each load group is calculated by applying the proportion to the dividend payment as the load group's revenue is to total revenue, as in step two.
4. Step four. Each consumer is then allocated a share of the load group's dividend pool using the following methodology:
 - For Low/015/360/IND consumers, the allocation is a fixed amount, calculated by:
 - *Load group revenue/consumers in load group.*
 - For Ass/TOU load groups the allocation is based on a 'demand factor' where the assessed demand (in kW) for each load group is summed. Then the dividend distribution for the load group is divided by the total kW for the load group to arrive at a dollar per kW figure. This is then applied to the 'demand multiplier'¹ against ICPs in each of the Ass or TOU load groups.
5. For 2015 we were instructed to apply a set distribution to consumers on the 015/Low load groups. The figure was slightly higher than that which was calculated using the method above.

The dividend was allocated as per the Trust's instructions with the residual dividend monies becoming the basis for step one above. Once the allocation was made, the Line charge revenue from the 015/Low load groups, deducted from the total line charges.

Distributed as follows:

Trust advised dividend	\$3,509,499
Trust advised dividend to 015/Low load group	\$70
Number of 015/ Low load group consumers	29,883
Dividend allocation to 015/Low load group	\$2,091,810 (29,883 x \$70)
Remaining Dividend to be allocated to the remaining load groups:	\$1,417,689 (\$3,509,499 less \$2,091,810)

Table 1 below shows the method to apportion the dividend to each load group

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.

Table 1 Allocation of residual dividend to each load group.

Load group	Load group Line charge revenue	Total Line charge revenue ²	% of remaining dividend to be allocated ³	Remaining dividend allocation dollars
360	\$6,088,531	\$26,862,836	23%	\$321,319.83
Ass	\$12,497,562	\$26,862,836	47%	\$659,385.12
TOU400	\$2,045,000	\$26,862,836	8%	\$108,062.30
TOU11kv	\$572,685	\$26,862,836	2%	\$30,237.57
Directly billed 1	\$5,659,059	\$26,862,836	21%	\$298,337.79
Totals	\$26,862,836		100%	\$1,417,689

Table 2 below shows how each consumer is allocated a share of the dividend from the dividend pool allocated to each load group.

Table 2 Allocating load group dividend to individual consumers.

Load Group	Fixed/demand based	Number of consumers in Load group (fixed) or total Kw (demand)	Dividend allocation from Table 1	\$ per consumer unless otherwise stated
360	Fixed	1,263	\$321,319.83	\$254.41
Ass	Demand	144,602 kW	\$659,385.12	\$4.56 per kW
TOU400	Demand	30,185 kW	\$108,062.30	\$3.58 per kW
TOU11kv	Demand	10,181 kW	\$30,237.57	\$2.97 per kW
Directly billed customer	Fixed	6	\$298,337.79	\$49,722.97 (average)

² Excludes revenue from 015/Low load groups.

³ Rounded