

## WHAT WE DO

Aurora Energy Limited owns the electricity network assets of poles, lines, cables and substations within the immediate Dunedin area and in Central Otago. Its function is to transfer electricity from local generation and the national grid to the consumer. Its customers are the electricity retailers who sell electricity to the commercial and household consumers.



FINANCIAL HIGHLIGHTS	2010 \$'000	2009 \$'000
Revenue	78,799	81,687
Net surplus for the year	15,583	15,431
Shareholder's funds	175,753	174,287
Total assets	357,332	346,104

## WHAT WE DID THIS YEAR

Aurora Energy Limited is a highly consistent well-performing company. Revenue at \$78.8m was down on last year as property development slowed in Central Otago and the volume of electricity transferred reduced slightly. The surplus after tax at \$15.6m was up slightly on the \$15.4m achieved last year.

Economic growth in the Otago area is slow but it has not prevented a strong management team from performing well. Growth in the area of the company's operations will be cyclical and the company must be able to maintain its very high standards of delivery to an expanded market once development picks up again.

To this end the company has continued its zone substation renewal programme. The large new The Commonage substation in Queenstown was commissioned earlier in the year and good progress has been made on the Ward Street and Frankton substation renewal projects. Also, the planning for the new Cardrona substation is progressing well and most of the key electrical components have been delivered ready for installation.

Last year the company acquired the fledgling Flute fibre network. The company has more than doubled the size of the Dunedin network which now runs from the Oval to the Botanic Gardens, via the central business district. The expectation for next year is that the growth rate will be maintained and that the number of customers will treble. A proposal for the

government-sponsored Ultrafast Broadband roll out, that will see 75% of residential properties connected to fast broadband over the next ten years, has been submitted.

Growth can be reflected in the additional number of consumer connections to the network. In Central Otago we achieved 2.0% growth (last year 2.2%) and in Dunedin there was 0.5% growth (last year 0.4%). At year end the total number of connections in Dunedin was 53,489 and the figure in Central Otago was 28,274.

Considerable load control planning continues to optimally manage the total network. Success in this area allows maintenance of high standards of delivery while at the same time minimising capital expenditure. This year supply quality, measured by the SAIDI statistic (a measure of how many minutes supply is interrupted across the network), was satisfyingly nearly half the industry average.

The cash generation performance of the company continues to be very strong and supports a high level of dividend to the parent company. Over the total life of the group, Aurora has provided more than 70% of the total dividends received by the parent company. Thus the importance of Aurora, to both the parent company and ultimately to the Dunedin City Council, cannot be overstated. This year Aurora paid dividends of \$13.9m (\$13.2m last year).

For more information visit [www.electricity.co.nz](http://www.electricity.co.nz)

## THE PEOPLE

Directors	R S Polson (Chairman)
	M O Coburn
	N G Evans
	P R Hudson
	R D Liddell
	S J McLauchlan
Chief executive	G Cameron



> Aurora's new enviro-friendly Substation at The Commonage was opened in 2010 to future-proof the electricity supply of Queenstown's CBD.

>> Installation of the Flute fibre optic network progressed in Dunedin, including outside Dunedin's famous railway station.