



New Zealand Energy Limited

Terms and Conditions for Haast Electricity
Scheme

Effective From 1 November 2012

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Terms and Conditions

Introduction

These terms and conditions along with our list of charges as amended from time to time govern the relationship between New Zealand Energy and you relating to supply of your electricity.

These terms and conditions apply to your connection to our network and the supply of electricity to you by us from the Haast electricity scheme from **1 November 2012** and replace all previous terms and conditions. By becoming or remaining connected to the New Zealand Energy network you indicate your agreement with these terms and conditions.

If any of these terms and conditions are ruled invalid in a court it will not affect the rest of the agreement, all other terms and conditions will remain in effect.

These terms and conditions describe our commitments to provide you with a safe, reliable supply of electricity, prompt service and professional support. They also describe your obligations to us so that we can meet those commitments.

How to contact us

At New Zealand Energy we pride ourselves on providing the highest possible standard of service to our customers. If you have any queries, comments or concerns regarding these terms and conditions or any other matter please contact us:

New Zealand Energy Ltd contact details:

Phone 0800 693-637
or 03 547-9793
Fax 03 547-9785

Email enquiries@nzenergy.co.nz

Postal address: NZ Energy Ltd
 PO Box 113
 Motueka
 7143

For faults 03 750-0896

If our phone cannot be answered when you call, please leave a detailed message and we will contact you when we are able to.

How to Become Our Customer

You must become our customer at the time you obtain a connection to our network. By becoming our customer you accept these terms and conditions.

You can become our customer and obtain a connection to our network either at a place that already has a connection or by building a new connection.

Existing connections to our network

If your premise has a physical connection to our network and is electrically connected to our network you may become our customer providing:

- You have read these terms and conditions and understand that at all times by being connected to our network you agree to be bound by these terms and conditions.
- No former customer still owing us money lives at the premises.
- You meet the requirements of our terms of credit.
- You have paid in full all amounts you owe us.
- You pay the required bond.
- We are satisfied that you will meet your responsibilities under these terms and conditions.

If your premises have a physical connection to our network but have been electrically disconnected from our network, these additional requirements apply:

- Your connection must have been supplied with electricity by us at some time during the past six months, or you must demonstrate to us your premises have a current electrical certificate of compliance, meets all relevant statutory requirements and is safe.
- We have adequate spare capacity to connect and supply you.
- Our metering equipment is located outside your premises in a metering box that meets our requirements.

New connections to our network

You must apply for a new connection to our network by completing our new connection application form which we will send you if you call, email or write to us.

Once we have received your completed application form we will agree to connect you to our network and you may become our customer providing:

- We have adequate spare capacity to connect and supply you.
- You pay our new connection fee as specified in our charges.

- You pay our network contribution charge.¹
- We reach agreement on the terms and payment for any network extension² that is required in order to supply your connection.
- You have made any payments to other parties we deem necessary under our network extension policy.
- Any easement required for assets owned by us and located on your property are in place.
- You meet the requirements of our terms of credit.
- You have paid in full all amounts you owe us.
- You pay the required bond.
- Our metering equipment is located outside your premises in a metering box that meets our requirements.
- You demonstrate to us your premises or equipment has a current electrical certificate of compliance, meets all relevant statutory requirements and is safe.
- You have read these terms and conditions and understand that at all times by being connected to our network you agree to be bound by these terms and conditions and any variations to them.

The cost of a new connection

You will need to engage and pay for an electrical contractor approved by us to advise you, and to assure us your connection meets our requirements.

All new connections to our network must pay a network contribution charge which contributes to the cost of enhancing the network and generating equipment over time as more connections increase the load applied to the system.

If an extension to our network is required in order to supply you with electricity you must pay for the network extension, this payment is described in our network extension policy which is in appendix 5 of this document.

Bond

Because we can only invoice you for electricity after you have consumed it we require a bond from all new customers to cover outstanding amounts in case any customer leaves without paying any of our charges, including electricity that has been consumed.

The amount of the bond is set between the amount indicated in our schedule of charges and 3 months of your estimated consumption. This amount is set at our discretion according to the following policies:

¹ This is a one off payment made for all new connections, the payment contributes to provision of increased line and generation capacity as network load grows over time.

² Where a new or upgraded connection requires further investment in our network this is known as a network extension. See appendix 5 for our network extension policy.

- Matters including credit history, payment history, land ownership and flight risk will contribute to our evaluation of the bond amount required.
- Your bond may be refunded after a period of time if we are satisfied that we will receive ongoing payment for all charges including electricity consumed.
- Your bond will be refunded when you cease to be our customer and have paid all charges owing. The bond payment will not accrue interest.

landlords and tenants

The person that is our customer at a property is responsible for paying all our charges related to that property.

If you are a landlord and you place a tenant in a property while you are still our customer, you are responsible for paying all our charges related to that property. If the tenant becomes our customer, the tenant is responsible for paying all our charges related to that property.

Please see appendix 6 for further information on how we manage accounts at tenanted properties.

Charges and Payment

Our charges are published separately and form part of these terms and conditions and your agreement with us for the supply of electricity and associated services. Our charges are amended from time to time as required to meet the costs of operating the power system in Haast.

Your account

Each month we will send you an account for electricity and associated services supplied to you by us. The account will be calculated in accordance with our charges current at the time.

How we calculate your account

We will charge you for electricity and associated services each month in accordance with our charges schedule.

We will endeavour to read your meter once every two months and will calculate your monthly invoice after reading your meter using the meter reading.

We will estimate your other monthly invoices using our reasonable assessment of electricity used by you determined from historical consumption information that we have for your account. If we do not have historical consumption information for your account we will base the calculation on usage by similar types of accounts.

If you find our estimates of your electricity usage unsatisfactory you may read the meter yourself and telephone us with the meter reading. Providing we have the reading by the

first day of the month and we are satisfied that the meter has been correctly read we will calculate your monthly invoice using your meter reading.

Paying your account

If you wish to query or dispute our account please contact us before the due date stated on the account.

If you have difficulty paying your account by the due date you must contact us before the due date so we can try to agree on a payment arrangement and prevent you from being disconnected.

It costs a lot of money for us to pursue overdue payments, therefore we offer a discount if you authorise us to direct debit the amount of your monthly charges from your bank account which will ensure you do not lose your prompt payment discount or incur any administration charges.

You must pay your account with us by the due date. Discounts and administration charges are applied as follows:

- A prompt payment discount is offered to all accounts paid on or by the prompt payment date stated on the account. This will typically be the 15th day of each month or the next working day.
- You must pay your account in full by the due date stated on the account. This will typically be the 25th day of the month or the next working day.
- Unless you have established a formal dispute with us or we have agreed on a payment arrangement prior to the due date, we will charge you a Late Payment Fee for every account with an outstanding balance after the due date.
- Unless you have established a formal dispute with us or we have agreed on a payment arrangement prior to the due date, we will charge an overdue penalty charge for every account with an outstanding balance after the 10th day of the month following the invoice month.
- From the 10th of the month following the date the account was due for payment interest will be charged at 2% per month (calculated daily) on all outstanding amounts until the account is paid in full.

If your account is incorrect you will either be entitled to a refund of any amount we have overcharged you, or you will be required to pay any amount we have undercharged you. This may not apply to any invoice based on an estimate of consumption because an adjustment will follow the next meter reading.

If you will be absent from your premises or billing address for some time, please contact us to make arrangements for payment of your accounts.

If you do not pay by the due date

In addition to our standard Late Payment Fee we may charge you all our costs associated with recovering or attempting to recover any charges not paid by you by the due date. For the avoidance of doubt this may include but is not limited to administration charges, legal costs and debt collection charges.

If you have notified us of an amount that is genuinely (not vexatious or frivolous) in dispute we will take no action until the dispute is settled. You must however continue to pay all amounts that are not in dispute by the due date.

If we have agreed on a payment arrangement and as long as you are meeting the conditions of the payment arrangement we will take no further action.

If it appears to us that for some reason you have overlooked an account and you do not have a history of late payment we may send you a friendly reminder at your billing address by post. If after the friendly reminder you still do not pay or if you have a history of late payment we will start the process to discontinue your supply of electricity.

If your account remains unpaid we will send you a disconnection notice at your billing address. The disconnection notice will give you 7 days warning of disconnection and we will allow 3 days for delivery of the notice during which time if you pay your account in full we will withdraw the disconnection notice.

If your account continues to remain unpaid after expiry of the 7 days disconnection notice we will send you a further notice not less than 72 hours before disconnection during which time we will attempt to contact you by telephone. If your account is still unpaid at the expiry of the 72 hours we will disconnect your supply of electricity and charge you a disconnection fee.

Reconnection of your electricity supply will be at our discretion and dependent on you meeting our requirements for becoming our customer.

Your Electricity Supply

We will supply you with electricity and other associated services as necessary or as requested by you, however we cannot guarantee you a continuous supply of electricity.

The Haast power scheme is not connected to the national electricity grid and consequently we cannot guarantee your electricity supply will be as reliable as that commonly available to most New Zealand electricity consumers.

We will endeavour to provide you with a reliable, high quality supply of electricity in accordance with the specifications set out in the Electricity Act 1992. Specifically:

- Except for momentary fluctuations we will endeavour to keep the supply voltage between any phase and neutral between 200 volts and 250 volts and within 5% of that voltage.

- Except for momentary fluctuations we will endeavour to maintain the frequency within 1.5% of 50 hertz.

You must ensure all equipment you operate on our network is suitable for the electricity supply we provide.

You must advise us of any electrical load greater than 7.5 kW that may be switched on and off. Because of the limitations of the Haast Power Scheme we will provide conditions of operation for any load greater than 7.5kW and we strongly recommend you discuss such loads with us prior to installation.

If you need a continuous supply of electricity for equipment such as life support machines, computers or refrigeration you must install an alternative supply of electricity such as an uninterruptible power supply, and or a generator. We recommend you consult your electrical contractor who will advise how you can meet your requirements.

If there is any interruption to the supply of electricity we will use our reasonable endeavours to restore the electricity supply as soon as possible. Due to the nature of the power system some customers may be supplied power before others as we restore power.

Unplanned electricity shutdowns

From time to time events occur beyond our control and your electricity may be disconnected without warning. In these circumstances we will reinstate your supply of electricity as quickly as we can.

Under some abnormal circumstances we may ration or restrict the supply of electricity. If this should happen we will endeavour to ration or restrict in the fairest manner possible under the circumstances prevailing at the time.

Planned electricity shutdowns

Whenever possible we will give you at least 48 hours notice of a planned shutdown of your electricity supply. We will advise you of the planned shutdown by email, or by writing to you at your billing address or by telephone or by calling in person at your supply address.

Controlled supply

Because we have limited generation capacity it is necessary that we have the ability to control hot water supplies and smart appliances in order to maintain electricity supply for all our customers at all times.

All new premises and those undergoing significant renovation prior to reconnection to our network must be wired for hot water control.

Existing premises not wired for hot water control may at our discretion need to be wired for hot water control.

We will make every effort to minimise operation of the controlled hot water supply or any smart appliance control, however we have the right to turn that supply off and on at any time and we will not be liable for any loss you may suffer as a result of us controlling that supply.

Disconnection of your electricity supply

We may disconnect your electricity supply without notice for safety reasons where we need to protect persons or property, or where meters or equipment have been tampered with.

Ceasing to be our customer

You must tell us in writing with at least 5 working days notice that you wish to cease being our customer and have your supply of electricity disconnected. Until this notice is given and has expired you remain responsible for, and must pay, all charges at the supply address.

You must give us a forwarding address for your final account.

Reconnection of the premises will be subject to these terms and conditions, and in particular the availability of adequate generation and network capacity.

Temporary disconnection

If you wish us to disconnect your supply of electricity temporarily for up to 1 week, for example for tree trimming or house painting, you must give us at least 5 working days notice. We will charge you disconnection and reconnection fees as published in our charges.

Failure to meet your obligations

We may disconnect your supply of electricity if you fail to meet your obligations under this agreement including non payment of our charges as described in this agreement.

We will not disconnect your supply of electricity if you have not paid amounts that are genuinely (not vexatious or frivolous) in dispute and we have been made aware of this dispute in writing.

Even after disconnection you must still pay all outstanding charges.

Reconnection of your electricity is at our discretion. If you wish to be reconnected you must:

- Pay all outstanding charges.
- Pay disconnection and reconnection fees.
- At our discretion pay all our costs associated with recovering or attempting to recover any invoiced amount not paid by you by the due date.
- Meet our requirements for becoming our customer.

Electrically sensitive equipment

Surges or spikes are momentary fluctuations in voltage or frequency and can occur at any time as a result of normal operation of the network. We are not liable for any damage sustained by your equipment due to surges or spikes on our network.

We strongly recommend you install surge protection devices for sensitive equipment including but not limited to computers, televisions, video recorders and microwave ovens.

We also recommend you purchase insurance against damage caused by surges, spikes or other fluctuations or interruptions to your electricity supply.

Disturbance to the network

Some equipment may cause undue disturbance on the network creating an adverse effect on network equipment or the quality of supply to other consumers. Examples are welding equipment, direct on line motor starters and loads with low power factor.

New Zealand standards exist that describe the allowable levels of network disturbance that may be caused by connected equipment. If equipment you operate causes undue network disturbances by operating outside the limitations described in these standards, you may be required to correct the performance of the equipment in order to continue operating it on our network.

Lines and Metering and Equipment

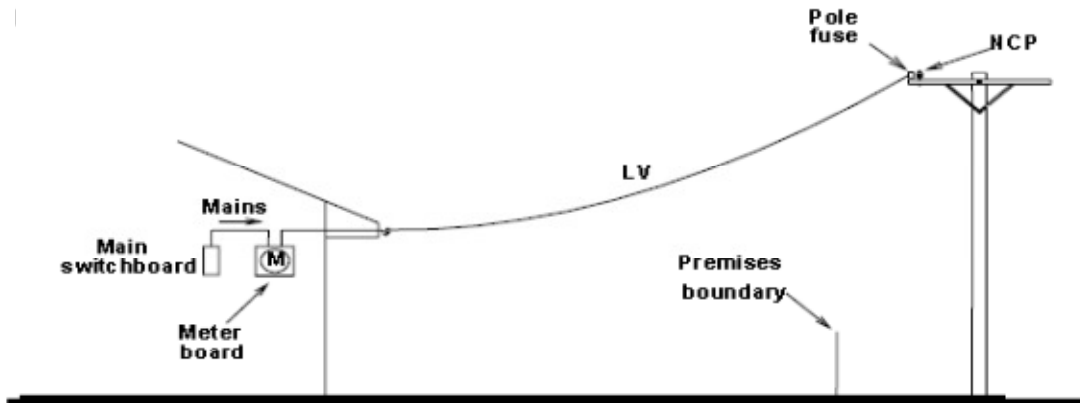
Who is responsible

We own and maintain the lines and equipment up to the network connection point (NCP). We also own and maintain the metering, control equipment and transformers at your premises or on your property.

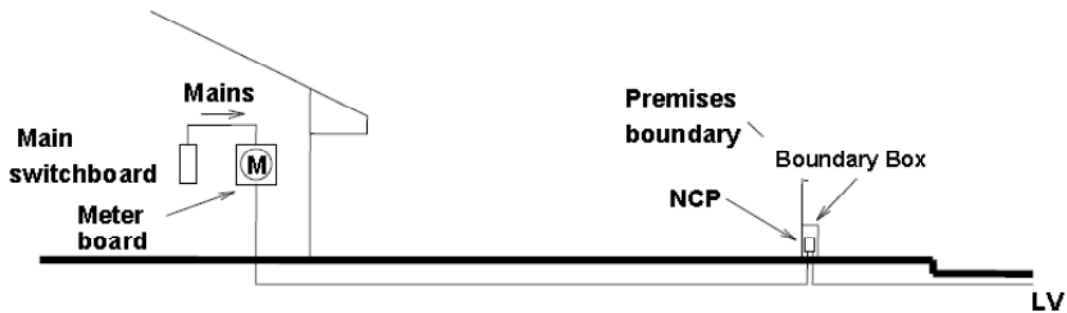
Normally the network connection point is the power pole or underground pillar nearest your property boundary. The overhead or underground cable from the point of supply into your premises is your responsibility.

The network connection point is where ownership of the wires and support structures changes from New Zealand Energy to the owner of the property being supplied electricity. The network connection point is usually near the property boundary as illustrated in the following diagrams.

Overhead connection



Underground connection



Where the property is large it may be necessary to construct a section of network between the property boundary and the premise to be supplied with electricity, in which case we may own lines and equipment on your property and will require an easement so we can access those lines and equipment.

Meters

Meters and associated equipment are owned by us, you are responsible for providing and maintaining a safe meter enclosure that meets our standards.

All meters we supply will perform to or better than the standard for meter accuracy set out in the Electricity Regulations 1997.

If we are concerned that your meter may not be accurate we will inform you and have the meter tested at our expense.

If you are concerned that your meter may not be accurate please contact us and ask us to carry out an initial check of your installation.

If our initial check confirms your concerns, or at your request, we will replace the meter and have a meter accuracy test performed on the removed meter. If the meter accuracy test shows the meter accuracy is outside the required standard we will pay for the cost of the meter test. If the meter test shows the meter accuracy is within the required standard, you must pay for the cost of the meter accuracy test as indicated in our schedule of charges.

If your meter accuracy is not within the required standard and the fault is not due to any action or negligence of yours, you will be reimbursed for any overcharging that can be reasonably ascertained. You will not be liable for any undercharging unless you knew, or reasonably could have known that the meter was materially inaccurate as would be indicated by unexplained changes over time in our monthly charges to you.

For the avoidance of doubt, as we expect you would bring such changes to our attention if they resulted in your being over charged, we also expect you to bring them to our attention if they result in you being undercharged.

Access and protection of meter equipment

You must ensure we have safe and unobstructed access to our equipment on your premises. For existing customers where the meter is located inside your premises, you may find it convenient to leave a key with us.

You must have the meter relocated to the outside of your premises by 31 March 2014. We will pay for 50% of the reasonable electrical cost of meter relocation. Failure to have the meter relocated by this time will result in your premises being disconnected from our network.

You must ensure that our staff or contractors have access at all reasonable times to your property for any of the purposes permitted under these terms and conditions, including maintenance. We will ensure that our staff and contractors carry identification, please feel free to ask them for identification before they enter your property. If they are unwilling or unable to show you identification we recommend you do not let them onto your property and call us immediately.

If access to our equipment on your premises is obstructed, (for example, by the presence of dogs) you must advise us, so that we can make arrangements to read the meter. These arrangements may include a special meter reading that you must pay the cost of as indicated in our schedule of charges, or relocation of the equipment to the outside of your premises. Under some circumstances we may pay up to 50% of the reasonable electrical cost of equipment relocation.

Whenever we are unable to gain safe and unobstructed access to your meter we will estimate your electricity consumption on your next account.

Should safe and unobstructed access to your premises continue to be unavailable for more than 5 months and satisfactory arrangements have not been made to read the meter, then a notice requesting access within 14 days may be given by us. After the 14 day period we may commence the process to disconnect your supply of electricity until arrangements for continued safe and unobstructed access are made.

Tampering

You are responsible for the care of our equipment while it is on your premises. Tampering with our equipment is both dangerous and a criminal offence.

If you tamper with our equipment, or allow others to tamper with our equipment, you will be responsible for any loss we may suffer as a result, and you will risk criminal prosecution.

We may disconnect your supply of electricity immediately if you either directly or indirectly cause damage to, or interfere with our equipment.

We will not hold you responsible for any losses we incur due to any interference or tampering that occurred before you occupied the premises.

Trees

You must ensure that trees, vegetation and other obstacles on your property are clear of any lines or other electrical equipment. This is a requirement of the Electricity (Hazards from trees) Regulations 2003 and you are liable to New Zealand Energy for all damage to our network caused by trees and vegetation on your property.

Where your trees or vegetation are too close to any lines or other electrical equipment, we are able to isolate the electricity supply so that you can safely trim the trees or vegetation. We may charge a fee for this service.

If we advise you by notice in writing that your trees or vegetation are too close to our overhead lines and you do not trim them appropriately within 3 months of that notice, then we will trim the trees or vegetation for you. You will be charged for this service.

Further information about trees and power lines is provided in appendix 3.

Your safety

If you discover any hazards or dangerous situations on or around our network you should immediately contact us. Working or playing around electricity is dangerous and the following basic safety rules should be followed at all times:

- Treat every electric wire as if it is carrying electricity.
- Keep at least four metres away from any lines.
- Always check for buried power cables before digging.

For further information on general safety around electricity see appendix 1.

Our network on private land

Some parts of our network are located on privately owned land. Our right to have network equipment located on privately owned land is covered by the Electricity Act

1992 if the equipment was installed prior to 1 January 1993, or by either a lease agreement or easement if the equipment was installed after 1 January 1993.

All new network equipment installed on privately owned land must be covered by either a lease or easement that defines ownership of the equipment and provides us the ability to access the equipment as necessary.

Where possible we will contact the land owner prior to accessing the equipment, however in an emergency we may require access at any time without prior contact.

Complaints and Dispute Resolution

If you have a complaint you may in the first instance call us to discuss your complaint and we will try to resolve it immediately.

If you wish to dispute our charges or if we are unable to resolve your complaint by discussion then you must advise your dispute or make your complaint to us in writing.

We will consider the matter you raise with us and will respond in writing within 5 working days of receiving your complaint, either with our decision or a reason why the complaint may take longer for us to consider. If after that you are not satisfied you may request that your complaint be considered by our Managing Director (or his deputy if he is not available) who will try to resolve the dispute within a further 5 days.

If you are still not satisfied and wish to take further action the following options are available to you:

- We both agree on a qualified independent arbitrator who will make a judgment to which we and you will be bound. We will pay for the initial cost of the arbitrator, however the arbitrator will allocate costs as they see fit. Or;
- You may take your complaint to the disputes tribunal or a court. We will pay for the initial cost of the tribunal or court case, however the tribunal or court will allocate costs as they see fit.

We also have the right to take a complaint against you to the disputes tribunal or a court.

Once any dispute is resolved, any payment owing as a result of the decision must be made within 14 working days or as directed by the tribunal or court.

Our Liability for Loss

New Zealand Energy has obligations under the Consumer Guarantees Act 1993 and these Terms and Conditions to exercise reasonable care and skill in supplying you with goods and/or services.

In respect of any business-related activity or general activity undertaken by you or any third party at your premises, we shall have no liability to you or any third party for direct and/or consequential loss under the Consumer Guarantees Act 1993.

Our liability to you is limited to our liability under the Consumer Guarantees Act 1993, or if we are not liable to you under the Consumer Guarantees Act, then we will fairly compensate you, but not third parties, for loss or damage to your property or goods arising either under these terms and conditions or any other duty to you from our supply of electricity and related services, if that loss or damage;

- was caused by a breach of our responsibilities under these terms and conditions;
- was caused directly by a negligent act or omission by us that was reasonably foreseeable, and only to the extent that it was reasonably foreseeable;
- did not arise from a cause beyond our control, such as an act of God, industrial dispute, war, lightning, fire, earthquake, flood, explosion or equipment failure; and
- was notified to us, in writing, within 21 days after the loss or damage was sustained by you.

In any such case our liability to you will be limited to \$10,000 for any event or related series of events. In any case we will not be liable for any indirect or consequential loss or loss of profit or business arising from any such act or omission.

The benefits of this clause extend to the officers, employees, agents and contractors of New Zealand Energy and are enforceable by them pursuant to the Contracts (Privacy) Act 1982.

Information You Provide and Your Obligations

You warrant that to the best of your knowledge all information you provide to us is correct.

You agree to provide us with your contact details including your normal residential address and your address for service so that we may send you our invoices and any other relevant information. You must inform us immediately of any change to these details.

You agree to provide if we request it, information as to your identity, address, home and work telephone numbers and credit worthiness.

We undertake to you that we will keep confidential to us all information you provide us unless we are required to pass it on by any statute or regulatory obligation, or by any judicial, arbitration or other dispute resolution process.

You agree that we may seek information from any other person or company in relation to your credit status. We may also disclose information about you to any persons involved in the collection of any charges you owe to us under these terms and conditions. We will attempt to advise you at your last known address of the information being disclosed about you.

You agree to inform us if any person owing us money is or will be resident at the address to which we are supplying you electricity.

You may have access to your personal information held by us and we will correct any information that is incorrect.

Changing these Terms and Conditions

We may make changes to these terms and conditions and our schedule of charges. We will notify you of any changes at least 30 days before the change takes effect by writing to you at your billing address.

Your views are important to us and if you write to us promptly after receiving the revised terms and conditions we will consider any concerns you raise with us prior to the changes taking effect.

Notices

Any notice or invoice sent by us shall be properly given if posted or delivered to your last address known to us and will be deemed as having been received by you 3 working days after the date of posting or delivery.

Any telephone notice given by you or us will also constitute proper notice unless these terms and conditions specifically require written notice to be given. Where telephone notices are given either by you or us, a note will be entered on your file held by us.

Unless otherwise specified in these terms and conditions any notice from you to us may be written, issued by telephone or given in person to us at our office.

Assignment

You may not assign or otherwise dispose of your benefits or obligations under these terms and conditions without our prior written consent.

We can assign some or all of our rights and obligations under these terms and conditions to any person or business at any time.

General

An example does not limit what else might be included.

A reference to any statute or regulation includes any amendment or any substitute statute or regulation.

Neither you nor we will be taken to have waived any of your or our rights under these terms and conditions unless the waiver is in writing.

Each term of our contract is separately binding. If for any reason we cannot enforce any term, all other terms will remain binding.

Definitions

"New Zealand Energy" or "NZE" means "New Zealand Energy Limited"

"You" or "your" means you a customer of New Zealand Energy Limited

"We" "us" or "our" means "New Zealand Energy Limited"

"controlled supply" means the hot water heating circuits within your premises that you have agreed we may turn off and on at any time.

"Premises" means any building, structure, equipment and / or plant that electricity is supplied to by us.

Appendix 1: Living Safely with Electricity

Electricity is supplied to your home through overhead power lines and underground cables. These service lines are live and cannot be turned off by your main power switch. If you touch them, or the bare conductors that connect them to the house, you may be seriously injured or killed.

It is the homeowner's responsibility to ensure that, within the boundary of their property, power lines and cables are maintained in a safe condition.

There should be a clearance between power lines and buildings, structures, and trees. Always plant trees well away from power lines and keep branches trimmed and clear of the lines. Never cut or trim a tree that could fall onto power lines. Before you climb any tree, be sure no power lines run through it or near it. Even if power lines aren't touching the tree, they could touch it after your weight is added to a branch.

Always locate underground cables and services, such as water, gas and sewer before digging.

Further information is available from the Energy Safety Service which is part of the ministry of economic development. The Energy Safety Service has produced a safety booklet called living safely with electricity. This booklet is available at (www.ess.govt.nz).

Appendix 2: Safe working distances

When working near power lines it is very important that safe working distances are maintained. Minimum working distances are required by law and are described in the New Zealand Electrical Code of Practice for Safe Working Distances which is published by the New Zealand Government.

Summary diagrams are reproduced here, the full code of practice is available from the New Zealand Energy Safety website at www.energysafety.govt.nz.

FIGURE 1 MINIMUM SAFE DISTANCES FOR EXCAVATION AND CONSTRUCTION NEAR POLES OR STAY WIRES

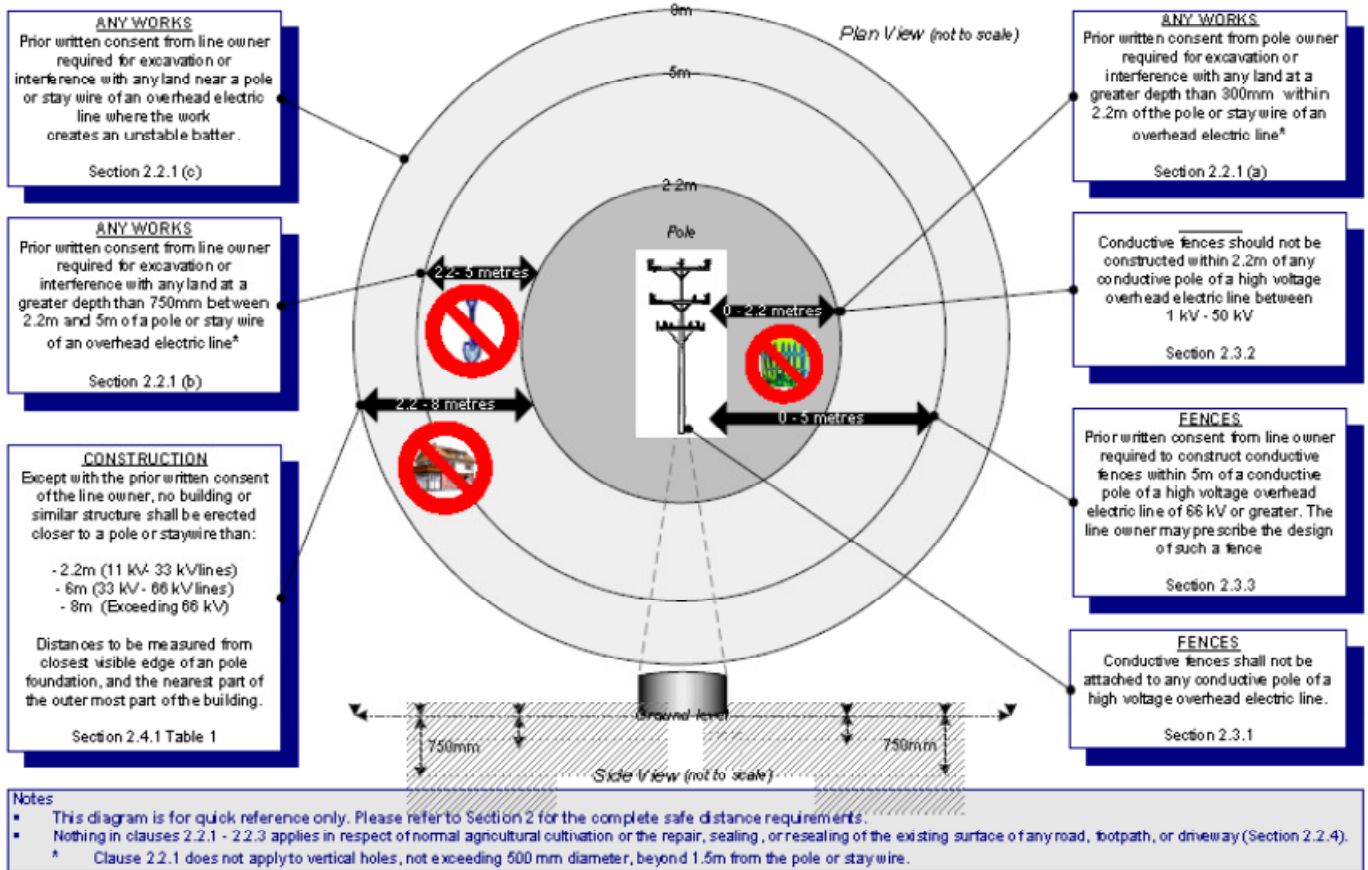
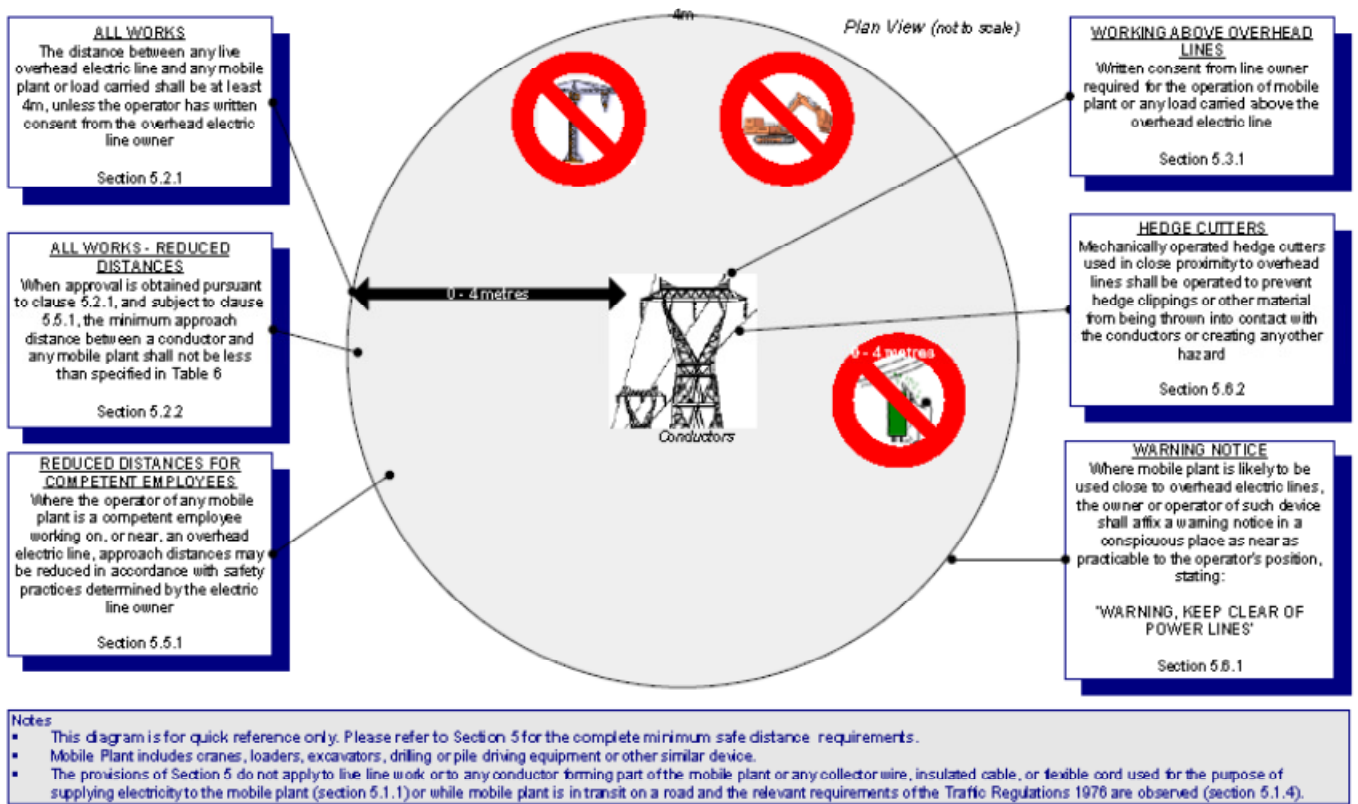


FIGURE 5 MINIMUM SAFE DISTANCES FOR THE OPERATION OF MOBILE PLANT NEAR CONDUCTORS



Should it become necessary to perform work within these distances of power lines you must contact us and arrange to have the power lines made safe before conducting the work.

Appendix 3: Trees and Electric Power Lines

This notice has been prepared in accordance with section 5(1) of the Electricity (Hazards from Trees) Regulations 2003 by New Zealand Energy Limited to advise consumers of the laws governing trees near power lines.

Trees coming into contact with power lines pose serious safety hazards not only to the power lines, but also to people nearby. When a branch touches a line, there is a risk of the branch burning at the point of contact, but also, if a person then comes into contact with the tree there is risk of electric shock. Since children especially are attracted to trees for climbing it is important that trees are kept trimmed well back from the power lines.

Trimming of trees in close proximity to power lines is a very hazardous activity. If branches or people come in contact with the line while the tree is being cut a potentially fatal electric shock may result. If live lines are brought down then serious safety hazards to other people and property in the vicinity may occur.

Trimming of trees near power lines must only be carried out by qualified power line clearance professionals. In recognition of the safety issues, and following a number of electrical accidents, the Government has introduced the Electricity (Hazards from Trees) Regulations 2003. These regulations describe the responsibilities for power line companies and tree owners in making sure that trees are kept safely trimmed away from the lines.

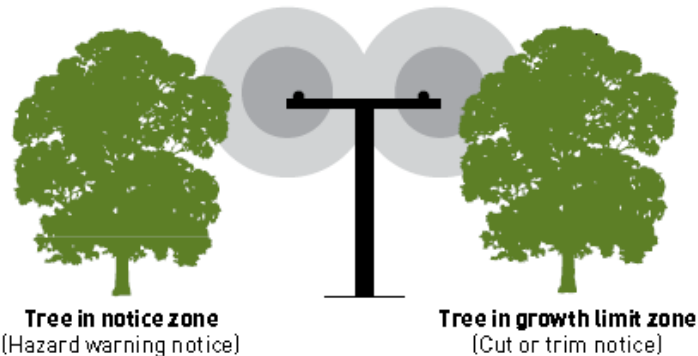
The regulations define two zones around power lines as shown in the diagram:

Line companies (New Zealand Energy) may issue hazard warning notices to tree owners for trees that are within the Notice Zone.

New Zealand Energy must issue cut or trim notices to tree owners when their trees are within the Growth Limit Zone.

If you are identified as the tree owner, you are required to respond to cut or trim notices by either:

a) Arranging at your own cost for the tree to be trimmed out of the specified zones³, and informing New Zealand Energy that this will be done in accordance with the notice requirements, or



Overhead line	Notice zone	Growth limit zone
66kV (high voltage)	5.0 metres	4.0 metres
33kV (high voltage)	3.5 metres	2.5 metres
11kV (high voltage)	2.6 metres	1.6 metres
400V/230V (low voltage)	1.5 metres	0.5 metres

Note:

- 1) These distances are from the power line, not the power pole
- 2) These are minimum distances and apply in all conditions including high wind and snow
- 3) In most instances the power lines that go to a house or building are low voltage. Power lines that go down a street or across land may be high or low voltage.

³ **Note:** If trees on your property have not previously been trimmed by New Zealand Energy, you will be eligible for a first trim free of charge. We will identify this in our cut or trim notice to you.

b) You may inform New Zealand Energy that you have no interest in the tree. New Zealand Energy may then remove the tree, or trim it back at no cost to yourself.

In special circumstances, a dispensation from the regulatory clearances can be granted by New Zealand Energy, you can discuss this with us if a cut or trim notice is issued.

Under these regulations it is an offence if you;

- a. fail to have the tree cut or trimmed in accordance with the regulations, or
- b. fail to give New Zealand Energy at least 3 working days' notice of the time and location of the cutting or trimming of the tree.

Penalties that may be imposed for committing an offence under the regulations include a fine of up to \$10,000, and if the offence continues, a fine of up to \$500 per day may be imposed for the duration of the offence.

If you receive a cut or trim notice it is important that you read the notice carefully and respond accordingly.

Appendix 4: Cable location



What are the rules when excavating or doing other work involving ground penetration on site?

Watch out for what's below - make sure you check for the presence of any underground power cables or other services before you begin working anywhere. Always get service reference maps or have your services located before you start working. Also prior to any work being carried out in any road reserve you must obtain consent from the relevant Territorial Authority.

You must not assume that information provided by a plan or marked on site is absolutely accurate. For example, cable locations are not necessarily exact, building lines or curb lines from which measurements were taken at cable installation time may have shifted, and depths may have changed due to road/footpath reconstruction.

For this reason, and to ensure your safety, we advise that you use a location service contractor.

Where the location of cables is not certain, hand digging to locate them must take place. It is your responsibility to pothole and verify the position and depth of cables before any work is carried out.



Remember your checks before any work is carried out...

- don't take chances - buried cables can kill
- before digging, check for buried power cables
- there are numerous underground cables in the street and on private property; also many utilities i.e. electricity, telephone, gas, water and sewer all share the same road space.

If in doubt call us before digging and we will advise you how to access a cable location service.

Appendix 5: Network Extension Policy

This policy states the commercial terms New Zealand Energy applies for network extensions that are required for new connections or capacity upgrades to existing connections to our network.

An extension to our network (network extension) is required if we are asked to provide a new connection at a location our network does not already extend to.

A network extension may also be required if you already have a connection at your property boundary but it has inadequate capacity to provide the electricity supply you have asked us for.

When a network extension is required the person requiring the connection must financially contribute to the cost of providing the network extension because that extension is provided solely for the benefit of the connected person.

Where others are connected to that network extension, our policy provides for sharing of the cost of the network extension between the parties connected. The following policies apply:

- Any requirement for a network extension will be discussed with you by us when you apply for a new connection.
- All costs associated with a network extension must be paid by the applicant prior to connection to our network.
- The network extension must be designed by a person approved by us, and the design must be approved by us prior to commencement of construction.
- The network extension must be constructed by a person approved by us.
- You must pay the designer, the constructor and any other contractors before your connection will be connected to our network. You may be required to demonstrate to us that you have paid all contractors before we will connect you.
- Your connection will be connected only when approved for connection by us.
- If at a later time another party wishes to be connected to the network extension you have paid for, we will require that the other party reimburse you a fair proportion of your investment in the network extension providing:
 - The new connection is added to the network extension within 10 years of the date on which the network extension was commissioned.
 - At the time you still have an interest in the property for which the network extension was constructed, and
 - the other party is able to contact you.
- For the purpose of determining reimbursable amounts the value of any relevant network extension will not be adjusted over time.

Because every new or upgraded connection requiring a network extension is different we have published this policy indicating how we will determine network extension costs, however we reserve the right to determine the costs and timeframes that will apply on a case by case basis.

Appendix 6: Landlords and tenants policy

This policy sets out the responsibility of landlords and tenants under this agreement and describes how New Zealand Energy will manage the relationship between itself and landlords and tenants.

Difficulties have arisen in the past when tenants have vacated rented properties leaving outstanding payments for electricity on the landlords account. These situations will be managed in the following manner:

1. If the landlord remains our customer for a connection at a tenanted property the tenant may pay the account by the normal means, however both the tenant and the landlord will receive a copy of the monthly invoice. The landlord as our customer is solely responsible for payment of all charges related to the tenanted connection, we will not collect a bond from the tenant, the landlord should do this if they consider it necessary.
2. If the tenant becomes our customer at the connection the tenant must comply fully with all the conditions of becoming our customer as described in these terms and conditions. This includes;
 - apply to become our customer,
 - agree to these terms and conditions,
 - pay any connection charges applicable, and
 - pay us the required bond.

Please note that a vacating tenant who has become our customer stops being responsible for paying our charges from the date they instruct us they will cease being our customer as required by the clause “ceasing to be our customer” in our terms and conditions.

If no other person has signed up to be our customer and pay our charges at that connection from that date, the connection will be disconnected from our network.

Reconnection will incur a connection fee, therefore if another tenant or the landlord wishes to take over responsibility for payment of charges at the connection and avoid disconnection (and the consequent connection fee) they must become our customer before the previous customer responsibility ends.

Please note that we do not make connections after hours or on weekends.