

Operations Performance Summary for three months ending 30 September 2009 (23/10/09)

Warmer wetter weather and subdued consumer and business activity are reflected in Vector Limited's quarter one operational update. Group Chief Executive Officer Simon Mackenzie says that in line with the company's expectations growth in overall connections slowed and overall energy volumes were down compared to the pre-recession conditions in the same quarter last year.

Electricity

Electricity volumes* decreased by 1.4% to 2,262.6 Gigawatt hours (GWh) compared to the prior comparable period. Warmer weather, particularly in August, reduced volumes, as did the soft economic conditions. Connections growth (+1,130, +0.2%) was flat.

Vector's Systems Average Interruption Duration Index (SAIDI) score for the first half of the regulatory year (six months to 30 September) is 30.5 minutes of outages on average per customer due to normal operations, with zero minutes of outages due to extreme events, an improvement of 72.3% compared with the same six months last financial year. This was primarily due to benign weather conditions over the last six months.

Gas

Gas transmission throughput volumes have marginally increased against the same period last year by 0.6% to 31.1 petajoules (PJ).

New gas connections increased by 686 (0.4%), down slightly from 0.5% growth for the same period last year, driven primarily by a reduction in residential demand.

Despite an increase in gas connections, gas distribution was marginally down 0.4 PJ compared to the prior comparable figure, driven by a reduction in consumption from large industrial customers.

Natural gas sales volumes were also down 11.5% on the prior comparable period primarily due to reduced sales to thermal power generators – as a result of a wetter winter increasing hydro generation - as well as reduced sales to the market, again reflecting suppressed activity.

Total gas liquids (LPG and natural gasoline tonnes) sales volumes have decreased against the previous corresponding period by 9.2% to 21,770 tonnes, primarily due to lower volumes to bulk customers, but partially offset by increased volumes in LPG cylinders, the Kapuni gas treatment plant and natural gasoline.

Liquigas imported volumes were down 17.5% to 35,556 on the prior comparable period reflecting the contraction of the overall LPG market.

Communications

Vector is making good progress in relation to the Government's fibre optic infrastructure initiative. After making submissions into the Government's process, Vector is well positioned in relation to the Government's preference for a regionally based fibre to the home solution. Work to prepare an offer document is now underway, following the Government's release of its Invitation to Participate process.

Smart Meters

Good progress continues to be made on the smart meter installation contracts with Genesis Energy and Contact Energy, with more than 61,460 installed to date.

*Auckland and Northern electricity networks

Three months ended 30 September 2009		
	2009	2008
Electricity volume distributed to customers (GWh)	2,262.6	2,293.9

Customers connected to electricity networks	524,524	519,487
New customers connected to electricity networks	1,130	1,020
SAIDI (minutes) (regulatory year - 6 months to 30 September)		
Normal operations	30.5	61.1
Extreme events	0.0	49.1
Total	30.5	110.2
Natural gas transported (PJ)		
Transmission	31.1	30.9
Distribution - Auckland	3.4	3.6
Distribution - Non Auckland	2.6	2.8
Distribution (combined AKL and Non AKL)	6.0	6.4
Customers connected to gas networks	150,202	147,960
New customers connected to gas networks	686	762
Natural gas sales (PJ)	8.5	9.6
Gas liquids sales (LPG and natural gasoline tonnes)	21,770	23,977
Liquigas LPG throughput (tonnes)	35,556	43,089
Metering		
Advanced (smart) meters deployed	61,460	