

## news

F E B R U A R Y

2007



**JUNIOR MAORI  
SPORTS AWARD  
WINNER  
ANNOUNCED**



**WAIKATO  
RIVERCARE  
NATIVE PLANTING  
PROJECT**



**WHAKAMARU  
CELEBRATES  
HALF CENTURY**

# Construction underway at Kawerau geothermal plant

MIGHTY RIVER POWER

Construction formally commenced at Mighty River Power's 90MW, \$275 million power station in Kawerau on 29 November.

A ground breaking ceremony held on the site was attended by the Mighty River Power Board of Directors, Chief Executive Doug Heffernan, the Minister for Energy and Climate Change David Parker, Bev Adlam (Ngati Tuwharetoa [Bay of Plenty] Settlement Trust) and Waaka Vercoe (Putauaki Trust) and Kawerau Mayor Malcolm Campbell were among other guests.

The new power station is the largest single geothermal power development in New Zealand in more than two decades and will produce more energy annually than all of the country's existing wind turbines.

Mighty River Power Chair Carole Durbin said at the event that geothermal generation will play an increasingly vital role in New Zealand's energy future, announcing the country could ultimately develop a potential 1200 megawatts (MW) of the renewable resource - sufficient to reliably power 1.2 million homes.

"The Kawerau power station is part of Mighty River Power's geothermal exploration and development programme - New Zealand's largest such programme in over 20 years. We have plans to develop around 400MW of geothermal energy in the next five to ten years - enough power for around 400,000 homes. In addition we have identified a further 800MW of potential resource which could also be developed in the longer term," said Ms Durbin.

Once complete, the Kawerau geothermal power station will significantly increase local generation capacity in the Eastern Bay of Plenty, meeting approximately one-third of residential and industrial demand in the region.

It will also provide energy cost certainty to important local industry such as the Norske Skog Tasman plant and will boost the local economy through employment and the use of local contractors during construction.



Minister for Energy and Climate Change David Parker, Ngati Tuwharetoa Settlement Trust's Bev Adlam, Mighty River Power Chief Executive Doug Heffernan and Putauaki Trust Chairman Waaka Vercoe turn the earth at the ground breaking ceremony in Kawerau.

Mighty River Power Chief Executive Doug Heffernan said Mighty River Power is proud of the contribution it is making to the local Kawerau community.

"The start of construction at Kawerau is the culmination of four years planning including securing access to geothermal resources by working closely with the Crown, Ngati Tuwharetoa (Bay of Plenty) Settlement Trust, Putauaki Trust and Norske Skog Tasman. We are grateful for the support we have received from these groups and the community in general," said Mr Heffernan.

The Mighty River Power Kawerau Geothermal Power Station is scheduled to be completed by the end of 2008.

## New Taupo office strengthens community presence

A select group of friends, colleagues and business partners recently came together to celebrate the opening of the Mighty River Power and Tauhara North No.2 Trust's new Taupo office.

Jointly hosted by Mighty River Power Chief Executive Doug Heffernan and the Trust's Executive Officer Aroha Campbell, the event and the office itself signify the importance of Mighty River Power's relationship with the Trust and the Company's commitment to further strengthening its presence in the Taupo community.

"With the growing amount of geothermal development activity taking place in Taupo and surrounding areas, it is becoming increasingly important for us to have a physical presence in the area," said Mr Heffernan.

"Mighty River Power works closely with the Tauhara North No.2 Trust at Rotokawa as part of our Joint Venture arrangement. We are pleased to have the opportunity to further strengthen that relationship," he said.

Mighty River Power Operations Manager Bruce Mason will be based permanently at the new premises in Horomatangi Street.



Aroha Campbell from the Tauhara North No. 2 Trust speaks at the opening of Mighty River Power's Taupo office. Chief Executive Doug Heffernan (right) also attended the event.



2006 Mighty River Power Junior Maori Sportsman of the Year Jordan Vandermade is pictured with Rowing New Zealand's Storm Uru and Mighty River Power Director Tania Simpson. Storm won the Senior Maori Sportsman of the Year award.

## Top Junior Maori Sportsman of 2006

Auckland decathlete Jordan Vandermade followed in the footsteps of some of New Zealand's top sports stars when he was named 2006 Mighty River Power Junior Maori Sportsman of the Year at the Maori Sports Awards on Saturday 18 November.

Jordan's name will be etched in the trophy alongside a list of sporting heavyweights including Stacey Jones, Luke McAlastair and Adam Parore.

The prestigious Maori sporting award is just one of a handful of athletic accomplishments Jordan has achieved over the past year.

Of Ngai Tuhoe descent, Jordan finished third in the decathlon at the World Junior Championships this year in Beijing where he set an Oceania record. He was also selected for the Oceania Team for the 2006 World Cup Championships in Athens.

Winning the 2006 Mighty River Power Junior Maori Sportsman of the Year award was a significant achievement for Jordan given the calibre of the other finalists - Shannon McIlroy (lawn bowls), Sam Rapira (rugby league) and Jared Pehi (rowing). Each achieved international success in their respective sports this year.

Mighty River Power Group Strategist Neil Williams said the Company is pleased to recognise the achievements of young Maori sportsmen.

"We have been involved with the Maori Sports Awards for a number of years and it was great to see another strong line up of young athletes," said Mr Williams.

"Jordan is an extremely talented athlete and looks to have a bright future ahead of him. We wish him, Shannon, Sam and Jared all the best for their sporting careers," he said.

**"Jordan is an extremely talented athlete and looks to have a bright future ahead of him."**

# Bruce Young sadly passes away

Bruce Young, a respected and long serving Mighty River Power employee, sadly passed away in December. Based in Whakamaru, Bruce was the Hydro Generation Manager, a position which he had held since 1999.

Bruce first joined the energy industry in 1968 when he moved from the ship building industry to the Maraetai Power Station to work as a mechanical fitter. From here he worked at Tokaanu, Tekapo B, Otahuhu Gas Turbine Station, Ohau A, Rangipo, Clyde and Manapouri, before moving to Whakamaru and the South Waikato Office in 1996.

Bruce made an enormous contribution to the industry and to individuals. The Mayor of Taupo, Clayton Stent and representatives of Tuwharetoa Maori Trust Board spoke at Bruce's funeral of his close personal involvement with stakeholders around Taupo and Waikato regions.

His colleagues describe him as the "best of the best." Bruce has left a huge hole in the industry and also in our lives. Our thoughts are with his wife Lin and daughters Toni and Yvonne and family.

# Annual Result to fuel generation development



In October 2006 Mighty River Power reported an annual profit (Net Surplus after Taxation) of \$100.8 million for the year ended 30 June 2006.

Mighty River Power Chair Carole Durbin said expanding its generation portfolio remains Mighty River Power's focus having posted a reasonable financial result for the year.

"Over the last 12 months we have continued our development as a diversified and integrated energy company. On the generation side we have made significant progress in the exploration, consenting and now construction of two new generation projects and we're also pleased to have finalised agreements around our 35-year resource consents for the Waikato Hydro System.

"On the retail side of the business, Mercury Energy's customer numbers climbed from 317,000 to 330,000, including 24,000 dual gas and electricity customers. This growth is a reflection of its focus on providing the best customer service, as recognised by the 2006 CRM Award for Best Customer Service in the Electricity Retail Sector, won for the third year in a row. Metrix, Mighty River Power's metering business, is also making good progress trialling modern metering communications technology," she said.

# Waikato RiverCare prepares Taupiri riverbank for native planting



Preparatory work has started along the Taupiri riverbank to replace the existing willows with native trees. The project is part of the Waikato RiverCare programme.

Located downstream of the confluence of the Mangawara and Waikato Rivers in the North Waikato, the new Taupiri site is currently undergoing a staged spraying and preparatory programme with planting expected to begin in autumn this year.

The project is one of 27 initiatives funded by the Waikato Catchment Ecological Enhancement Trust (WCEET) in the Waikato and Lake Taupo region.

Mighty River Power and other Trust members (Royal Forest and Bird Protection Society, the Department of Conservation, Fish and Game New Zealand and the Advisory Committee for Regional Environment) have so far contributed \$372,000 in grants and funding.

Waikato RiverCare was established in 1999 with a vision to implement a sustainable programme to plant native vegetation on the banks of the lower Waikato River. Taupiri is one of eleven



Pupils from Glen Massey School plant saplings on the bank of the Waikato River as part of the Rivercare initiative near Taupiri.

5km of riverbank with more than 45,000 plants.

Mighty River Power is a contributing member of the Waikato RiverCare group. The Company's General Manager Hydro/Thermal Generation Tim Densem and WCEET's contact for the site, says Taupiri was selected because of the area's importance to local iwi and the need to improve the quality and amount of vegetation growing along the riverbank.

"Tainui people stop at the site to pay their respects to their elders on Taupiri Mountain. The planting project will not only help improve the ecology of the riverbank but also make a contribution to enhancing an area of great spiritual significance to local iwi," says Mr Densem.

These sentiments were echoed by Waikato-Tainui in their letter of support for enhancement at the site. "As well as the Taupiri site being of such importance to the tribe any enhancement along the Waikato River promotes our cultural objectives to fully rehabilitate traditional and historical flora and fauna which have gradually diminished over time."

restoration sites developed to date by the organisation, which together cover at least

# Students set to be energised by the Mighty River Power Summer Programme

Eight tertiary students from around New Zealand have spent the the summer earning their engineering stripes at Mighty River Power.

Starting late November, the aspiring engineers from Auckland and Canterbury Universities have received on-the-job experience working alongside the Company's top generation engineers.

The students, currently in the third year of their four year engineering degrees, will be located around the North Island, gaining experience in a range of engineering

fields, including electrical, mechanical, mechatronics and civil.

It is a requirement of their course to complete around 900 hours practical work experience.

Mighty River Power's Thermal and Hydro Engineering Manager Mike Fox says the programme is designed to introduce young engineers to the energy industry with the hope of securing future recruits.

"The experience gives these students an invaluable introduction to the energy industry," says Mr Fox.

"We hope that, as a result of their experience at Mighty River Power, at least some of these students will decide to pursue a career in energy," he says.

Student feedback from previous years has been consistently positive and the programme has resulted in Mighty River Power recruiting a number of graduate engineers.

"Our summer students have relished the opportunity to put into practice the skills they have acquired in the classroom," says Mr Fox.

# Auckland seniors get power savings thanks to Mercury Energy



Janee Sawyer from the Salvation Army installs an Ecobulb for senior citizen Sally Rankin of Mangere.

A total of 500 hundred senior citizens throughout Auckland were given an opportunity to reduce their power bills over the coming years thanks to Mercury Energy and the Salvation Army.

In October, the Salvation Army assisted Mercury Energy in distributing five energy efficient Ecobulbs to 500 senior citizens living independently throughout Auckland. The programme is part of Mercury Energy's drive to create greater awareness of the importance for energy efficiency.

Once the Ecobulbs are installed in the most frequently used light fittings, up to five dollars a month can be saved on power bills. This adds up to a significant \$680 over the life of the bulbs.

In June, Mercury Energy sent its Auckland customers discount vouchers to buy five Ecobulbs for a reduced price of \$10. Due to the success of the campaign Mercury Energy opened the offer

to all households in the Auckland area. The campaign was a great success with over 500,000 Ecobulbs purchased.

Mark Carter, Mercury Energy's General Manager Consumer Markets, says the Company wants to make energy efficiency easier and more accessible for people. "We realise that even with our Ecobulb subsidy people on fixed incomes may still find it difficult to purchase the bulbs," he says. "We want as many people as possible to have the benefits of energy efficient bulbs which use 80% less power and last up to 10 times longer than normal light bulbs."

David Bennett, Salvation Army's Public Relations Secretary, says they were delighted to partner Mercury Energy in the campaign. "It was a very generous offer and it will be a great help for so many elderly people out in the community. I know the Ecobulbs were warmly received."

# Young engineer talks his way to the top

A young Mighty River Power engineer's exceptional presentation skills have recently earned him top honours in two prestigious engineering presentation forums.

Dan Forster was awarded First Place in the Institution of Professional Engineers New Zealand (IPENZ) Waikato-BOP Young Engineers Presentations in late September. He then headed to Australia in November where he won the Hydro Power Engineers Exchange (HPEE) award for Best

Presentation, beating 29 competitors.

Both forums facilitate the exchange of knowledge and information in the wider engineering community. The awards are granted to those speakers who make the most effective presentation on their engineering project.

It was Dan's ability to articulate Mighty River Power's Arapuni Dam Foundation Enhancement Project that captured the judges' attention.

"We were looking for a young engineer

who had the depth of understanding of their work to be able to explain it in layman's terms – something which Dan did particularly well," said IPENZ Chair for the BOP/Waikato region, Alice Bauke.

Thermal Generation Manager Adam Fletcher says the Company is very proud of Dan's achievements. "Dan's dedication to his work has earned him the ability to communicate at a technical level beyond his years," he says. "We congratulate him on his fantastic achievement."

## Mighty River Power appoints new CFO

In October 2006 Mighty River Power appointed Ken Bugden as its new Chief Financial Officer.

Mr Bugden joins Mighty River Power from Waste Management, where he had been Chief Financial Officer for the past five years.

Mighty River Power Chief Executive, Doug Heffernan said the Company was pleased to have someone



Ken Bugden

of Mr Bugden's credentials join its senior management team.

"We are delighted to have Ken's expertise in finance and infrastructure systems and general commercial experience on board as the Company continues its growth and development," said Mr Heffernan.

Mr Bugden previously worked as Chief Financial Officer for Huttons Kiwi Ltd for 10 years and was also a project and transition manager for Owens Group Ltd.

At Mighty River Power he will be responsible for both Finance and Information Systems.

## Changes to the Board of Directors

At the end of October Mighty River Power farewelled its Deputy Chair Ian Fraser. Ian had been a Director of Mighty River Power since the Company began operations in April 1999.

Mighty River Power Chair Carole Durbin said Ian had made a valuable contribution to the Company.

"Mighty River Power is now a significantly bigger and more complex business than that which started in 1999. Ian has been a big part of that growth and success. The Mighty River Power Board is thankful for his guidance and valuable contribution," she said.

"While we will miss Ian's involvement we are delighted to welcome two new Board members who bring with them a wealth of their own experience," said Ms Durbin.

The two new directors appointed to the Mighty River Power Board in November are Sir Paul Reeves and Neil Ranford.

### SIR PAUL REEVES

The Right Reverend Sir Paul Reeves was appointed a Director of Mighty River Power in November 2006. A former Governor General of New Zealand, Sir Paul has held influential positions in the fields of academia, business, politics and the church. His ecclesiastical positions include the Bishop of Auckland (1979 – 1985) and Primate and Archbishop of New Zealand (1980 – 1985).

More recently Sir Paul was a professor at The University of Auckland and since 2005 has been the Chancellor of the Auckland University of Technology. A well respected figure in Maoridom, Sir Paul is a trustee of Maori Landholding Trust in Wellington and Chair of the Tautoko Maori Trust. He was convener of 2005's Maori Economic Summit and has been asked to lead a task force of other prominent Maori to continue to give direction to the Maori economy. Since 2002 he has been a Special Envoy of the Commonwealth Secretary General to Guyana. Sir Paul received a knighthood in 1985.

### NEIL RANFORD

Neil has had extensive general management experience in the construction industry.

He has an engineering background and has previously held senior roles at Fletcher Challenge and most recently as CEO of Mainzeal Property and Construction Ltd. Neil is a Director of Waitakere Properties Ltd and Roses Alterations Ltd.

## Celebrating Whakamaru Dam's half century

Whakamaru Dam has been lighting up Waikato homes and workplaces for 50 years. On Saturday 28 October, Whakamaru Dam also lit up the sky as the community celebrated the landmark hydro station's half century.

Station tours and an evening fireworks display were two of the many activities to take place in recognition of Whakamaru Dam's 50th birthday.

General Manager Hydro/Thermal Generation Tim Densem says it was important to recognise the strong links between the Mangakino community and the dam's history.

"Mighty River Power appreciates the local support and involvement with the dam over the years and wanted the celebration to reflect that," said Mr Densem.

Around 800 people took advantage of the free buses that ran from the Whakamaru Reserve to the dam. As well as a station tour, the visitors were invited to explore the recently opened Whakamaru segment of the Waikato River Trail.

A bouncy castle, pony rides, novelty races and performances from local schools entertained the crowds until a spectacular fireworks display capped the celebrations.



Mighty River Power Superintendent Mike Melville shares his passion for the Whakamaru Power Station.

# Customer Service Award hat-trick



Customers who phone the Mercury Energy Customer Service Team will be speaking to someone from one of the best contact centres in the country! For the third year in a row Mercury Energy has won the highly coveted Customer Relationship Management (CRM) award, for best customer service in the energy retail industry. Mercury Energy also won the silver award for best contact centre with more than 50 seats in New Zealand.

Mark Carter, Mercury Energy's General Manager Consumer Markets, says winning the energy retail award three years running reflects Mercury Energy's customer focused philosophy.

"We recognise that in the energy sector customers have a choice of retailer," he says. "These awards are recognition of our commitment to improving our delivery of service and our processes to the highest levels."

The CRM Contact Centre Awards recognise excellence in standards of customer service delivered by contact centres throughout the country. More than 95 companies competed in this year's CRM awards representing a vast array of industries from banking and telecommunications to consumer goods.

Mercury Energy's busy contact centre employs more than 100 people and receives approximately 2,500 enquiries per day.



## Record entries make competition tough to judge

A setting sun through a window, a downcast girl surrounded by dolls and a young woman sitting on a bed were the images that caught the eye of the 2006 Mighty River Power Photographic Competition judges.

With a record number of 277 entries, picking this year's winners was no easy task for our judges, says the Company's Group Strategist, Neil Williams.

Mr Williams said the quality and creativity of entries has improved every year since the Company first started the competition in 2002, and this year was no exception.

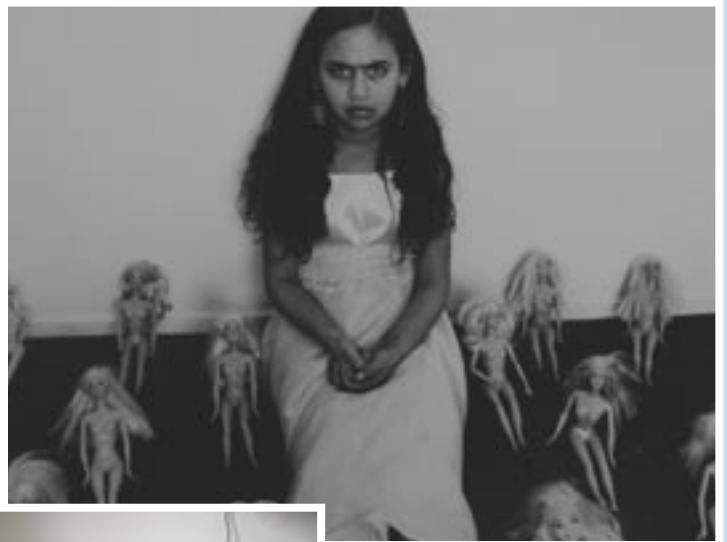
Given the theme "Art in Life", entrants in the Non-Professional, Tertiary and Secondary sections responded with an array of stunning photographs to illustrate the theme.

The Non-Professional section winner Shelley Soppet won \$3000 for her photograph of a setting sun shining through a window, creating a striking image as she captured the reflection off a wall.

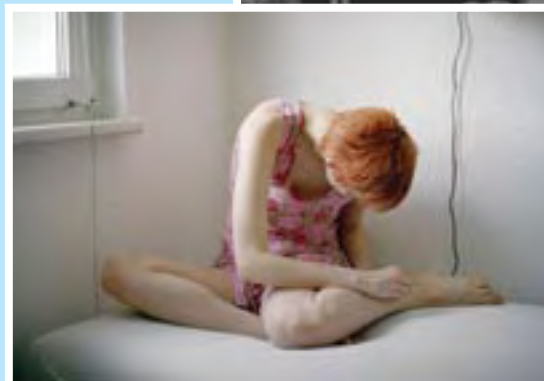
The Tertiary section winner, Daniel Rose from Unitec, won \$3000 for his image featuring a young woman sitting on a bed.

Aziz Al-Sa'afin, from Howick College, took out the Secondary School section, worth \$1500, featuring a young girl sitting surrounded by dolls, questioning the mythological ideas of her world.

For the second year in a row the secondary and tertiary awards, worth \$1500, went to Howick College and Unitec for providing the winning entry in their sections.



Above: Secondary school section winner Aziz Al-Sa'afin's winning photograph.



Left: Tertiary section winner Daniel Rose's winning photograph.

## The 2006 Mighty River Power Photographic Competition Winners

### SECONDARY SCHOOL SECTION:

Winner - Aziz Al-Sa'afin (Howick College)

Runner-up - Thalia Bornman (Howick College)

### TERTIARY SECTION:

Winner - Daniel Rose (Unitec)

Runner-up - Nikki Barrett (Unitec)

### NON-PROFESSIONAL SECTION:

Winner - Shelley Soppet (Glendene)

Runner-up - Kate Harding (New Plymouth)