

THE DELOITTE
**ENERGY
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AWARDS
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THE WINNERS
2013

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Winner! Innovation in Electricity Award

ABOUT THE AWARDS

The Deloitte Energy Excellence Awards provide an annual opportunity to recognise excellence and achievement across the electricity, oil, gas and petroleum industries.

2010 was the inaugural event and in 2013 it was attended by over 620 industry members. The event is now the industry's annual black-tie gala event and is attended at an influencer and decision-maker level, providing an ideal stage for networking and recognising excellence.

FROM THE CHAIRMAN OF THE JUDGING PANEL

The energy sector should take the opportunity to celebrate its many successes and acknowledge the efforts of the skilled teams and individuals operating in so many areas.

The Deloitte Energy Excellence Awards provide an ideal forum for companies to highlight excellence to both internal and external stakeholders in a format that focuses on the many positive contributions of the sector.

It has been a real pleasure to lead the judging panel for these 2013 awards. It has been great to see the growing number and high quality of nominations from a wide range of organisations across the energy sector. My thanks to all who have entered: you've made our job very hard!

I also offer sincere thanks to my fellow judges for your commitment and expertise, and our congratulations to all category winners.

Richard Westlake

Chairman of the Judging Panel



HON SIMON BRIDGES

The New Zealand energy sector is an essential part of the country's infrastructure. It is the key to increasing our national wealth.

Whether it's providing New Zealand homes and businesses with a reliable energy supply or exploring the country's underdeveloped resources, this sector provides exciting opportunities for innovation and investment.

The Deloitte Energy Excellence Awards have been formed to recognise and celebrate excellence across the many disciplines that comprise the sector.

It is important for firms and individuals in the sector to step forward and nominate for recognition those who are leading the industry.

Hon Simon Bridges

Minister of Energy and Resources



FROM THE PRINCIPAL SPONSOR

Deloitte is proud to continue its sponsorship of the awards. The energy sector continues to undergo significant change and face new challenges. It remains a large and vital part of the New Zealand economy and continues to adapt and change to support the standard of living we have come to enjoy in this country.

Organisations and individuals in the industry continue to rise to the challenges thrown down by the changing environment. At Deloitte we are delighted to support this recognition of success.

Paul Callow

Energy Practice Lead Partner, Deloitte



THE DELOITTE
**ENERGY
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2013 WINNERS

AWARD CATEGORY	SPONSOR	WINNER
Innovation in Electricity Award		Counties Power <i>The PAL-GPR System - a fast, accurate and economic precise all-terrain location system</i>
Energy Project of the Year		Contact Energy <i>The Wairakei bioreactor - a world first</i>
Excellence in Health & Safety Award		Contact Energy <i>Building a zero harm culture</i>
Environmental Excellence Award		Contact Energy <i>The Wairakei bioreactor - a world first</i>
Young Energy Executive of the Year		Karen Frew <i>Powerco</i>
Energy Executive of the Year		Rob Jager <i>Shell New Zealand</i>
Lines Company of the Year		Northpower
Energy Retailer of the Year		BP
Overall Energy Company of the Year		Transpower
Editor's Award for Outstanding Contribution to the Sector		Bob Thomson

... and thanks to our sponsors



WINNER

Counties Power

The PAL-GPR System - a fast, accurate and economic precise all-terrain location system

In a utilities sector first, Counties Power designed and built its own all-terrain ground penetrating radar (PAL-GPR) system that is capable of giving a three-dimensional view of assets underground.

The vehicle - which was designed to suit local conditions and can navigate footpaths, roads and berms - captures accurate, high-speed, high-resolution data.

The data generated is accurate to within one centimetre and helps Counties Power determine where it should lay its underground electricity lines while avoiding damage to existing underground assets.

Causing damage to pipes is a significant risk to contractors and can lead to costly interruptions, which served as the catalyst for the GPR technology's development.

Counties Power says it is now enjoying lower strike rates, improved safety, higher productivity and greater reliability of supply. The new system is also providing better records of what lies underground.

Key elements

The PAL-GPR system was created by integrating a number of advanced technology components. It incorporates a pre-commercial array radar from Italian manufacturer IDS featuring 24 radar channels, 600 MHz and two offset linear arrays with spatial resolution of 4cm. Enhanced location sensing is provided by Canada-based Applanix, which increased accuracy to within 1cm. The transport system from Finnish company Avant has been custom-built to be the world's first suited for use on roads and berms, while a specialist GPR-CAD system from UK firm Macleod Simmonds has allowed the system to be both CAD and GIS capable making for easy updates of asset records.

The innovation offers important commercial benefits. Counties estimates the repair bill for striking critical services, such as fibre optic cabling or a pressured sewer, at up to \$50,000.

PAL-GPR lowers project risk at little or no additional cost for Counties Power itself, as it will for the other utility companies that have already expressed interest in the system.

It has also opened up a whole new revenue stream for Counties, with the potential New Zealand market alone representing tens of millions of dollars during the next five years.

News of the new system has spread quickly by word-of-mouth and it has already been used on sites from Auckland to Timaru. One case study that Counties Power highlights is Transfield Services' use of the PAL-GPR to survey an area



Dylan Andrews, Gaz Maroof, Jason Hazelwood, Neil Simmonds, Peter Fitzsimmons OBE, James Docking – Gentrack

JUDGES' COMMENTS

Counties Power was recognised for its tradition of using innovation to solve problems not previously addressed.

In an excellent entry that showed true innovation, Counties collected the award for designing and building the world's first all-terrain vehicle with ground penetrating radar technology in the utilities sector.

It is a cunning way of avoiding underground assets, and incidental benefits see Counties enjoying improved health and safety, higher productivity and greater security of supply as well as a new revenue stream with huge potential.

where the company planned to build a new radio tower at Transpower's Bombay substation.

The survey reported the location of all known services, and identified some unrecorded assets, which subsequently proved to be a septic tank and other services for a home previously on the site.

PAL-GPR raised a red flag prior to construction, avoiding a potential hazard for Transfield, while also providing additional information for the asset owner.

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- Network Owner
- Transmission
- Distribution
- Generation
- Substation
- Hydro
- Solar



WINNER

Contact Energy

The Wairakei bioreactor - a world first

Contact Energy commissioned the Wairakei Bioreactor in August 2012 – a world first – on time and under budget.

Located at the site of the company's 55-year-old Wairakei geothermal power station, it is the culmination of more than 10 years of research, planning, testing and execution.

The bioreactor has already reduced hydrogen sulphide levels in cooling water discharged into the Waikato River by up to 85 per cent – reducing by 8,000 kilograms of hydrogen sulphide per week. It is on track to reach the target 95 per cent reduction by 2016 – conditions voluntarily agreed to by Contact in order to have the power station re-consented.

The project is just one part of Contact's \$750 million investment programme at Wairakei which includes the new Te Mihi power station, where the company is reducing its operational impact on the environment and ensuring the geothermal field's future sustainability.

Environmental impact

Contact began investigating the on-going environmental impact of its Wairakei operations in early 2000. It determined that hydrogen sulphide levels in the Waikato River downstream of the power station exceeded acceptable water quality guidelines and were contributing to a decline in fish stocks. The hydrogen sulphide is present naturally in geothermal steam, and ends up in the station's cooling water as a result of the design of the steam turbine condenser, which is then discharged to the Waikato River.

The company began investigating how it could utilise the naturally occurring sulphur oxidising bacteria that are endemic to the Waikato River to reduce the level of hydrogen sulphide being discharged from the Wairakei operations. And it did so without a blueprint – there was no similar project anywhere in the world that the concept or design could be based on.

Early studies focused on finding the optimum environment for growing the bacteria. Discoveries during those investigations included finding that bacteria grows better on smooth surfaces, that black pipes limit the growth of algae that could displace bacteria, that pipe length and water velocity impact bacteria growth and hence hydrogen sulphide removal rates, and that a thin film of bacteria produces optimal results over time. Based on these findings the detailed design for the bioreactor could proceed with some certainty.

Design

During the design phase the scale of the full size bioreactor quickly became apparent. It was initially calculated that 2,700 pipes – with a total length of more than 500 kilometres – would be required to meet the August 2016 consent limit.



Colin Fromont – ITL, Jo Wilton, Wayne Christie, Alan de Lima, John Skudder, Frank Geoghegan

JUDGES' COMMENTS

Contact Energy's Wairakei Bioreactor was a classic 'win-win' project that delivered positive results from all perspectives.

The plant, which was commissioned on-time and under budget, has succeeded in reducing hydrogen sulphide levels in the Waikato River by 85 per cent.

The very clear planning sequence that Contact followed - which comprised ten years of theory, planning, testing and scaled development - was highly commended.

Optimisations during the design phase led to the total pipe length being reduced to 378 kilometres. An 'over and under' pipe field configuration was also developed to minimise the pumping power required. This also simplified construction and reduced the land area and excavations required.

Other innovations during the project included the development of 'soilcrete' – a mix of pumice and cement that was used to form a supporting matrix around the polyethylene pipes. This development improved the overall environmental credentials of the project and reduced costs.

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WINNER

Contact Energy

Building a zero harm culture

Contact Energy's strong focus on workplace health and safety has driven improvements in performance, and the past year was no exception.

The company – which employs more than 1,000 full-time employees – reduced its workplace injury rate by 28 per cent to May 2013 compared with the previous financial year, despite a significant increase in exposure to high operational risk during major construction projects.

Since 2007 the business has reduced its total recordable injury frequency rate by more than 60 per cent thanks to its Towards Zero Harm health and safety programme.

Work programme

In the year to March 31, Contact began a work programme to refresh its safety communications and initiatives. It aimed to drive further improvement across key health and safety KPIs and ensure employees are engaged in the safety culture. A few of the initiatives included:

- Revitalising Contact's observation programme by implementing a leading indicator based on employee targets for observations, supported by a programme of zero harm conversation workshops to maximise the effectiveness of the observation programme. Target participation rates have been exceeded and observations continue to provide valuable insights and learnings.
- The Stay Safe Mate programme, launched in August 2012, built understanding around individual responsibility and accountability for safety, avoiding uncontrolled risks, and taking action to keep yourself and others safe.
- The Lifesaving Rules are designed to drive awareness around the health and safety behaviours Contact expects to see from its employees and contractors. In February 2013 Contact launched a set of rules that apply to the company's 11 highest risk activities that have the greatest potential to result in serious injury or death, including when working with heights, under suspended loads, or in confined spaces.
- In June 2012 a programme targeting the safe handling and delivery of LPG cylinders reversed a concerning trend in injury rates in this area of the business. The improvement programme included providing on-job guides with step-by-step instructions, pre-employment physical assessments to ensure fitness for work, and empowering drivers to refuse unsafe deliveries.

Numbers

Late last year, the company also completed a major planned outage at its Otahuhu plant with nil recordable injuries.



Paul Ravlich – Siemens, Dennis Barnes – Contact Energy

JUDGES' COMMENTS

The calibre and depth of entries in this category was outstanding. But Contact Energy took home the award for its proven track record of sustained excellence in this area.

Contact began a step-change revolution in health and safety back in 2007, and achieved a 60 per cent reduction in workplace injuries through to 2011.

Extensive efforts in the past year and a renewed focus on good health and safety behaviours resulted in a further 28 per cent reduction in workplace injuries in 2012.

More than 50,000 man hours were worked during the October to December shutdown. During this time, 276 safety observations were recorded, just 19 per cent of which identified unsafe conditions and behaviours. Key learnings were published in a daily newsletter and discussed at toolbox meetings.

As at May, the total recordable injury frequency rate for Contact's \$750 million Wairakei investment programme year-to-date was 5.0 – below the industry average. The company credits the result to persistent scrutiny of health and safety practices, including the appointment of four full-time safety observers.

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SIEMENS

WINNER

Contact Energy

The Wairakei bioreactor - a world first

Contact Energy's bioreactor at Wairakei is a world first.

The new facility is designed to improve the environmental management of cooling water discharges into the Waikato River. It does so by using naturally occurring sulphur oxidising bacteria to reduce hydrogen sulphide levels in a large-scale, geothermal operation.

Thanks to its unique design, the bioreactor has reduced hydrogen sulphide levels in the cooling water by up to 85 per cent. Its commissioning in August 2012 was the culmination of 10 years of environmental and technical studies into the environmental impact of Contact's 172 MW geothermal power station at Wairakei.

The project was initiated after a consent review in 2000 determined that hydrogen sulphide levels in the Waikato River downstream of the power station exceeded accepted water quality guidelines and were contributing to a decline in fish populations.

Contact volunteered to reduce the hydrogen sulphide levels from the power station, and was granted a new cooling water discharge consent that included this requirement and which came into effect in 2012 - previously there had been no consent requirement to restrict discharge rates of hydrogen sulphide.

Structure

The bioreactor is designed around a large network of pipes – 378 kilometres in total – in which bacteria thrive. Cooling water from the power station flows through the pipes and the bacteria removes the hydrogen sulphide before the water is discharged into the Waikato River.

A small-scale pilot was built and tested between 2001 and 2004 and this informed both further trials in 2011 and the concept and detailed design of the full-size bioreactor.

Discoveries during the investigation phase included finding that bacteria grows better on smooth surfaces, that pipe length and water velocity impact bacteria growth and hence hydrogen sulphide removal rates, and that a thin film of bacteria produces optimal results overtime.

A number of initiatives also improved the overall environmental credentials of the facility. They included using of recyclable polyethylene (PE) pipe, reuse of soil and pumice to make low-strength grout, extruding PE pipe onsite, and using a pump and siphon to reduce the electricity required.



Wayne Christie, Jo Wilton, John Skudder, Alan de Lima, Frank Geoghegan, David Robinson – PEPANZ

JUDGES' COMMENTS

Contact Energy's Wairakei Bioreactor was recognised for the positive contribution it has made to the health of the Waikato River in reducing hydrogen sulphide levels by 85 per cent to-date.

Contact's dedication, ingenuity and project management were impressive and the project was hailed as an excellent example of an industry participant doing the right thing for the environment.

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WINNER

Karen Frew

Asset management maturity manager,
Powerco

Powerco says Karen Frew, the company's asset management maturity manager, has a 'rare' ability to work across both technical and commercial parts of a lines business. And it is this expertise – gained from having worked in the electricity industry for the past 17 years – that has seen Karen successfully lead the company's work over the past year assessing the need for a customised price path (CPP).

Karen has spent 10 years in various leadership roles at Powerco. Her earlier achievements include leading valuation integrity projects that saw Powerco's 2004 ODV valuation corrected by almost 20 per cent.

In July 2011, she was chosen to set up a programme to decide whether Powerco was ready to submit a CPP application. And while the company has since decided not to proceed with an application until after the next regulatory price reset in 2015, it has now started the preparatory work and is building its learnings into 'business as usual' thanks to Karen.

In approaching the project, Karen was required to understand the complex nature of the economic regulation of lines businesses, and the technical and commercial case for future investment that is required to be robust, reflect customers' long-term requirements and provide for ongoing efficiencies.

She looked at best practice opportunities from Australia and the United Kingdom, and set about communicating with stakeholders – shareholders, executive management, and customers – about what they would need from the process. There was an earlier recognition that decisions would have to be transparent and 'evidence-based' as all of Powerco's processes and practices would be open for review if it applied for a CPP.

Asset management tool

During the process Karen recognised there were issues with staff not being able to analyse asset data sitting in different systems – for example, not being able to demonstrate the link between the health and performance of assets and future investment priorities.

This led to the design of an asset modelling tool – also known as the flexible data solution – that collates network and financial performance data with physical asset data into a single source. It now enables bespoke data querying.

Karen led a team who set about linking the meta-data relating to assets – such as replacement and residual value, historic expenditure, location, age, criticality, condition and importance – in a way that all staff could view and use to query information to support better decision-making.



Karen Frew – Powerco, Grant Gillard – ABB

JUDGES' COMMENTS

Karen is an up and coming executive in the electricity industry.

The skills and experience gained from 17 years in the industry allow her to move easily between the technical and commercial parts of the business to her and Powerco's benefit.

Karen's achievements in the past year are impressive – she led her team to design and build and innovative asset modelling tool and began preparatory work towards a customised price path application in the future.

A model was designed using four components: a geo-processing engine that takes raw data and groups assets based on commonalities; a modelling tool that provides for performance of business rules, calculation of derived values and production of an analytics database; network performance layers that match up asset performance and condition information with core data; and modelling capability that allows user input to set rules and parameters.

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WINNER

Rob Jager

Country chairman & chief operating officer, Shell New Zealand

Shell New Zealand credits Chairman and General Manager Rob Jager for aggressively pursuing a growth strategy that has seen the company expand its local exploration efforts for the first time in 10 years.

Rob's inspirational local leadership continues to convince Shell Global that investment in New Zealand is worthwhile, despite the country being seen as a 'hard sell' due to its tough geology and relative isolation.

Rob's recent efforts have seen the company front exploration in the Great South Basin, where it now operates two permits. Shell took over operatorship of PEP 50119 from partner OMV in April 2012 and followed that up by participating in an adjacent licence awarded in the 2012 blocks offer.

Shell is currently processing 3D seismic data and exploring potential development options to determine whether to move to the next phase and drill an exploration well. During this time Shell has been progressing the environmental, social and cultural impact assessment and actively engaging with the local communities, with Rob taking a personal lead.

Earlier this year Shell applied for a prospecting permit in the frontier New Caledonia Basin in partnership with the China National Offshore Oil Corporation (CNOOC). The proposed permit covers almost 147,180 square-kilometres of ocean and extends more than 600 kilometres north-west of Cape Reinga, to the north-west border of New Zealand's extended continental shelf.

Vision

Rob's vision and influence are two of the key factors driving the company's strengthening relationship with China, evidenced by the CNOOC partnership, and in the leasing of the Chuanqing rig for the recent development drilling at Kapuni.

The Kapuni tight gas project is one of several development projects underway at Shell's part-owned producing fields in Taranaki, thanks to Rob's focus on the need to ensure the group's assets are optimally invested in, maintained and modernised.

The Pohokura gas-reinjection project, commissioned in December 2012, is aimed at increasing liquids production from the field. At Maui - 83.75 per cent-owned by Shell - efforts to extend the life of the field continue.

Rob has taken the lead in championing the Maui end of life project, with success evident in the award-winning 2011/2012 Maui B drilling programme that booked substantial new reserves for the company.

Rob is well known for his health and safety leadership and is chair of both Be Safe Taranaki and the Business Leaders



Pat Hills – Transfield Worley, Rob Jager – Shell New Zealand

JUDGES' COMMENTS

Rob is a star performer and he can be credited for his outstanding leadership of Shell and the entire petroleum industry this year and years gone by.

Shell's excellent health and safety record, commitment to meaningful community consultation, and unprecedented current work programme are all hallmarks of Rob's success.

Rob is a cheerleader who put New Zealand back on the map, as can be seen through Shell's exploration in the frontier Great South and New Caledonia Basins.

Health and Safety Forum. He was recognised for his commitment to safety when the Minister of Labour last year invited him to chair an independent Government taskforce on workplace health and safety.

The process the taskforce adopted, and its recommendations, have been widely applauded.

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Northpower

Northpower's Network business has just recorded one of its most successful years to date.

System reliability has dramatically improved, with a 38 per cent unplanned SAIDI improvement recorded in the year to March, and an 85 per cent improvement since 2008.

Northpower credits a pragmatic and targeted operational and capital expenditure programme for the step change. Operational expenditure was down 6.3 per cent over the past year and has trended down an average of 4.5 per cent over the past four years. Capital expenditure for the period was up to \$21 million, with the company undertaking a number of significant networks projects.

Network investment in the latest period included the replacement of almost 60 kilometres of overhead line, with Northpower utilising a tensile strength test machine to assess which conductors needed replacing. The company also replaced 76 manual and six automatic overhead air break high voltage switches with metal-clad SF6 insulated switches.

Northpower initiated a successful tree trimming programme targeted at reducing tree-related faults, which led to 60 per cent of all trees on feeders within the network being cut back.

In other areas Northpower has performed well, with the company's contract for the rollout of Northland's fibre network running within budget and six months ahead of schedule. At March 31 it was 70 per cent complete.

The fibre build – which Northpower was awarded as part of the Crown's \$1.5 billion ultrafast broadband strategy - represents another revenue stream for the company outside of its traditional lines and poles business.

Northpower's Network arm is managing the project and has used its existing lines assets to make innovation gains in the fibre build. For example, passive optical network technology has been used to produce leaner fibre, which is competitive with copper but produces a superior technical performance.

The Northpower Network business operates the electricity lines distribution network in the Kaipara and Whangarei Districts.

Overall, a strong financial performance saw the group, which includes Northpower's New Zealand and Australian contracting businesses, achieve a net profit of \$11.5 million, up 17 per cent on the previous period. The lines company provided a line rebate to consumers of \$4.7 million, and a dividend to the Northpower Electric Power Trust of \$4 million, up 5 per cent on the year before.



Mike Hayes, Ross Armstrong, Graham Dawson, Russell Watson, Jason Woodcock – TE Connectivity

JUDGES' COMMENTS

It was Northpower's all-around excellence in the past year that saw it take out this award, and the company can be particularly commended for its focus on cost control and delivery.

Recording one of its most successful years to-date, highlights included higher operating earnings, a huge improvement in system reliability, significant gains made by the company's contracting arm, and the success of the company's fibre rollout that is running within budget, six months ahead of schedule.

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WINNER

BP

Petroleum retailer BP had an exceptional year in 2012, which it attributes to a combination of industry-leading fuel, convenience and retail offerings.

The company sold more fuel and coffee than its counterparts, and recorded a strong financial performance. Overall, revenue in the year to December 31 was up 2.5 per cent to \$3.59 billion.

And that was in a year where the industry overall saw little volume growth. In the year to March, the company reported 11 months of year-on-year volume increases for combined diesel and petrol volumes.

Volumes, on a rolling year-to-date basis, ended the period 6.9 per cent higher, compared with growth of 0.9 per cent for the rest of the industry.

BP has been retailing in New Zealand since 1946. It currently owns 80 BP Connect sites and has a chain of 120 BP branded independent retail outlets, as well as a fully integrated supply chain that includes a national network of terminals, logistics and distribution and trucking services.

The company beat its 2012 earnings target. Including fuel supply agreements BP has in place with Gasoline Alley and Foodstuffs, retail sales channels provided 70 per cent of its total profit in 2012.

The AA Smartfuel offering rolled out in late 2011 and early 2012 has delivered 25 per cent more transactions than the AA Rewards programme it replaced. That implies an annual volume improvement of 46 million litres and goes a long way to mitigating the discount supermarket fuel docket programme the company ended in December.

Quality, convenience

BP says its retail success is built on providing customers a quality service, including a range of premium fuels, a competitive convenience offering and a first-class café experience.

The firm says its slate of premium fuels, including BP Ultimate 98 and BP Ultimate Diesel, is a key point of difference in the industry and an important part of the company's strategy to snare a disproportionate share of premium fuels growth.

Convenient locations are a major driver of fuel purchases and BP has worked hard the past year improving and refreshing its food and convenience store offering.

BP holds the title as the largest retailer of barista coffee in New Zealand. The Wild Bean Café - located at all BP Connect sites - has improved its performance in terms of sales and margin each year for the past consecutive three years, representing an increase of 580,000 units of coffee, a 13 per cent increase in food margin, and a 6 per cent increase in sales.



Catherine Somerville – Chapman Tripp, Jonty Mills – BP

JUDGES' COMMENTS

This was one of the hardest categories to judge, but it was BP's exceptional performance above and beyond its own sector that set it apart.

BP submitted a multi-dimensional entry that proved success in all areas of its business including fuel, convenience and coffee retailing.

Selling more fuel than any other fuel retailer – largely boosted by its new AA Smart Rewards programme – BP also outperformed the others in terms of customer service and quality products.

In the past year the firm added free Wi-Fi, more comfortable seating, outdoor seating and large digital screens, to improve its customers' experience.

The refresh of the BP Connect stores – already larger than those of most competitors – has seen transaction site counts increase 2 per cent, store transactions by 1 per cent. The net profit of convenience retail grew by 49.3 per cent, underlying convenience profitability by 28 per cent, and 54 per cent higher sales per week were recorded than the rest of the industry.

BP's independent global brand tracking found that in the fourth quarter of 2012, BP made the best gains in terms of being seen as a successful company and having a quality product and service compared against other petroleum retailers. According to a recent survey conducted by TV3's Target show, BP was rated first against rivals Z Energy and Mobil in terms of service, value and toilet standards.

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WINNER

Transpower

Transpower achieved several key milestones in the past year marking the company's transformation as the operator of a more flexible and responsive national grid.

The company has been working over the past five years to develop a grid better suited to delivering electricity from more variable and widespread renewable generation while also enabling greater demand-side participation in the industry.

In the past year the company commissioned two of four major projects underway – the North Island Grid Upgrade and the new Pole 3 expansion of the HVDC link. These projects are among some 170 transmission upgrades that the company has planned or underway.

Both projects relied on innovative systems to minimise cost, the impact on neighbours and landowners, and the interruption of essential power supplies.

Project innovations

The \$672 million construction of Pole 3 saw a new 700 MW thyristor valve unit installed to replace the decommissioned Pole 1 and restore HVDC transfer capacity to 1,000 MW both northward and southward.

The project was commissioned under budget and in time for winter in late May 2013 after months of testing 'in the market' – a world first. Contracting with generators to have the pole commissioned within the live electricity market reflects the confidence the industry had in Transpower's risk management capabilities.

NIGUP was the first 400 kV- capable overhead transmission line designed and built in New Zealand. The project involved the construction of a 186-kilometre transmission line from South Auckland to Whakamaru spread across 426 tower sites.

The work required access to 318 properties and Transpower successfully negotiated easements for every one. Environmental mitigation was required on about 800 properties under a landscape mitigation planting programme. And in terms of health and safety, just two lost-time injuries were reported throughout a project where an average 57,000 man hours were worked every month.

Cultural change

Transpower says the processes developed within these projects are examples of the change in culture within the company from 'this is the way things have always been done' to one that fosters innovation and development, encourages superior customer service, respects people affected by works and recognizes the need for new ideas and new ways of doing business.

Transpower says the new approach reflects the direction offered by Transmission Tomorrow, the company's forward



Kevin Small, Jitesh Raniga, Mike Carter, Cynthia Brophy, Gavin Murray, Rebecca Wilson, Peter Cahill, Christian Carter, Arun Chaudhari – Port Taranaki, Patrick Strange

JUDGES' COMMENTS

Transpower picked up this award for its success in ensuring the future of the national grid, thereby restoring much needed security and public confidence in New Zealand's transmission infrastructure.

Transpower was commended for an exceptional year in all areas including asset management, health and safety and financial performance; and the commissioning of pole 3 live in the market was considered to be remarkable.

view of the need for the enduring grid. It is already delivering other long-term benefits.

With the peak of the firm's capex programme now behind it, the company last year paid a \$315 million dividend to its Crown shareholder, the first in six years.

Customer satisfaction rates are up to 85 per cent, from 68 per cent in 2007. And after recognising a change in safety culture was needed in 2005/2006, the company has continued to drive its injury rates lower.

Transpower has improved its ranking on the DuPont Safety Culture Indicator from 'reactive', to 'independent' this year – reflecting a strong feeling of personal ownership and commitment to safety among individual staff.

sponsored by



WINNER

Bob Thomson

Bob Thomson, a Vector director for the past eight years, has spent 50 years in the electricity industry, including almost 16 years running Transpower, both within ECNZ and after its establishment as a separate SOE in 1994.

In 1987 he was appointed to a taskforce charged with developing a commercial structure for the former NZED, and then became ECNZ's head of transmission. He would go on to serve on the Wholesale Electricity Market Development Group and was also a director of market operator EMCO for four years from 1994.

After his retirement from Transpower in 2003, Thomson became an advisor to the Electricity Trusts of New Zealand.

Energy News Editor Gavin Evans says Thomson's biggest contributions to the sector were probably in that first decade with Transpower, which included construction of Pole 2 of the HVDC link and much of the earliest and most challenging market reforms.

Pole 2 – a \$568 million development – was one of the country's largest ever capital projects at the time. The work completed in 1991, involved the laying of three new cables



Gavin Evans – Energy News, Bob Thomson, Marcel Manders – MB Century

in Cook Strait, reconfiguring the existing mercury arc valve converters and adding new thyristor valve converters at Benmore and Haywards.

Thomson joined the New Zealand Electricity Department in 1963, and his early career included work on the construction of the Otahuhu A gas turbines and the gas-fired New Plymouth power station, commissioned in 1974. He held a series of regional operations and management roles before he was named to run Transpower in 1988.

Evans says Thomson married the best traditions of the former 'public service' electricity supply ethic with the commercial drivers necessary for improving efficiency within the industry.



We serve more than just fuel.

BP has always been passionately involved with the wider New Zealand community. Every year we directly donate funds and fuel to many community organisations. Our 45-year sponsorship of Surf Life Saving New Zealand has helped grow a rescue fleet that has saved thousands of lives.

We listen to our customers and continuously develop innovative products and forward thinking technology. We started New Zealand's first forecourt recycling programme and use water recycling programmes in all BP Connect car washes. BP was also the first fuel retailer to use the 'tap and go' payment system.

Wild Bean Cafe is the largest retailer of 100% Fairtrade Certified coffee beans in New Zealand, and we've made sure that the over 8 million cups we serve up annually are made with recyclable materials by a local New Zealand supplier.

Two-thirds of our service stations are owned and operated by independent Kiwi business people, and through our wider operations, we help employ over 3,000 people across the country.

Being voted New Zealand's 'Energy Retailer of the Year 2013' by the Deloitte Energy Excellence Awards only strengthens our longstanding commitment to our customers and New Zealand.

Every day part of your community since 1946.



WINNER 2013



Finalist:
New Zealand
International
Business
Awards 2013

Leaders in Specialist Billing and CRM Software for Utilities

Congratulations Counties Power
Winner: Energy Innovation in Electricity 2013

