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Westport's FreshChoice sold

by Amelia Langford

FreshChoice Westport has been sold to Countdown and will be converted to a Countdown store.

The sale takes effect from November 1. The current owners, AJ and Leanne Power, said they had carefully considered the offer before accepting.

"A big factor in our decision included assurances that all our staff would be retained, as we understand the importance of job security at this time," said Mr Power.

They would be sad to leave as they had devoted five years of their life to the business, he said.

"We believe that the FreshChoice brand is thriving, and this success triggered Countdown's interest in purchasing our store."

He and his wife would help with the transition period then spend more time with family, he said.

He declined to say how much the supermarket had sold for.

Progressive Enterprises managing director Peter Smith it was a positive move for the business to keep the supermarket within the "Progressive family".

"Over \$1 million will be invested in refurbishing the store to the Countdown standard," he said.

The conversion to Countdown would take place over an "extended period of time" and would be quite different to the current in-store experience.

"The store will be rebranded to a new generation Countdown with our extended range and latest offers for customers," he said.

Countdown would buy all of Westport FreshChoice's assets, including stock and the trading operation, and lease the premises.

Financial details of the sale were commercially sensitive, he said.

Until now, Countdown did not have any stores on the West Coast. It had also bought the Greymouth FreshChoice store.

"Through acquisition of the FreshChoice stores in Greymouth and Westport, Countdown will have an immediate presence. It is believed that Countdown's low prices and value offer will be very appealing to customers," he said.

More jobs could be generated in the store, which currently employs about 90 full and part-timers.

"(Countdown offers) great value and a pleasant shopping experience for customers. With this increased appeal it is considered likely that there will be an increase in jobs in the Countdown store," said Mr Smith.

Buller Mayor Pat McManus said the new venture would bring more competition to Westport.

"The consumer will be the beneficiary at the end of the day... It will certainly keep grocery prices to a minimum," he said.

The move signified the continuing growth of Westport.

"It's a sign that those people (Progressive Enterprises) are ready to invest in this town."

Some Westport residents might not be happy about it, he said, but the new supermarket could create a lot more jobs.

Shopper Bernard Casey told The News today he enjoyed shopping at FreshChoice because it always seemed to be cheaper than New World. "(Staff) are friendly and I find it's a good place to shop," he said.

He didn't think converting the store to a Countdown would make much difference.

Joel Sara said he shopped at FreshChoice and New World. He didn't mind if FreshChoice became a Countdown store. His main priority was that competition between supermarkets in Westport remained.

Meanwhile Carol McGhie said she would definitely shop at Countdown.

"I think we need something different but I will be sad to see FreshChoice go."



Sold: Westport's FreshChoice supermarket will be converted into a Countdown. (Photo - Amelia Langford).

TrustPower under-bills customer

by Lee Scanlon

TrustPower says it has under-billed one of its Westport customers by over \$2000 in just over a decade because of an error it inherited from Buller Electricity Ltd (BEL).

TrustPower said the error in John Reedy's account was one of a "significant number of metering configuration errors" TrustPower had found since it bought BEL's retail business in 1999.

TrustPower recently wrote to Mr Reedy, saying it had under-billed him by \$550 in the past two years. However, because it was responsible for the error it would not charge him extra.

He contacted The News because he could not understand why the error took so long to find, and why his day rate had now increased from 28.72c a unit to 32.57c.

TrustPower community relations manager Graeme Purches said the \$550 under-billing was just the tip of the iceberg. "Effectively, we have been under-billing this property since we took it over in early 1999, so I guess the total under-billed in this time would be in excess of \$2000."

Mr Purches said Mr Reedy's home had a dual register meter, with no ripple control relay. This meant BEL could not control the load by turning off things like hot water during peak demand.

Mr Reedy's new pricing plan provided a more expensive day rate and cheaper night rate than the standard 24-hour rate. However, the night rate was not as cheap as for properties with fully controlled meters.

The 24-hour rate of 28.72c was available only for a standard one meter uncontrolled supply, or in association with a controlled night rate, Mr Purches said. To get it, Mr Reedy would either have to lose his cheaper night rate, or pay to have a relay installed and convert to another payment option.

Whether he saved on his power bills would depend on the size of his hot water cylinder and his nightly power use.

If Mr Reedy contacted TrustPower, its staff could help him work out whether any change would be worth it.

The billing error was picked up as part of TrustPower's meter compliance auditing process, Mr Purches said. It was not detected earlier because it was not unusual to have a 24 hour/controlled option on a dual register meter.

BEL profit up

by Lee Scanlon

Buller Electricity Ltd's (BEL's) tax-paid profit increased 36 per cent to \$1.19 million for the year ended March 31, according to the company's annual report.

BEL made a profit of \$878,000 the previous year.

However, chairman Frank Dooley said the financial performance was "somewhat disappointing" given the significant growth in income.

Operating revenue increased from \$9.70m to \$15.51m. Operating expenses rose from \$4.49m to \$8.36m.

Transmission costs went up from \$1.83m to \$2.11m and administration expenses rose from \$2.36m to \$3.74m.

Mr Dooley said directors were conscious of the need to cut costs to provide better returns to consumers.

The consumer-owned company's decision to invest \$1.2m in Pulse Utilities, which owns power retailer Pulse Energy, aimed to generate retail competition. The initial benefits to consumers had been "very encouraging".

"The competition generated among retailers has also highlighted some of the less pleasant practices operating in the sector and the lengths some will go to retain customers," Mr Dooley said.

On March 31, BEL also bought Nelson-based electrical contracting business Electro Services Ltd.

Like the Pulse investment, the purchase was



Frank Dooley

strategic, he said. "With an enhanced skill base Buller Electricity will be able to pursue larger development opportunities. The purchase will also assist with the streamlining of contracting resources and be a catalyst for driving efficiencies."

BEL's network performance continued to be within projected targets, despite extreme wind storms in September and October last year, Mr Dooley said. BEL's response plan was tested, and it was pleasing no consumers suffered lengthy outages.

The network's performance reflected ongoing investment in the asset and up-skilling staff. BEL had maintained staffing levels despite the worldwide shortage and aggressive recruitment of skilled electrical resources.

The economic outlook for the Buller district was exciting. There were now three consented hydro-power schemes within Buller.

BEL had provided \$50,363 sponsorship to individuals and community organisations during the year, and contributed another \$100,000 to the Buller Electricity Aquatic Centre, as well as spending \$9000 on a monthly educational page in The News.

The annual report shows BEL had one employee in the \$190,000 - \$200,000 pay bracket and two employees in the \$120,000-\$130,000 pay bracket.

Mr Dooley received remuneration of \$32,500. The four other directors - Warren McNabb, Murray Frost, Kevin Poynter and Peter Young - each received \$18,750.

Water sparks health fears

by Amelia Langford

A Westport man says he will sue the Buller District Council if he gets sick from drinking Westport water.

"I need fresh water because I'm a diabetic. I've got a boiler but, excuse the expression... it still tastes like sh*t," said Mark Harrison.

Decent water was essential to his health.

"I'm not worried about most things but water is a thing that we need for life support."

He speculated poor water could affect his diabetes and cause possible side effects.

"If I get sick, I am suing the council," he said.

He would seek legal advice from Westport lawyer Doug Taffs if necessary.

The council should compensate him for having to buy bottled water or deliver fresh water from Christchurch. "I can't drink this water. It's costing me \$50 to \$60 a week, which I haven't basically got, to buy bottled water."

Mr Harrison, who has been a diabetic for about four years, said he had rung the council but had been "fobbed off".

He planned to go to his dietician and get a certificate to prove he needed good quality water.

The council will start a \$143,000 upgrade of filters at the water treatment plant next Monday. Work is expected to take about three weeks.

The water will be dosed with chlorine to kill bacteria. However consumers are still being advised to boil it to kill protozoa - single celled organisms, which cause diseases such as giardiasis.

Alcohol costs rise

by Chloe Vaughan

Alcohol price hikes will start to hit Westport customers' pockets soon.

Until now Westport hoteliers have absorbed some price increases.

Hospitality Association of New Zealand Buller branch president Margaret Grant said they had absorbed an April price rise of 3 percent on packed beer, spirits and wine prices increased to cover suppliers' extra costs.

The increase equated to about 20c on a 12-ounce beer and about 20 to 50c on a bottle of wine or spirits.

On July 1, the Government had announced a 3 percent annual rise in excise duty. New Zealand Breweries had also increased prices from June 28 and DB Breweries cost increases took effect on July 5. This was in response to the Government's increase in excise tax. Prices had increased on average by 3 percent on packed beers, cider, and ready to drinks and tap beers increased by 2.9 percent, Mrs Grant said.

Hoteliers had a choice about how much they would increase their prices. The hospitality industry wanted to keep increases to a minimum but every business had had increased costs, she added.

Criterion owner Glen Elley said the increases in tax had to be passed on to customers now. "It's going to hurt to start with," he said.

The price of a jug of beer would rise from \$9.30 to \$9.80.

Prices would increase again in November when GST went up 2.5 percent.

Cosmopolitan owner Glenn Pratt said he expected people to complain about the price increases at first. In the past he had absorbed the increased costs but it was not possible anymore.

"Everyone has to onload the costs, don't they? They can't keep the price the same when it is costing you more and more all the time."

"It's getting quite expensive for the average Joe Bloggs to go out and have a few beers now."

In some cases, tap beer, which had previously been cheaper, was now a similar price to bottled beer.

He had not adjusted his prices yet but it would be happening sometime this week.

McManus Hotel co-owner Barrie Forsyth said he was still deciding what to do about the price increases.

"No matter what I do no one is going to be happy with me," he said.

The price increases would vary a little.

"The pricing is going to be up and down a bit. Some things we are too cheap on already and others we are already up with the play."

"We will definitely be trying to cover the increased costs plus we have other increases such as electricity."

McManus Hotel had absorbed alcohol price increases in the past but it had taken a cut in profit margin to do so, he said.

"But you can't afford to keep doing that because eventually you are going to go out of business, so I'm not going to do that this time. I'm going to have to increase it the full amount, but I haven't worked out what that is yet," Mr Forsyth said.

Operating costs were not getting any cheaper either and customer numbers were not increasing hugely.

Westport's current water problems were likely to increase costs as well and the hotel would have to buy ice in, he said.

A \$143,000 upgrade of the Westport water treatment plant's filters is due to start on Monday, and expected to take three weeks. The water will be dosed with chlorine to kill bacteria. However consumers are still being advised to boil it to kill protozoa - single celled organisms, which cause diseases such as giardiasis.

Pulse seeks \$5m injection

by Amelia Langford

Buller's newest power retailer Pulse Energy plans to raise up to \$5 million, through bonds, to generate capital.

The private company will issue up to \$5m worth of convertible notes. The notes, a type of bond, can be converted into cash or shares, at a price of 60 cents per share, after 18 months.

Pulse must pay 10 percent interest on the notes each year.

The notes are not available to the public but only to wealthy investors, relatives or close associates of Pulse and professional investors.

Pulse chief executive Dene Biddlecombe told The News he was confident it could raise the funds required.

"We have no concerns at all that the capital required will not be raised. We have several parties showing interest in investing in the Pulse convertible notes as they can see the significant progress we have made in the last 12 months," he said.

The note offer was issued for several reasons. "The convertible notes are for a variety of requirements including the purchase of smart meters and growth opportunities," he said.

The offer was not available to the public because Pulse would then need to produce a prospectus, which involved significant compliance costs.

Mr Biddlecombe and two other shareholders have already indicated they will invest in at least \$100,000 of notes each.

A Pulse "pre-break" announcement says it needs to raise funds to establish its business as a competitive electricity retailer in New Zealand. This included capital to install smart meters.

"With new customers joining Pulse, Pulse often seeks to fund the manufacture and installation of its smart meter technology at their premises as soon as possible," the report said.

Pulse now had 10,018 customers, including customers in the process of switching, and had added about 350 customers each week on average in the last six months.

In mid-June, The News reported Pulse had posted a \$7.05m loss for the last financial year. However its revenue had increased 659 percent.

The loss included amortisation, depreciation, and a write-off of over \$4m on its Australian intellectual property, in the year ending March 31, 2010.

Pulse's share price has fallen 35.7 percent over the last 12 months and is down 10 percent in the last six months.

Buller Electricity Ltd (BEL) has invested \$1.2m in Pulse, giving it a 10 percent stake in the company.

BEL chairman Frank Dooley could not be reached for comment.

NOON TEMPS: KARAMEA 11



WESTPORT 11



TOMORROW: WESTPORT 14

WESTPORT 14



GREYMOUTH 14



NELSON 14



CHRISTCHURCH 13

