Invercargill
CITY COUNCIL

Monday 1 September, 2014

FOR IMMEDIATE RELEASE

ATTENTION: CHIEF REPORTERS
CIVIC REPORTERS

Councillors briefed on major transaction

Invercargill City Councillors have today been briefed about a major transaction involving Electricity Invercargill Limited (EIL), one of the subsidiary companies of Invercargill City Holdings Limited (Holdco), which is owned by the ratepayers of Invercargill.

EIL and its joint venture partner, The Power Company Limited (TPCL), have increased their investment in the OtagoNet Joint Venture Company for an undisclosed sum.

Mayor Tim Shadbolt said that Councillors were briefed in August about moves by the two joint venture partners to bid for an increased share of OtagoNet. Results of the bid were opened today and the EIL-TPCL joint venture was declared successful.

"The electricity industry is extremely complex and highly competitive. Directors and staff have worked hard on this bid and I am delighted that they have been successful. Holdco and EIL are a very important part of Council's revenue stream because their dividends help keep rates increases down for ratepayers – so this is very good news," Mr Shadbolt said.

Holdco Chairman, Cr Graham Sycamore also welcomed news of the successful bid and said it further strengthened the portfolio of EIL and Holdco.
"The Board of EIL has worked through the complex bid process, with staff and specialised consultants, and will now bring a full proposal through to Holdco.
"Holdco will also engage specialists to peer review the work of EIL's consultants and in turn bring a recommendation through to Council as to the level of investment it should take up in the newly structured OtagoNet."

Cr Sycamore said he expected Holdco's recommendation to be considered by Council prior to the end of September.

ENDS.

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