

IN THE MATTER of the Resource
Management Act 1991

AND

IN THE MATTER of submissions by King
Country Energy Limited on
the Proposed One Plan
notified by the Manawatu
Wanganui Regional Council

STATEMENT OF EVIDENCE OF DAVID CHRISTOPHER FINCHAM

Introduction

1. My name is David Christopher Fincham. I am the Energy Supply Manager of King Country Energy Limited (**'KCE'**). I am a Chartered Electrical Engineer.
2. I have been the Energy Supply Manager at KCE for six years. My responsibilities include managing the current and future generation assets and projects for the company. This also includes the management of all Environmental projects for the Company.
3. With me today are Bill Armstrong of Todd Energy Limited (**'Todd'**) and David Schumacher of Ryder Consulting Limited (**'Ryder'**). Mr Armstrong will present company evidence on behalf of Todd, who are presenting today in support of the submissions of KCE and Meridian Energy Limited (**'MEL'**) on the Horizons Proposed One Plan (**'Proposed Plan'**). Mr Schumacher will present expert planning evidence on behalf of KCE and Todd.

Summary of Evidence

3. My evidence will cover:
 - Generation Assets owned by KCE;
 - Overview of KCE's assets in the Manawatu Wanganui Region;

Assets Owned by King Country Energy

4. KCE is a renewable electricity generation company that owns and operates four Hydroelectric Power Generation Schemes. These Schemes include Kuratau (6MW), Mokauiti (1.7MW), Wairere (4.6MW) and Piriaka (1.3MW). Piriaka is within the Manawatu Wanganui Region.

5. KCE also owns 50% of the Mangahao Hydroelectric Power Generation Scheme (23MW), which is also located within the Manawatu Wanganui Region, in a Joint Venture with Todd. While Todd operates this Scheme, KCE's shareholding represents KCE's single largest generation asset.
6. The Hydroelectric Power Generation Schemes owned by KCE are important assets; they provide security of supply to the Company's retail division. Without this security, KCE would have suffered, and possibly failed, during the dry year events in the early 2000's.

Overview of Piriaka Scheme

7. The Piriaka Hydroelectric Power Scheme ('**PHEPS**') is located on the Whanganui River approximately 5 km south of Taumarunui. The Scheme was built in 1924 to supply power to the young township and has been a cornerstone of the development of electricity distribution in the area.
8. PHEPS does not have any storage and diverts a percentage of the Whanganui flow in order to generate electricity. The inability to store water, particularly in times of surplus, means that any water extracted upstream of the Scheme directly affects its performance.
9. The Scheme went through a robust re-consenting process in 1999 to continue operations. The resource consents gained along with the anticipated water availability, have been used as the platform for making further investment decisions at the Scheme.
10. Whilst the Proposed Plan acknowledges existing water users it is with dismay that the Piriaka Scheme is still not included in any Schedule within the Proposed Plan.

Overview of Mangahao Scheme

11. The Mangahao Hydroelectric Power Generation Scheme ('**MHEPS**') will be addressed within the evidence of Todd, to be presented by Mr. Armstrong, as Todd operates the Scheme.

KCE's submission

12. KCE came to the Proposed Plan reasonably late in the public notification period. As a consequence of this, KCE chose to make a very targeted submission to the Proposed Plan.

13. Since lodging its submission, KCE has reviewed the remainder of the Proposed Plan. In doing so we identified a number of other matters that were of concern to us. In seeing that many of the matters were addressed in the submissions of MEL, We approached both organisations and requested that it be able to produce evidence in support of the submissions made by those organisations. MEL agreed to our request and, as such, we engaged Ryder Consulting Limited ('**Ryder**') to prepare expert planning evidence on the pertinent matters. Consequently, this evidence reflects a combination of the relief sought by each of these parties in light of the requirements of KCE. Mr. Schumacher will present this evidence today.
14. The evidence of Mr. Schmacher will provide recommendations on the proposed provisions that have the potential affect KCE's future operations.
15. KCE would like to thank the Hearing panel for the opportunity to present its evidence.

Chris Fincham

19th October 2009

Annexure 1: Diagram of Piriaka Hydroelectric Power Generation Scheme

