

**EDB Information Disclosure Requirements
Information Templates
for
Schedules 1–10**

Company Name	Wellington Electricity Lines Limited
Disclosure Date	31 August 2018
Disclosure Year (year ended)	31 March 2018

Templates for Schedules 1–10 excluding 5f–5g
Template Version 4.1. Prepared 24 March 2015

Table of Contents

Schedule	Schedule name
1	<u>ANALYTICAL RATIOS</u>
2	<u>REPORT ON RETURN ON INVESTMENT</u>
3	<u>REPORT ON REGULATORY PROFIT</u>
4	<u>REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)</u>
5a	<u>REPORT ON REGULATORY TAX ALLOWANCE</u>
5b	<u>REPORT ON RELATED PARTY TRANSACTIONS</u>
5c	<u>REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE</u>
5d	<u>REPORT ON COST ALLOCATIONS</u>
5e	<u>REPORT ON ASSET ALLOCATIONS</u>
6a	<u>REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR</u>
6b	<u>REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR</u>
7	<u>COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE</u>
8	<u>REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES</u>
9a	<u>ASSET REGISTER</u>
9b	<u>ASSET AGE PROFILE</u>
9c	<u>REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES</u>
9d	<u>REPORT ON EMBEDDED NETWORKS</u>
9e	<u>REPORT ON NETWORK DEMAND</u>
10	<u>REPORT ON NETWORK RELIABILITY</u>

Disclosure Template Instructions

These templates have been prepared for use by EDBs when making disclosures under clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, and 2.5.2 of the Electricity Distribution Information Disclosure Determination 2012.

Company Name and Dates

To prepare the templates for disclosure, the supplier's company name should be entered in cell C8, the date of the last day of the current (disclosure) year should be entered in cell C12, and the date on which the information is disclosed should be entered in cell C10 of the CoverSheet worksheet.

The cell C12 entry (current year) is used to calculate disclosure years in the column headings that show above some of the tables and in labels adjacent to some entry cells. It is also used to calculate the 'For year ended' date in the template title blocks (the title blocks are the light green shaded areas at the top of each template).

The cell C8 entry (company name) is used in the template title blocks.

Dates should be entered in day/month/year order (Example -"1 April 2013").

Data Entry Cells and Calculated Cells

Data entered into this workbook may be entered only into the data entry cells. Data entry cells are the bordered, unshaded areas (white cells) in each template. Under no circumstances should data be entered into the workbook outside a data entry cell.

In some cases, where the information for disclosure is able to be ascertained from disclosures elsewhere in the workbook, such information is disclosed in a calculated cell.

Validation Settings on Data Entry Cells

To maintain a consistency of format and to help guard against errors in data entry, some data entry cells test keyboard entries for validity and accept only a limited range of values. For example, entries may be limited to a list of category names, to values between 0% and 100%, or either a numeric entry or the text entry "N/A". Where this occurs, a validation message will appear when data is being entered. These checks are applied to keyboard entries only and not, for example, to entries made using Excel's copy and paste facility.

Conditional Formatting Settings on Data Entry Cells

Schedule 2 cells G79 and I79:L79 will change colour if the total cashflows do not equal the corresponding values in table 2(ii).

Schedule 4 cells P99:P105 and P107 will change colour if the RAB values do not equal the corresponding values in table 4(ii).

Schedule 9b columns AA to AE (2013 to 2017) contain conditional formatting. The data entry cells for future years are hidden (are changed from white to yellow).

Schedule 9b cells AG10 to AG60 will change colour if the total assets at year end for each asset class does not equal the corresponding values in column I in Schedule 9a.

Schedule 9c cell G30 will change colour if G30 (overhead circuit length by terrain) does not equal G18 (overhead circuit length by operating voltage).

Inserting Additional Rows and Columns

The templates for schedules 4, 5b, 5c, 5d, 5e, 6a, 8, 9d, and 9e may require additional rows to be inserted in tables marked 'include additional rows if needed' or similar. Column A schedule references should not be entered in additional rows, and should be deleted from additional rows that are created by copying and pasting rows that have schedule references.

Additional rows in schedules 5c, 6a, and 9e must not be inserted directly above the first row or below the last row of a table. This is to ensure that entries made in the new row are included in the totals.

Schedules 5d and 5e may require new cost or asset category rows to be inserted in allocation change tables 5d(iii) and 5e(ii). Accordingly, cell protection has been removed from rows 77 and 78 of the respective templates to allow blocks of rows to be copied. The four steps to add new cost category rows to table 5d(iii) are: Select Excel rows 69:77, copy, select Excel row 78, insert copied cells. Similarly, for table 5e(ii): Select Excel rows 70:78, copy, select Excel row 79, then insert copied cells.

The template for schedule 8 may require additional columns to be inserted between column P and U. To avoid interfering with the title block entries, these should be inserted to the left of column S. If inserting additional columns, the formulas for standard consumers total, non-standard consumers totals and total for all consumers will need to be copied into the cells of the added columns. The formulas can be found in the equivalent cells of the existing columns.

Disclosures by Sub-Network

If the supplier has sub-networks, schedules 8, 9a, 9b, 9c, 9e, and 10 must be completed for the network and for each sub-network. A copy of the schedule worksheet(s) must be made for each sub-network and named accordingly.

Schedule References

The references labelled 'sch ref' in the leftmost column of each template are consistent with the row references in the Electricity Distribution ID Determination 2012 (as issued on 24 March 2015). They provide a common reference between the rows in the determination and the template.

Description of Calculation References

Calculation cell formulas contain links to other cells within the same template or elsewhere in the workbook. Key cell references are described in a column to the right of each template. These descriptions are provided to assist data entry. Cell references refer to the row of the template and not the schedule reference.

Worksheet Completion Sequence

Calculation cells may show an incorrect value until precedent cell entries have been completed. Data entry may be assisted by completing the schedules in the following order:

1. Coversheet
2. Schedules 5a–5e
3. Schedules 6a–6b
4. Schedule 8
5. Schedule 3
6. Schedule 4
7. Schedule 2
8. Schedule 7
9. Schedules 9a–9e
10. Schedule 10

SCHEDULE 1: ANALYTICAL RATIOS

This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination.

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

1(i): Expenditure metrics

	Expenditure per GWh energy delivered to ICPs (\$/GWh)	Expenditure per average no. of ICPs (\$/ICP)	Expenditure per MW maximum coincident system demand (\$/MW)	Expenditure per km circuit length (\$/km)	Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)
Operational expenditure	14,502	200	57,432	7,051	22,977
Network	7,393	102	29,278	3,594	11,713
Non-network	7,109	98	28,154	3,456	11,264
Expenditure on assets	17,003	234	67,334	8,266	26,939
Network	16,816	231	66,593	8,175	26,642
Non-network	187	3	741	91	296

1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)
Total consumer line charge revenue	76,174	1,048
Standard consumer line charge revenue	76,089	1,034
Non-standard consumer line charge revenue	82,773	172,365

1(iii): Service intensity measures

Demand density	123	Maximum coincident system demand per km of circuit length (for supply) (kW/km)
Volume density	486	Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
Connection point density	35	Average number of ICPs per km of circuit length (for supply) (ICPs/km)
Energy intensity	13,761	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	33,311	18.63%
Pass-through and recoverable costs excluding financial incentives and wash-ups	74,187	41.50%
Total depreciation	28,765	16.09%
Total revaluations	6,590	3.69%
Regulatory tax allowance	11,308	6.33%
Regulatory profit/(loss) including financial incentives and wash-ups	37,207	20.81%
Total regulatory income	178,771	

1(v): Reliability

Interruption rate	11.90	Interruptions per 100 circuit km
-------------------	-------	----------------------------------

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

This schedule requires information on the Return on Investment (ROI) for the EDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. EDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If an EDB makes this election, information supporting this calculation must be provided in 2(iii).

EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

	CY-2 31 Mar 16 %	CY-1 31 Mar 17 %	Current Year CY 31 Mar 18 %
2(i): Return on Investment			
ROI – comparable to a post tax WACC			
Reflecting all revenue earned	5.53%	7.48%	5.91%
Excluding revenue earned from financial incentives	5.53%	7.48%	5.82%
Excluding revenue earned from financial incentives and wash-ups	5.53%	7.43%	5.76%
Mid-point estimate of post tax WACC	5.37%	4.77%	5.04%
25th percentile estimate	4.66%	4.05%	4.36%
75th percentile estimate	6.09%	5.48%	5.72%
ROI – comparable to a vanilla WACC			
Reflecting all revenue earned	6.18%	8.03%	6.50%
Excluding revenue earned from financial incentives	6.18%	8.03%	6.41%
Excluding revenue earned from financial incentives and wash-ups	6.18%	7.97%	6.35%
WACC rate used to set regulatory price path	7.19%	7.19%	7.19%
Mid-point estimate of vanilla WACC	6.02%	5.31%	5.60%
25th percentile estimate	5.30%	4.59%	4.92%
75th percentile estimate	6.74%	6.03%	6.29%
2(ii): Information Supporting the ROI			
			(\$000)
Total opening RAB value	602,562		
plus Opening deferred tax	(30,723)		
Opening RIV		571,839	
Line charge revenue		174,966	
Expenses cash outflow	107,497		
add Assets commissioned	31,469		
less Asset disposals	–		
add Tax payments	8,178		
less Other regulated income	3,805		
Mid-year net cash outflows		143,339	
Term credit spread differential allowance		583	
Total closing RAB value	611,855		
less Adjustment resulting from asset allocation	–		
less Lost and found assets adjustment	–		
plus Closing deferred tax	(33,853)		
Closing RIV		578,002	
ROI – comparable to a vanilla WACC			6.50%
Leverage (%)			44%
Cost of debt assumption (%)			4.80%
Corporate tax rate (%)			28%
ROI – comparable to a post tax WACC			5.91%

Company Name

Wellington Electricity Lines Limited

For Year Ended

31 March 2018

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

This schedule requires information on the Return on Investment (ROI) for the EDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. EDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If an EDB makes this election, information supporting this calculation must be provided in 2(iii).

EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

2(iii): Information Supporting the Monthly ROI

Opening RIV

N/A

	Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
April						-
May						-
June						-
July						-
August						-
September						-
October						-
November						-
December						-
January						-
February						-
March						-
Total	-	-	-	-	-	-

Tax payments

N/A

Term credit spread differential allowance

N/A

Closing RIV

N/A

Monthly ROI – comparable to a vanilla WACC

N/A

Monthly ROI – comparable to a post tax WACC

N/A

2(iv): Year-End ROI Rates for Comparison Purposes

Year-end ROI – comparable to a vanilla WACC

6.13%

Year-end ROI – comparable to a post tax WACC

5.54%

* these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by EDBs and do not represent the Commission's current view on ROI.

2(v): Financial Incentives and Wash-Ups

Net recoverable costs allowed under incremental rolling incentive scheme

-

Purchased assets – avoided transmission charge

-

Energy efficiency and demand incentive allowance

-

Quality incentive adjustment

709

Other financial incentives

-

Financial incentives

709

Impact of financial incentives on ROI

0.09%

Input methodology claw-back

-

Recoverable customised price-quality path costs

-

Catastrophic event allowance

-

Capex wash-up adjustment

460

Transmission asset wash-up adjustment

-

2013–2015 NPV wash-up allowance

-

Reconsideration event allowance

-

Other wash-ups

-

Wash-up costs

460

Impact of wash-up costs on ROI

0.06%

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

3(i): Regulatory Profit		(\$000)
7	Income	
8	Line charge revenue	174,966
10	plus Gains / (losses) on asset disposals	0
11	plus Other regulated income (other than gains / (losses) on asset disposals)	3,805
12		
13	Total regulatory income	178,771
14	Expenses	
15	less Operational expenditure	33,311
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	74,187
18		
19	Operating surplus / (deficit)	71,274
20		
21	less Total depreciation	28,765
22		
23	plus Total revaluations	6,590
24		
25	Regulatory profit / (loss) before tax	49,098
26		
27	less Term credit spread differential allowance	583
28		
29	less Regulatory tax allowance	11,308
30		
31	Regulatory profit/(loss) including financial incentives and wash-ups	37,207
32		
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)
34	Pass through costs	
35	Rates	2,965
36	Commerce Act levies	252
37	Industry levies	570
38	CPP specified pass through costs	337
39	Recoverable costs excluding financial incentives and wash-ups	
40	Electricity lines service charge payable to Transpower	66,959
41	Transpower new investment contract charges	1,188
42	System operator services	
43	Distributed generation allowance	1,916
44	Extended reserves allowance	
45	Other recoverable costs excluding financial incentives and wash-ups	
46	Pass-through and recoverable costs excluding financial incentives and wash-ups	74,187
47		

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		(\$000)	
		CY-1	CY
		31 Mar 17	31 Mar 18
48	3(iii): Incremental Rolling Incentive Scheme		
49			
50			
51	Allowed controllable opex	-	-
52	Actual controllable opex	-	-
53			
54	Incremental change in year		-
55			
56		Previous years' incremental change	Previous years' incremental change adjusted for inflation
57	CY-5 31 Mar 13	-	-
58	CY-4 31 Mar 14	-	-
59	CY-3 31 Mar 15	-	-
60	CY-2 31 Mar 16	-	-
61	CY-1 31 Mar 17	-	-
62	Net incremental rolling incentive scheme		-
63			
64	Net recoverable costs allowed under incremental rolling incentive scheme		-
65	3(iv): Merger and Acquisition Expenditure		
66			(\$000)
67	Merger and acquisition expenditure		-
68	<i>Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)</i>		
69	3(v): Other Disclosures		
70			(\$000)
71	Self-insurance allowance		-

SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7 8 9	10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	4(i): Regulatory Asset Base Value (Rolled Forward)	for year ended	RAB	RAB	RAB	RAB	RAB
				31 Mar 14	31 Mar 15	31 Mar 16	31 Mar 17	31 Mar 18
				(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
		Total opening RAB value		555,990	569,510	586,689	591,580	602,562
		less Total depreciation		26,602	21,397	24,829	26,498	28,765
		plus Total revaluations		8,518	476	3,438	12,800	6,590
		plus Assets commissioned		31,975	38,100	26,282	24,695	31,469
		less Asset disposals		371	-	-	16	-
		plus Lost and found assets adjustment		-	-	-	-	-
		plus Adjustment resulting from asset allocation		0	(0)	-	-	-
		Total closing RAB value		569,510	586,689	591,580	602,562	611,855

26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49	4(ii): Unallocated Regulatory Asset Base	Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
	Total opening RAB value		602,562		602,562
	less Total depreciation		28,765		28,765
	plus Total revaluations		6,590		6,590
	plus Assets commissioned (other than below)	28,979		28,979	
	Assets acquired from a regulated supplier	-		-	
	Assets acquired from a related party	2,490		2,490	
	Assets commissioned		31,469		31,469
	less Asset disposals (other than below)	-		-	
	Asset disposals to a regulated supplier	-		-	
	Asset disposals to a related party	-		-	
	Asset disposals		-		-
	plus Lost and found assets adjustment		-		-
	plus Adjustment resulting from asset allocation				-
	Total closing RAB value		611,855		611,855

* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide electricity distribution services without any allowance being made for the allocation of costs to services provided by the supplier that are not electricity distribution services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.

50

SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75

4(iii): Calculation of Revaluation Rate and Revaluation of Assets

CPI _t	1,011
CPI _{t-4}	1,000
Revaluation rate (%)	1.10%

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Total opening RAB value	602,562		602,562	
less Opening value of fully depreciated, disposed and lost assets	3,470		3,470	
Total opening RAB value subject to revaluation	599,091		599,091	
Total revaluations		6,590		6,590

4(iv): Roll Forward of Works Under Construction

	Unallocated works under construction		Allocated works under construction	
Works under construction—preceding disclosure year		14,809		14,809
plus Capital expenditure	27,846		27,846	
less Assets commissioned	31,469		31,469	
plus Adjustment resulting from asset allocation			-	
Works under construction - current disclosure year		11,186		11,186
Highest rate of capitalised finance applied				5.48%

SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

76 **4(v): Regulatory Depreciation**

	Unallocated RAB * (\$000)	RAB (\$000)
77 Depreciation - standard	24,139	24,139
78 Depreciation - no standard life assets	4,626	4,626
79 Depreciation - modified life assets	-	-
80 Depreciation - alternative depreciation in accordance with CPP	-	-
81 Total depreciation	28,765	28,765

85 **4(vi): Disclosure of Changes to Depreciation Profiles**

(\$000 unless otherwise specified)

Asset or assets with changes to depreciation*	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation
87 N/A				
88				
89				
90				
91				
92				
93				
94				
95				

* include additional rows if needed

96 **4(vii): Disclosure by Asset Category**

(\$000 unless otherwise specified)

	Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
98 Total opening RAB value	2,428	54,444	51,823	138,277	211,909	91,545	32,207	10,746	9,182	602,562
99 <i>less</i> Total depreciation	149	3,413	2,401	4,733	9,009	3,430	2,299	1,635	1,696	28,765
100 <i>plus</i> Total revaluations	27	538	622	1,580	2,309	1,003	335	75	101	6,590
101 <i>plus</i> Assets commissioned	364	405	887	12,918	4,494	7,569	2,251	1,950	631	31,469
102 <i>less</i> Asset disposals	-	-	-	-	-	-	-	-	-	-
103 <i>plus</i> Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
104 <i>plus</i> Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	-	-
105 <i>plus</i> Asset category transfers	-	-	-	-	-	-	-	-	-	-
106 Total closing RAB value	2,670	51,974	50,931	148,041	209,704	96,687	32,493	11,136	8,218	611,855
107 Asset Life										
108 Weighted average remaining asset life	16	16	22	29	24	27	14	7	5	(years)
109 Weighted average expected total asset life	48	56	44	55	55	52	38	35	11	(years)

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section

sch ref

		(\$000)	
7	5a(i): Regulatory Tax Allowance		
8	Regulatory profit / (loss) before tax		49,098
9			
10	<i>plus</i> Income not included in regulatory profit / (loss) before tax but taxable	-	*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	56	*
12	Amortisation of initial differences in asset values	7,151	
13	Amortisation of revaluations	3,038	
14			10,245
15			
16	<i>less</i> Total revaluations	6,590	
17	Income included in regulatory profit / (loss) before tax but not taxable	-	*
18	Discretionary discounts and customer rebates	-	
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	-	*
20	Notional deductible interest	12,367	
21			18,957
22			
23	Regulatory taxable income		40,386
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		40,386
27			
28	Corporate tax rate (%)	28%	
29	Regulatory tax allowance		11,308

* Workings to be provided in Schedule 14

5a(ii): Disclosure of Permanent Differences

In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).

5a(iii): Amortisation of Initial Difference in Asset Values

		(\$000)	
36	Opening unamortised initial differences in asset values	105,361	
37	<i>less</i> Amortisation of initial differences in asset values	7,151	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	-	
40	Closing unamortised initial differences in asset values		98,210
41			
42	Opening weighted average remaining useful life of relevant assets (years)		15
43			

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section

sch ref

44	5a(iv): Amortisation of Revaluations		(\$000)
45			
46	Opening sum of RAB values without revaluations	550,881	
47			
48	Adjusted depreciation	25,728	
49	Total depreciation	28,765	
50	Amortisation of revaluations		3,038
51			
52	5a(v): Reconciliation of Tax Losses		(\$000)
53			
54	Opening tax losses	-	
55	plus Current period tax losses	-	
56	less Utilised tax losses	-	
57	Closing tax losses		-
58	5a(vi): Calculation of Deferred Tax Balance		(\$000)
59			
60	Opening deferred tax	(30,723)	
61			
62	plus Tax effect of adjusted depreciation	7,204	
63			
64	less Tax effect of tax depreciation	8,150	
65			
66	plus Tax effect of other temporary differences*	454	
67			
68	less Tax effect of amortisation of initial differences in asset values	2,002	
69			
70	plus Deferred tax balance relating to assets acquired in the disclosure year	-	
71			
72	less Deferred tax balance relating to assets disposed in the disclosure year	636	
73			
74	plus Deferred tax cost allocation adjustment	-	
75			
76	Closing deferred tax		(33,853)
77			
78	5a(vii): Disclosure of Temporary Differences		
79	<i>In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).</i>		
80			
81	5a(viii): Regulatory Tax Asset Base Roll-Forward		
82			(\$000)
83	Opening sum of regulatory tax asset values	351,100	
84	less Tax depreciation	29,109	
85	plus Regulatory tax asset value of assets commissioned	31,650	
86	less Regulatory tax asset value of asset disposals	2,271	
87	plus Lost and found assets adjustment	-	
88	plus Adjustment resulting from asset allocation	-	
89	plus Other adjustments to the RAB tax value	-	
90	Closing sum of regulatory tax asset values		351,371

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination.
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

5b(i): Summary—Related Party Transactions

	(\$000)
Total regulatory income	32
Operational expenditure	10,764
Capital expenditure	2,490
Market value of asset disposals	—
Other related party transactions	—

5b(ii): Entities Involved in Related Party Transactions

Name of related party	Related party relationship
International Infrastructure Services Company Limited - NZ Branch (IISC)	Same ultimate controlling party CK Hutchison Holdings Limited
CHED Services Pty Limited	Same ultimate controlling party CK Hutchison Holdings Limited
Cheung Kong Infrastructure Holdings Limited	Shareholder with same ultimate controlling party
Power Assets Holdings Limited	Shareholder with same ultimate controlling party
Enviro NZ	Same ultimate controlling party CK Hutchison Holdings Limited

* include additional rows if needed

5b(iii): Related Party Transactions

Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
International Infrastructure Services Company Limited - NZ Branch	Opex	Back office, IT support services and systems operations	6,857	ID clause 2.3.6(1)(f)
International Infrastructure Services Company Limited - NZ Branch	Opex	Electrical contracting services	3,864	ID clause 2.3.6(1)(b)
Cheung Kong Infrastructure Holdings Limited	Opex	Back office and IT support services	43	ID clause 2.3.6(1)(f)
CHED Services Pty Limited	Capex	Creation and installation of software and system enhancements	144	IM clause 2.2.11(5)(a)(i)
International Infrastructure Services Company Limited - NZ Branch	Capex	Project Management	2,346	IM clause 2.2.11(5)(a)(i)
Enviro (NZ) Limited	Sales	Cost Recovery	32	ID clause 2.3.6(1)(f)
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]

* include additional rows if needed

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

This schedule is only to be completed if, as at the date of the most recently published financial statements, the weighted average original tenor of the debt portfolio (both qualifying debt and non-qualifying debt) is greater than five years. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7			
8	5c(i): Qualifying Debt (may be Commission only)		
9			
17			
18	5c(ii): Attribution of Term Credit Spread Differential		
19			
20	Gross term credit spread differential		1,554
21			
22	Total book value of interest bearing debt	712,533	
23	Leverage	44%	
24	Average opening and closing RAB values	607,208	
25	Attribution Rate (%)		37%
26			
27	Term credit spread differential allowance		583

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

5d(i): Operating Cost Allocations

	Arm's length deduction	Value allocated (\$000s)		Total	OVABAA allocation increase (\$000s)
		Electricity distribution services	Non-electricity distribution services		
Service interruptions and emergencies					
Directly attributable		4,612			
Not directly attributable	-	-	-	-	-
Total attributable to regulated service		4,612			
Vegetation management					
Directly attributable		1,874			
Not directly attributable	-	-	-	-	-
Total attributable to regulated service		1,874			
Routine and corrective maintenance and inspection					
Directly attributable		9,692			
Not directly attributable	-	-	-	-	-
Total attributable to regulated service		9,692			
Asset replacement and renewal					
Directly attributable		802			
Not directly attributable	-	-	-	-	-
Total attributable to regulated service		802			
System operations and network support					
Directly attributable		4,726			
Not directly attributable	-	-	-	-	-
Total attributable to regulated service		4,726			
Business support					
Directly attributable		11,603			
Not directly attributable	-	-	-	-	-
Total attributable to regulated service		11,603			
Operating costs directly attributable		33,311			
Operating costs not directly attributable	-	-	-	-	-
Operational expenditure		33,311			

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

39	5d(ii): Other Cost Allocations			
40	Pass through and recoverable costs			(\$000)
41	Pass through costs			
42	Directly attributable			4,124
43	Not directly attributable			-
44	Total attributable to regulated service			4,124
45	Recoverable costs			
46	Directly attributable			70,063
47	Not directly attributable			-
48	Total attributable to regulated service			70,063
49				
50	5d(iii): Changes in Cost Allocations* †			
51	Change in cost allocation 1			(\$000)
52	Cost category			
53	Original allocator or line items		Original allocation	CY-1 Current Year (CY)
54	New allocator or line items		New allocation	- -
55			Difference	- -
56	Rationale for change	N/A		
57				
58				
59				
60	Change in cost allocation 2			(\$000)
61	Cost category			
62	Original allocator or line items		Original allocation	CY-1 Current Year (CY)
63	New allocator or line items		New allocation	- -
64			Difference	- -
65	Rationale for change	N/A		
66				
67				
68				
69	Change in cost allocation 3			(\$000)
70	Cost category			
71	Original allocator or line items		Original allocation	CY-1 Current Year (CY)
72	New allocator or line items		New allocation	- -
73			Difference	- -
74	Rationale for change	N/A		
75				
76				
77				

* a change in cost allocation must be completed for each cost allocator change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.
 † include additional rows if needed

SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

This schedule requires information on the allocation of asset values. This information supports the calculation of the RAB value in Schedule 4. EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any changes in asset allocations. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7 5e(i): Regulated Service Asset Values

	Value allocated (\$000s) Electricity distribution services
Subtransmission lines	
Directly attributable	2,670
Not directly attributable	-
Total attributable to regulated service	2,670
Subtransmission cables	
Directly attributable	51,974
Not directly attributable	-
Total attributable to regulated service	51,974
Zone substations	
Directly attributable	50,931
Not directly attributable	-
Total attributable to regulated service	50,931
Distribution and LV lines	
Directly attributable	148,041
Not directly attributable	-
Total attributable to regulated service	148,041
Distribution and LV cables	
Directly attributable	209,704
Not directly attributable	-
Total attributable to regulated service	209,704
Distribution substations and transformers	
Directly attributable	96,687
Not directly attributable	-
Total attributable to regulated service	96,687
Distribution switchgear	
Directly attributable	32,493
Not directly attributable	-
Total attributable to regulated service	32,493
Other network assets	
Directly attributable	11,136
Not directly attributable	-
Total attributable to regulated service	11,136
Non-network assets	
Directly attributable	8,218
Not directly attributable	-
Total attributable to regulated service	8,218
Regulated service asset value directly attributable	611,855
Regulated service asset value not directly attributable	-
Total closing RAB value	611,855

51 5e(ii): Changes in Asset Allocations* †

			(\$000)	
			CY-1	Current Year (CY)
Change in asset value allocation 1				
Asset category	-	Original allocation	-	-
Original allocator or line items	-	New allocation	-	-
New allocator or line items	-	Difference	-	-
Rationale for change	N/A			
Change in asset value allocation 2				
Asset category	-	Original allocation	-	-
Original allocator or line items	-	New allocation	-	-
New allocator or line items	-	Difference	-	-
Rationale for change	N/A			
Change in asset value allocation 3				
Asset category	-	Original allocation	-	-
Original allocator or line items	-	New allocation	-	-
New allocator or line items	-	Difference	-	-
Rationale for change	N/A			

* a change in asset allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.
† include additional rows if needed

SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs.

EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	6a(i): Expenditure on Assets		(\$000)	(\$000)
8	Consumer connection			9,902
9	System growth			729
10	Asset replacement and renewal			20,347
11	Asset relocations			4,030
12	Reliability, safety and environment:			
13	Quality of supply	2,584		
14	Legislative and regulatory	-		
15	Other reliability, safety and environment	1,031		
16	Total reliability, safety and environment			3,615
17	Expenditure on network assets			38,624
18	Expenditure on non-network assets			430
19				
20	Expenditure on assets			39,053
21	plus Cost of financing			222
22	less Value of capital contributions			11,429
23	plus Value of vested assets			-
24				
25	Capital expenditure			27,846
26	6a(ii): Subcomponents of Expenditure on Assets (where known)			(\$000)
27	Energy efficiency and demand side management, reduction of energy losses			-
28	Overhead to underground conversion			-
29	Research and development			-
30	6a(iii): Consumer Connection			
31	Consumer types defined by EDB*		(\$000)	(\$000)
32	Substation	4,161		
33	Subdivision	3,388		
34	High Voltage Connection	-		
35	Residential & Commercial Customers (Low Voltage)	2,219		
36	Public lighting	134		
37	* include additional rows if needed			
38	Consumer connection expenditure			9,902
39				
40	less Capital contributions funding consumer connection expenditure	7,272		
41	Consumer connection less capital contributions			2,630
42	6a(iv): System Growth and Asset Replacement and Renewal			
43			System Growth	Asset Replacement and Renewal
44			(\$000)	(\$000)
45	Subtransmission	294		774
46	Zone substations	160		753
47	Distribution and LV lines	-		9,906
48	Distribution and LV cables	250		1,698
49	Distribution substations and transformers	24		3,419
50	Distribution switchgear	-		3,324
51	Other network assets	-		473
52	System growth and asset replacement and renewal expenditure	729		20,347
53	less Capital contributions funding system growth and asset replacement and renewal	1		119
54	System growth and asset replacement and renewal less capital contributions	728		20,228
55				
56	6a(v): Asset Relocations			
57	Project or programme*		(\$000)	(\$000)
58	Pole Replacements	2,714		
59	Transmission Gully	294		
60	[Description of material project or programme]	-		
61	[Description of material project or programme]	-		
62	[Description of material project or programme]	-		
63	* include additional rows if needed			
64	All other projects or programmes - asset relocations	1,022		
65	Asset relocations expenditure			4,030
66	less Capital contributions funding asset relocations	4,037		
67	Asset relocations less capital contributions			(7)

SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

68				
69	6a(vi): Quality of Supply			
70	<i>Project or programme*</i>		(\$000)	(\$000)
71	Spares		627	
72	Worst Performing Feeders		832	
73	Reliability Improvement Projects		1,125	
74	[Description of material project or programme]			
75	[Description of material project or programme]			
76	<i>* include additional rows if needed</i>			
77	All other projects programmes - quality of supply		-	
78	Quality of supply expenditure			2,584
79	less Capital contributions funding quality of supply		-	
80	Quality of supply less capital contributions			2,584
81	6a(vii): Legislative and Regulatory			
82	<i>Project or programme*</i>		(\$000)	(\$000)
83	[Description of material project or programme]			
84	[Description of material project or programme]			
85	[Description of material project or programme]			
86	[Description of material project or programme]			
87	[Description of material project or programme]			
88	<i>* include additional rows if needed</i>			
89	All other projects or programmes - legislative and regulatory		-	
90	Legislative and regulatory expenditure			-
91	less Capital contributions funding legislative and regulatory		-	
92	Legislative and regulatory less capital contributions			-
93	6a(viii): Other Reliability, Safety and Environment			
94	<i>Project or programme*</i>		(\$000)	(\$000)
95	Seismic Strengthening		1,031	
96	[Description of material project or programme]			
97	[Description of material project or programme]			
98	[Description of material project or programme]			
99	[Description of material project or programme]			
100	<i>* include additional rows if needed</i>			
101	All other projects or programmes - other reliability, safety and environment		-	
102	Other reliability, safety and environment expenditure			1,031
103	less Capital contributions funding other reliability, safety and environment		-	
104	Other reliability, safety and environment less capital contributions			1,031
105				
106	6a(ix): Non-Network Assets			
107	Routine expenditure			
108	<i>Project or programme*</i>		(\$000)	(\$000)
109	Software		89	
110	Office Equipment		340	
111	[Description of material project or programme]			
112	[Description of material project or programme]			
113	[Description of material project or programme]			
114	<i>* include additional rows if needed</i>			
115	All other projects or programmes - routine expenditure		-	
116	Routine expenditure			430
117	Atypical expenditure			
118	<i>Project or programme*</i>		(\$000)	(\$000)
119	[Description of material project or programme]			
120	[Description of material project or programme]			
121	[Description of material project or programme]			
122	[Description of material project or programme]			
123	[Description of material project or programme]			
124	<i>* include additional rows if needed</i>			
125	All other projects or programmes - atypical expenditure		-	
126	Atypical expenditure			-
127				
128	Expenditure on non-network assets			430

Company Name **Wellington Electricity Lines Limited**
 For Year Ended **31 March 2018**

SCHEDULE 6b: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a breakdown of operational expenditure incurred in the disclosure year.

EDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operational expenditure and assets replaced or renewed as part of asset replacement and renewal operational expenditure, and additional information on insurance.

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		(\$000)	(\$000)
7	6b(i): Operational Expenditure		
8	Service interruptions and emergencies	4,612	
9	Vegetation management	1,874	
10	Routine and corrective maintenance and inspection	9,692	
11	Asset replacement and renewal	802	
12	Network opex		16,981
13	System operations and network support	4,726	
14	Business support	11,603	
15	Non-network opex		16,329
16			
17	Operational expenditure		33,311
18	6b(ii): Subcomponents of Operational Expenditure (where known)		
19	Energy efficiency and demand side management, reduction of energy losses		-
20	Direct billing*		-
21	Research and development		-
22	Insurance		1,122
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name

Wellington Electricity Lines Limited

For Year Ended

31 March 2018

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

This schedule compares actual revenue and expenditure to the previous forecasts that were made for the disclosure year. Accordingly, this schedule requires the forecast revenue and expenditure information from previous disclosures to be inserted.

EDBs must provide explanatory comment on the variance between actual and target revenue and forecast expenditure in Schedule 14 (Mandatory Explanatory Notes). This information is part of the audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8. For the purpose of this audit, target revenue and forecast expenditures only need to be verified back to previous disclosures.

sch ref

7(i): Revenue		Target (\$000) ¹	Actual (\$000)	% variance
7	Line charge revenue	172,000	174,966	2%
7(ii): Expenditure on Assets		Forecast (\$000) ²	Actual (\$000)	% variance
9	Consumer connection	7,330	9,902	35%
10	System growth	2,652	729	(73%)
11	Asset replacement and renewal	21,512	20,347	(5%)
12	Asset relocations	1,734	4,030	132%
13	Reliability, safety and environment:			
14	Quality of supply	1,705	2,584	52%
15	Legislative and regulatory	–	–	–
16	Other reliability, safety and environment	1,459	1,031	(29%)
17	Total reliability, safety and environment	3,164	3,615	14%
18	Expenditure on network assets	36,392	38,624	6%
19	Expenditure on non-network assets	1,991	430	(78%)
20	Expenditure on assets	38,383	39,053	2%
21	7(iii): Operational Expenditure			
22	Service interruptions and emergencies	3,972	4,612	16%
23	Vegetation management	1,480	1,874	27%
24	Routine and corrective maintenance and inspection	8,901	9,692	9%
25	Asset replacement and renewal	840	802	(5%)
26	Network opex	15,194	16,981	12%
27	System operations and network support	4,830	4,726	(2%)
28	Business support	11,458	11,603	1%
29	Non-network opex	16,288	16,329	0%
30	Operational expenditure	31,482	33,311	6%
31	7(iv): Subcomponents of Expenditure on Assets (where known)			
32	Energy efficiency and demand side management, reduction of energy losses	–	–	–
33	Overhead to underground conversion	–	–	–
34	Research and development	–	–	–
35	7(v): Subcomponents of Operational Expenditure (where known)			
36	Energy efficiency and demand side management, reduction of energy losses	–	–	–
37	Direct billing	–	–	–
38	Research and development	–	–	–
39	Insurance	1,008	1,122	11%
40				
41				
42				
43				
44				

¹ From the nominal dollar target revenue for the disclosure year disclosed under clause 2.4.3(3) of this determination

² From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the disclosure year (the second to last disclosure of Schedules 11a and 11b)

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

sch ref
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

8(i): Billed Quantities by Price Component

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Energy delivered to ICPs in disclosure year (MWh)
RUU and RSU	Domestic	Standard	149,805	1,065,854
GLV300, GTX300	Large Commercial	Standard	426	146,189
GTX1503	Large Industrial	Standard	34	162,185
GLV138, GTX138	Medium Commercial	Standard	395	91,995
GLV15, GTX15, GLV69, GTX69	Small Commercial	Standard	15,102	350,584
GLV1500, GTX1500	Small Industrial	Standard	416	466,963
G001, G002	Un-metered	Standard	713	23,996
Individual Contracts	Individual Contracts	Non-standard	14	29,153
		(Select one)		
		(Select one)		
Standard consumer totals				666,896 2,267,767
Non-standard consumer totals				14 29,153
Total for all consumers				666,910 2,296,920

Add extra rows for additional consumer groups or price category codes as necessary

Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)

Price component

Billed quantities by price component

Fixed Charge (FKD)	Demand (DAMD)	Capacity Charge (CAP)	On-Pk Demand Chg (DOPC)	Per Factor Charge (PWRF)	Uncontrolled /Var Chg (24 UC)	Night Charge (NITE)	EV Night Charge (EVNITE)	Controlled Charge (CTRL)	All Inclusive Charge (AICO)	Individual Contracts (IC)
day	kVA/month	kVA/day	kW/mth	kVA/mth	kWh	kWh	kWh	kWh	kWh	ea
54,664,587	-	-	-	-	557,141,093	7,849,499	158,348	51,642,243	449,063,303	-
160,179	-	-	-	-	146,189,085	-	-	-	-	-
14,257	-	35,645,424	406,123	22,233	162,184,653	-	-	-	-	-
145,486	-	-	-	-	91,995,053	-	-	-	-	-
5,509,318	-	-	-	-	350,584,474	-	-	-	-	-
179,385	1,429,764	77,350,539	-	-	466,962,756	-	-	-	-	-
16,192,043	-	-	-	-	23,995,995	-	-	-	-	-
-	-	-	-	-	29,153,228	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
76,865,253	1,429,764	112,995,963	406,123	22,233	1,759,053,110	7,849,499	158,348	51,642,243	449,063,303	-
-	-	-	-	-	29,153,228	-	-	-	-	-
76,865,253	1,429,764	112,995,963	406,123	22,233	1,788,206,338	7,849,499	158,348	51,642,243	449,063,303	-

Add extra columns for additional billed quantities by price component as necessary

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

8(ii): Line Charge Revenues (\$000) by Price Component

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$ per day, \$ per kWh, etc)	Line charge revenues (\$000) by price component											Add extra columns for additional line charge revenues by price component as necessary
								Fixed Charge (FKD)	Demand (DAMD)	Capacity Charge (CAPP)	On-Pk Demand Chg (DOPC)	Per Factor Charge (PWRF)	Uncontrolled /Var Chg (24 UCL)	Night Charge (NITE)	EV Night Charge (EVNITE)	Controlled Charge (CTRL)	All Inclusive Charge (AICO)	Individual Contracts (IC)	
								\$/day	\$/kVA/month	\$/kVA/day	\$/kW/mth	\$/kVA/mth	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/	
RLU and RSU	Domestic	Standard	\$113,231	-	63,897	49,334	-	28,534	-	-	-	-	51,725	140	3	1,853	30,976	-	
GLV300, GTX300	Large Commercial	Standard	\$4,722	-	2,582	1,741	-	1,063	-	-	-	-	2,759	-	-	-	-	-	
GTX1501	Large Industrial	Standard	\$6,365	-	2,520	3,845	-	1	-	1,004	4,923	195	243	-	-	-	-	-	
GLV138, GTX138	Medium Commercial	Standard	\$3,684	-	2,156	1,528	-	1,273	-	-	-	-	2,410	-	-	-	-	-	
GLV15, GTX15, GLV89, GTX89	Small Commercial	Standard	\$21,393	-	12,130	9,263	-	6,027	-	-	-	-	14,566	-	-	-	-	-	
GLV1500, GTX1500	Small Industrial	Standard	\$19,419	-	10,277	9,142	-	4,981	9,751	1,198	-	-	3,489	-	-	-	-	-	
G001, G002	Un-metered	Standard	\$3,739	-	2,023	1,717	-	3,435	-	-	-	-	304	-	-	-	-	-	
Individual Contracts	Individual Contracts	Non-standard	\$2,413	-	1,593	820	-	-	-	-	-	-	-	-	-	-	-	2,413	
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Add extra rows for additional consumer groups or price category codes as necessary																			
Standard consumer totals			\$172,553	-	\$95,984	\$76,569	-	\$47,014	\$9,751	\$2,202	\$4,923	\$195	\$75,496	\$140	\$3	\$1,853	\$30,976	-	
Non-standard consumer totals			\$2,413	-	\$1,593	\$820	-	-	-	-	-	-	-	-	-	-	-	-	\$2,413
Total for all consumers			\$174,966	-	\$97,577	\$77,389	-	\$47,014	\$9,751	\$2,202	\$4,923	\$195	\$75,496	\$140	\$3	\$1,853	\$30,976	\$2,413	

8(iii): Number of ICPs directly billed
 Number of directly billed ICPs at year end

Check

Company Name **Wellington Electricity Lines Limited**

For Year Ended **31 March 2018**

Network / Sub-network Name

SCHEDULE 9a: ASSET REGISTER

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

					Items at start of	Items at end of	Net change	Data accuracy
	Voltage	Asset category	Asset class	Units	year (quantity)	year (quantity)		(1-4)
8	All	Overhead Line	Concrete poles / steel structure	No.	28,828	30,053	1,225	3
9	All	Overhead Line	Wood poles	No.	8,962	9,016	54	3
10	All	Overhead Line	Other pole types	No.	11	31	20	3
11	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	57	57	0	4
12	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
13	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	33	32	(1)	4
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	50	50	0	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	48	48	(0)	4
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	7	7	0	4
17	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
22	HV	Zone substation Buildings	Zone substations up to 66kV	No.	27	27	-	4
23	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	N/A
24	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	-	-	-	N/A
26	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	-	-	-	N/A
27	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	-	-	-	N/A
28	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	N/A
29	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	-	-	-	N/A
30	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	2	2	-	4
31	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	356	355	(1)	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	-	-	-	N/A
33	HV	Zone Substation Transformer	Zone Substation Transformers	No.	52	52	-	4
34	HV	Distribution Line	Distribution OH Open Wire Conductor	km	590	590	0	4
35	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	2	2	(0)	4
36	HV	Distribution Line	SWER conductor	km	-	1	1	3
37	HV	Distribution Cable	Distribution UG XLPE or PVC	km	143	133	(9)	3
38	HV	Distribution Cable	Distribution UG PILC	km	1,023	1,035	12	3
39	HV	Distribution Cable	Distribution Submarine Cable	km	0	0	(0)	4
40	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	17	16	(1)	4
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	944	951	7	4
42	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	2,591	2,599	8	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	382	626	244	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1,922	1,948	26	4
45	HV	Distribution Transformer	Pole Mounted Transformer	No.	1,803	1,802	(1)	4
46	HV	Distribution Transformer	Ground Mounted Transformer	No.	2,504	2,532	28	4
47	HV	Distribution Transformer	Voltage regulators	No.	-	-	-	N/A
48	HV	Distribution Substations	Ground Mounted Substation Housing	No.	507	511	4	4
49	LV	LV Line	LV OH Conductor	km	1,086	1,083	(3)	2
50	LV	LV Cable	LV UG Cable	km	1,663	1,685	23	2
51	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	1,935	1,912	(24)	2
52	LV	Connections	OH/UG consumer service connections	No.	166,663	167,233	570	3
53	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	1,407	1,418	11	3
54	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	264	264	-	4
55	All	Capacitor Banks	Capacitors including controls	No.	-	-	-	N/A
56	All	Load Control	Centralised plant	Lot	25	24	(1)	4
57	All	Load Control	Relays	No.	-	-	-	N/A
58	All	Civils	Cable Tunnels	km	1	1	1	4

Company Name **Wellington Electricity Lines Limited**

For Year Ended **31 March 2018**

Network / Sub-network Name

SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

	Overhead (km)	Underground (km)	Total circuit length (km)
9			
10	Circuit length by operating voltage (at year end)		
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23	Overhead circuit length by terrain (at year end)		
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			

	Overhead (km)	Underground (km)	Total circuit length (km)
> 66kV	-	-	-
50kV & 66kV	-	-	-
33kV	57	138	195
SWER (all SWER voltages)	1	-	1
22kV (other than SWER)	-	-	-
6.6kV to 11kV (inclusive—other than SWER)	591	1,169	1,760
Low voltage (< 1kV)	1,083	1,685	2,768
Total circuit length (for supply)	1,732	2,992	4,725

Dedicated street lighting circuit length (km)	809	1,102	1,912
Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			-

	(% of total)	
	Circuit length (km)	overhead length
Urban	1,339	77%
Rural	393	23%
Remote only	-	-
Rugged only	-	-
Remote and rugged	-	-
Unallocated overhead lines	-	-
Total overhead length	1,732	100%

	(% of total circuit length)	
	Circuit length (km)	length
Length of circuit within 10km of coastline or geothermal areas (where known)	4,144	88%

	(% of total overhead length)	
	Circuit length (km)	overhead length
Overhead circuit requiring vegetation management	1,561	90%

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

This schedule requires information concerning embedded networks owned by an EDB that are embedded in another EDB's network or in another embedded network.

sch ref

sch ref	Location *	Number of ICPs served	Line charge revenue (\$000)
8			
9	N/A		
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	* Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB's network or in another embedded network		

Company Name

Wellington Electricity Lines Limited

For Year Ended

31 March 2018

Network / Sub-network Name

SCHEDULE 9e: REPORT ON NETWORK DEMAND

This schedule requires a summary of the key measures of network utilisation for the disclosure year (number of new connections including distributed generation, peak demand and electricity volumes conveyed).

sch ref

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49**9e(i): Consumer Connections**

Number of ICPs connected in year by consumer type

Consumer types defined by EDB*

Domestic
Small Commercial
Medium Commercial
Large Commercial
Small Industrial
Large Industrial
Unmetered

* include additional rows if needed

Connections total

Number of
connections (ICPs)

1,626
628
25
27
25
3
87

2,421

Distributed generation

Number of connections made in year

252 connections

Capacity of distributed generation installed in year

1.5 MVA

9e(ii): System Demand**Maximum coincident system demand**

GXP demand

522

plus Distributed generation output at HV and above

58

Maximum coincident system demand

580

less Net transfers to (from) other EDBs at HV and above

-

Demand on system for supply to consumers' connection points

580

Electricity volumes carried

Electricity supplied from GXPs

Energy (GWh)

2,169

less Electricity exports to GXPs

-

plus Electricity supplied from distributed generation

242

less Net electricity supplied to (from) other EDBs

-

Electricity entering system for supply to consumers' connection points

2,411

less Total energy delivered to ICPs

2,297

Electricity losses (loss ratio)

115

4.7%

Load factor

0.47

9e(iii): Transformer Capacity

Distribution transformer capacity (EDB owned)

(MVA)

1,450

Distribution transformer capacity (Non-EDB owned, estimated)

18

Total distribution transformer capacity

1,468

Zone substation transformer capacity

1,068

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

8	10(i): Interruptions		
9	Interruptions by class	Number of interruptions	
10	Class A (planned interruptions by Transpower)	4	
11	Class B (planned interruptions on the network)	296	
12	Class C (unplanned interruptions on the network)	253	
13	Class D (unplanned interruptions by Transpower)	8	
14	Class E (unplanned interruptions of EDB owned generation)	–	
15	Class F (unplanned interruptions of generation owned by others)	–	
16	Class G (unplanned interruptions caused by another disclosing entity)	–	
17	Class H (planned interruptions caused by another disclosing entity)	–	
18	Class I (interruptions caused by parties not included above)	1	
19	Total	562	
20			
21	Interruption restoration	≤3Hrs	>3hrs
22	Class C interruptions restored within	169	84
23			
24	SAIFI and SAIDI by class	SAIFI	SAIDI
25	Class A (planned interruptions by Transpower)	0.00	0.05
26	Class B (planned interruptions on the network)	0.08	14.80
27	Class C (unplanned interruptions on the network)	0.69	52.13
28	Class D (unplanned interruptions by Transpower)	0.17	2.61
29	Class E (unplanned interruptions of EDB owned generation)	–	–
30	Class F (unplanned interruptions of generation owned by others)	–	–
31	Class G (unplanned interruptions caused by another disclosing entity)	–	–
32	Class H (planned interruptions caused by another disclosing entity)	–	–
33	Class I (interruptions caused by parties not included above)	0.00	0.06
34	Total	0.95	69.64
35			
36	Normalised SAIFI and SAIDI	Normalised SAIFI	Normalised SAIDI
37	Classes B & C (interruptions on the network)	0.78	66.93
38			
39	Quality path normalised reliability limit	SAIFI reliability limit	SAIDI reliability limit
40	SAIFI and SAIDI limits applicable to disclosure year*	0.63	40.63
41	* not applicable to exempt EDBs		

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

10(ii): Class C Interruptions and Duration by Cause

Cause	SAIFI	SAIDI
Lightning	0.00	0.02
Vegetation	0.07	6.36
Adverse weather	0.10	10.98
Adverse environment	–	–
Third party interference	0.13	10.66
Wildlife	0.00	0.29
Human error	0.03	1.52
Defective equipment	0.31	18.77
Cause unknown	0.06	3.52

10(iii): Class B Interruptions and Duration by Main Equipment Involved

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	–	–
Subtransmission cables	–	–
Subtransmission other	–	–
Distribution lines (excluding LV)	0.08	14.64
Distribution cables (excluding LV)	0.00	0.16
Distribution other (excluding LV)	–	–

10(iv): Class C Interruptions and Duration by Main Equipment Involved

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.02	3.45
Subtransmission cables	0.03	0.05
Subtransmission other	–	–
Distribution lines (excluding LV)	0.43	33.79
Distribution cables (excluding LV)	0.21	14.83
Distribution other (excluding LV)	–	–

10(v): Fault Rate

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	1	57	1.74
Subtransmission cables	1	138	0.72
Subtransmission other	–	–	–
Distribution lines (excluding LV)	194	591	32.83
Distribution cables (excluding LV)	57	1,169	4.88
Distribution other (excluding LV)	–	–	–
Total	253		

Company Name: Wellington Electricity Lines Limited

For Year Ended: 31 March 2018

Schedule 14 Mandatory Explanatory Notes

1. This schedule requires EDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and subclauses 2.5.1(1)(f), and 2.5.2(1)(e).
2. This schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 12 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for EDBs to give additional explanation of disclosed information should they elect to do so.

Return on Investment (Schedule 2)

4. In the box below, comment on return on investment as disclosed in Schedule 2. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 1: Explanatory comment on return on investment

The 2018 return on investment (ROI) of 6.50% (vanilla WACC) is below the Default Price-Quality Path (DPP) WACC rate used to set regulatory price path of 7.19% for the 5 year period 1 April 2015 to 31 March 2020.

Regulatory Profit (Schedule 3)

5. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 3. This comment must include-
- 5.1 a description of material items included in other regulated income (other than gains / (losses) on asset disposals), as disclosed in 3(i) of Schedule 3
- 5.2 information on reclassified items in accordance with subclause 2.7.1(2).

Box 2: Explanatory comment on regulatory profit

Material items in 'Other regulatory line income' include:

- trolley bus contract termination fee of \$2.3m which is largely offset by the trolley bus depreciation as the associated assets have been fully depreciated in the current year;
- insurance proceeds of \$0.9m received relating to the 2016 earthquake; and
- charges for new connections, upgrades, decommissioning and temporary disconnections of \$0.5m.

There has been no information reclassified in accordance with clause 2.7.1(2)

Merger and acquisition expenses (3(iv) of Schedule 3)

6. If the EDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below-
- 6.1 information on reclassified items in accordance with subclause 2.7.1(2)
- 6.2 any other commentary on the benefits of the merger and acquisition expenditure to the EDB.

Box 3: Explanatory comment on merger and acquisition expenditure

There have been no mergers or acquisitions in the disclosure year.

Value of the Regulatory Asset Base (Schedule 4)

7. In the box below, comment on the value of the regulatory asset base (rolled forward) in Schedule 4. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 4: Explanatory comment on the value of the regulatory asset based (rolled forward)

The value of the regulatory asset base has been determined by rolling forward the initial regulatory asset base with allowance made for additions, disposals, depreciation and revaluation in accordance with the Electricity Distribution Services Input Methodologies Determination 2012.

There were no reclassifications for the year ended 31 March 2018.

Regulatory tax allowance: disclosure of permanent differences (5a(i) of Schedule 5a)

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-
- 8.1 Income not included in regulatory profit / (loss) before tax but taxable;
 - 8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible;
 - 8.3 Income included in regulatory profit / (loss) before tax but not taxable;
 - 8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax.

Box 5: Regulatory tax allowance: permanent differences

WELL has recorded expenditure before tax that is not deductible of \$56K. This includes non-deductible entertainment expenses in accordance with the New Zealand Tax Legislation.

Regulatory tax allowance: disclosure of temporary differences (5a(vi) of Schedule 5a)

9. In the box below, provide descriptions and workings of material items recorded in the asterisked category 'Tax effect of other temporary differences' in 5a(vi) of Schedule 5a.

Box 6: Tax effect of other temporary differences (current disclosure year)

Other temporary differences include doubtful debts and other accruals not deductible in the current period in accordance with the New Zealand Tax Legislation.

Related party transactions: disclosure of related party transactions (Schedule 5b)

10. In the box below, provide descriptions of related party transactions beyond those disclosed on Schedule 5b including identification and descriptions as to the nature of directly attributable costs disclosed under subclause 2.3.6(1)(b).

Box 7: Related party transactions

International Infrastructure Services Company Limited (NZ Branch) provides a range of corporate, network operation and IT support services to WELL. Corporate services include finance, regulatory, customer services, property and legal and human resources. Network operation services include asset management and design, project management, maintenance and network control.

During the disclosure year WELL paid Cheung Kong Infrastructure Holdings Limited for Director expenses and a software license.

During the disclosure year WELL paid CHED Services Pty Limited for computer software upgrades and training.

Cost allocation (Schedule 5d)

11. In the box below, comment on cost allocation as disclosed in Schedule 5d. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 8: Cost allocation

There is no cost allocation required. All costs are directly attributable to electricity distribution services. There are no reclassified items.

Asset allocation (Schedule 5e)

12. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 9: Commentary on asset allocation

There is no asset allocation required. All assets are directly attributable to electricity distribution services. There are no reclassified items.

Capital Expenditure for the Disclosure Year (Schedule 6a)

13. In the box below, comment on expenditure on assets for the disclosure year, as disclosed in Schedule 6a. This comment must include-
- 13.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;
 - 13.2 information on reclassified items in accordance with subclause 2.7.1(2),

Box 10: Explanation of capital expenditure for the disclosure year

13.1 WELL has applied professional judgement in assessing whether a project or programme is deemed material. A project or programme is considered material where the required spend was at least \$200k or more.

13.2 There are no reclassified items.

Operational Expenditure for the Disclosure Year (Schedule 6b)

14. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-
- 14.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b;
 - 14.2 Information on reclassified items in accordance with subclause 2.7.1(2);
 - 14.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

Box 11: Explanation of operational expenditure for the disclosure year

14.1 Asset replacement and renewal includes expenditure to replace or renew assets where the expenditure is not capitalised under NZ IFRS. This expenditure is of a maintenance nature.

14.2 There are no reclassified items.

14.3 There was no material atypical expenditure included in operational expenditure in the disclosure year

Variance between forecast and actual expenditure (Schedule 7)

15. In the box below, comment on variance in actual to forecast expenditure for the disclosure year, as reported in Schedule 7. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 12: Explanatory comment on variance in actual to forecast expenditure

Expenditure on Assets:

Consumer Connection: The increase in consumer connection spend has been driven by the increase in the number of new connection requests. This is supported by the higher than usual number of building consents that are being approved in Wellington compared to previous years. The number of consents has increased to 2,300 in 2017/18 compared to annual averages of 1,100 in the previous 6 years.

System Growth: The reduced expenditure in the System Growth category has been due to the deferment of the Frederick Street Substation Transmission Cable upgrade project to undertake further seismic impact studies. This expenditure has now been programmed for 2018 to 2020 as detailed on page 254 of AMP 2018. There has been an increase in spend in consumer connections and asset relocations.

Asset Relocation: Increased spend on Asset Relocations is due to the timing of work for a large NZTA project and a greater than expected level of pole replacements relating to the Ultra-Fast Broadband rollout.

Reliability, Safety and Environment: Both the Quality of Supply and Other Reliability, Safety and Environment categories have been subjected to a period of reduced overhead line resources in the Wellington Region. During this period (which has since been resolved) overhead line crews were prioritised onto regulatory pole replacements ahead of line rebuilds until additional resource was acquired.

Expenditure on Non-Network Assets: The variance on this expenditure has been due to the deferment of application enhancements and IT infrastructure spend from 2017 to 2018.

Operational Expenditure:

Service Interruptions and Emergencies: Increased spend due to a higher than expected number of unplanned events in the year.

Vegetation Management: Increased the expenditure on vegetation management as part of the works to improve network performance and achieve reliability targets. This exceeded the AMP forecast of \$1.5m by \$300k.

Routine and Corrective Maintenance and Inspection: This includes a public safety initiative that was undertaken to inspect customer owned poles to ensure that they are in good condition. This resulted in a number of Wellington Electricity owned poles being reclassified.

Information relating to revenues and quantities for the disclosure year

16. In the box below provide-

- 16.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and subclause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and
- 16.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

Box 13: Explanatory comment relating to revenue for the disclosure year

Actual line charge revenue of \$175m is above the target of \$172m due to higher than expected volumes.

However, the 2018 return on investment (ROI) of 6.50% (vanilla WACC) is below the Default Price-Quality Path (DPP) WACC rate used to set regulatory price path of 7.19% for the 5 year period 1 April 2015 to 31 March 2020.

Network Reliability for the Disclosure Year (Schedule 10)

17. In the box below, comment on network reliability for the disclosure year, as disclosed in Schedule 10.

Box 14: Commentary on network reliability for the disclosure year

WELL has not complied with the annual reliability assessments in the current and preceding assessment periods as outlined in clause 9.1(b) of the 2015 DPP Determination.

WELL is committed to providing customers with a reliable and secure electricity supply and has consistently demonstrated this commitment by undertaking reliability improvement initiatives to further progress the performance of the network. The primary drivers for performance in 2017/18 have been an increase in the contribution from planned outages, vehicle contacts, and 11kV cable faults. The performance of the overhead network has been better than average. This reflects the benefits from the actions implemented following the Strata review of 2015/16 as well as the plans put into place after last year's exceedance of targets which was driven by the overhead network, which includes an increased expenditure on vegetation management.

The increase in SAIDI from planned outages in 2017/18 is being driven by the amount of planned work being completed with power off, due to the changes in the HSW Act 2015. WELL's view is that the reliability limits should be adjusted, as detailed in the Asset Management Plan 2018, to reflect the changes from the review of safe work practices and the material increase in planned outages that has resulted. The total SAIDI for planned outages for 2017/18 was 7.4 minutes compared to the 2004 to 2014 reference period which averaged 0.5 minutes. Since these results, greater use has been made of generation to

retain supply to customers while work is completed de-energised. The ongoing cost benefit of this is being evaluated.

Third party incidents contributed 22% or 10.659 minutes of the total SAIDI incurred in 2017/18. This is a significant increase compared to the average previous contributions of 3.81 minutes and the allowance in the target based on the reference period of 4.8 minutes. This has significantly increased from the previous years. The primary contributor to third party incidents was car versus pole events. This increase in car versus pole events is following a similar trend to the National Road Toll which has also increased over the same time. The exact cause for these trends is unknown at this stage.

Underground equipment faults have shown an increase in 2017/18. The ultimate cause of the increase in cable faults cannot be proven at this stage, however it is possibly due to delayed damage caused by the November 2016 earthquake, progressing to failure during the following wet winter. The earthquake may have caused damage to lead sheaths on PILC cables which would have resulted in moisture ingress during the wet 2017 winter period ultimately leading to failures. A cable test condition monitoring programme is being evaluated to focus on high risk cable sections.

A separate explanation paper was prepared and supplied to the Commerce Commission on 3 August to provide further analysis and steps being taken to return quality targets to targeted levels. Further to this, the Board has requested an external review of our SAIDI and SAIFI management practices which has been conducted

WELL continues to provide up-to-date customer information on outage events and their restoration times through its website relating to the live reporting on restoration times when power outages occur. This has been enhanced by WELL's Smart Phone outage application (OutageCheck) that gives customers up to date progress reports on restoration and return to supply. The application has resulted in positive feedback from customers and a reduction in calls to the contact centre.

WELL also surveys those customers who have recently had an outage to understand whether the price-quality service they receive is appropriately balanced. The results suggest that customers are broadly satisfied with their current level of reliability and the price for delivering that service.

Insurance cover

18. In the box below, provide details of any insurance cover for the assets used to provide electricity distribution services, including-
- 18.1 The EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;
- 18.2 In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

Box 15: Explanation of insurance cover

Due to the limited nature/cost of insurance cover available for WELL's assets (15%), WELL has material damage (MD) and Business interruption (BI) insurance for key asset locations, including WELL's GXP assets, zone substations, some critical distribution substations and its office fit out at Petone. WELL's MD and BI insurance is currently placed through Australasian markets. The balance of WELL's assets (85%) are uninsured because insurance cover is not available and/or not economically viable. WELL does not recover funds to hold as reserve provisions (ex-ante) under the building blocks approach to determining allowable revenues under the DPP. Therefore WELL is not self-insured.

An application to improve earthquake readiness was approved on 28 March 2018 as part of WELL's Streamlined Customised Price Path process.

Amendments to previously disclosed information

19. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:
- 19.1 a description of each error; and
- 19.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 16: Disclosure of amendment to previously disclosed information

There have been no amendments to previous disclosure information.

Company Name: Wellington Electricity Lines Limited

For Year Ended: 31 March 2018

Schedule 14a Mandatory Explanatory Notes on Forecast Information

1. This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.
2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

Commentary on difference between nominal and constant price capital expenditure forecasts (Schedule 11a)

3. In the box below, comment on the difference between nominal and constant price capital expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11a.

Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts
The difference represents inflation and is 2.0% per annum across the planning period.

The rates are based on the midpoint of the RBNZ's target inflation range.

Commentary on difference between nominal and constant price operational expenditure forecasts (Schedule 11b)

4. In the box below, comment on the difference between nominal and constant price operational expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11b.

Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts
The difference represents inflation and is 2.0% per annum across the planning period.

The rates are based on the midpoint of the RBNZ's target inflation range.

Company Name: Wellington Electricity Lines Limited

For Year Ended: 31 March 2018

Schedule 15 Voluntary Explanatory Notes

1. This schedule enables EDBs to provide, should they wish to-
 - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1 and 2.5.2;
 - 1.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.
2. Information in this schedule is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.
3. Provide additional explanatory comment in the box below.

Box 1: Voluntary explanatory comment on disclosed information

There are no additional voluntary comments.

Schedule 18 Certification for Year-end Disclosures

Clause 2.9.2

We, Richard Pearson and Chao Chung Charles Tsai, being directors of Wellington Electricity Lines Limited certify that, having made all reasonable enquiry, to the best of our knowledge-

a) the information prepared for the purposes of clauses 2.3.1, 2.3.2, 2.4.21, 2.4.22, 2.5.1, 2.5.2, and 2.7.1 of the Electricity Distribution Information Disclosure Determination 2012 in all material respects complies with that determination; and

b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 9e, 10, and 14 has been properly extracted from the Wellington Electricity Lines Limited's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained.

In respect of related party costs and revenues recorded in accordance with subclauses 2.3.6(1) (when valued in accordance with clause 2.2.11(5)(h)(ii) of the Electricity Distribution Services Input Methodologies Determination 2010), 2.3.6(1)(f) and 2.3.7(2)(b), we certify that, having made all reasonable enquiry, including enquiries of our related parties, we are satisfied that to the best of our knowledge and belief the costs and revenues recorded for related party transactions reasonably reflect the price or prices that would have been paid or received had these transactions been at arm's-length.



Richard Pearson
Chairman

Chao Chung Charles Tsai
Director

22 August 2018

Schedule 18 Certification for Year-end Disclosures

Clause 2.9.2

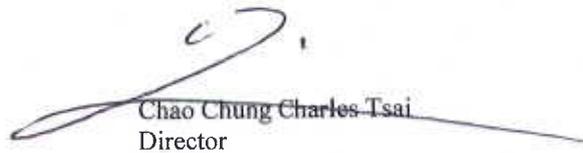
We, Richard Pearson and Chao Chung Charles Tsai, being directors of Wellington Electricity Lines Limited certify that, having made all reasonable enquiry, to the best of our knowledge-

a) the information prepared for the purposes of clauses 2.3.1, 2.3.2, 2.4.21, 2.4.22, 2.5.1, 2.5.2, and 2.7.1 of the Electricity Distribution Information Disclosure Determination 2012 in all material respects complies with that determination; and

b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 9e, 10, and 14 has been properly extracted from the Wellington Electricity Lines Limited's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained.

In respect of related party costs and revenues recorded in accordance with subclauses 2.3.6(1) (when valued in accordance with clause 2.2.11(5)(h)(ii) of the Electricity Distribution Services Input Methodologies Determination 2010), 2.3.6(1)(f) and 2.3.7(2)(b), we certify that, having made all reasonable enquiry, including enquiries of our related parties, we are satisfied that to the best of our knowledge and belief the costs and revenues recorded for related party transactions reasonably reflect the price or prices that would have been paid or received had these transactions been at arm's-length.

Richard Pearson
Chairman


Chao Chung Charles Tsai
Director

22 August 2018



**INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF WELLINGTON ELECTRICITY LINES LIMITED AND THE COMMERCE
COMMISSION**

**Report on Wellington Electricity Lines Limited's Disclosure Information Prepared in Accordance
with the Electricity Distribution Information Disclosure Determination 2012 (Consolidated in
2015)**

We have conducted a reasonable assurance engagement on Wellington Electricity Lines Limited's ('the Company') compliance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated in 2015) ('the Determination') in relation to the preparation of Schedules 1 to 4, 5a to 5e, 6a, 6b, 7, the system average interruption duration index ('SAIDI') and system average interruption frequency index ('SAIFI') information disclosed in Schedule 10 and the explanatory notes disclosed in boxes 1 to 12 of Schedule 14 of the Company's Information Disclosures ('the Disclosure Information') for the period 1 April 2017 to 31 March 2018.

In our opinion, for the period 1 April 2017 to 31 March 2018:

- the Company has complied, in all material aspects, with the Determination in relation to the Company's preparation of the Disclosure Information;
- as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the Company; and
- as far as appears from an examination of the records, the information used in the preparation of the Disclosure Information has been properly extracted from the Company's accounting and other records and has been sourced, where appropriate, from the Company's financial and non-financial systems.

Basis of opinion

We have conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised): *Compliance Engagements* ('SAE3100 (Revised)') issued by the New Zealand Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Board of Directors' Responsibilities

The Board of Directors is responsible on behalf of the Company for the preparation of the Disclosure Information in accordance with the Determination. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Disclosure Information with the Determination.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than in our capacity as auditor and the provision of other assurance services, taxation services and a temporary staff secondment to the Company to provide mechanical modelling services, we have no relationship with or interests in the Company. These services have not impaired our independence as auditor of the Company or any of its subsidiaries.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion whether the Disclosure information has been prepared, in all material respects, in accordance with the Determination. SAE3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material aspects, with the Determination in relation to the preparation of the Disclosure Information.

An assurance engagement to report on the Company's compliance with the Determination in relation to the preparation of the Disclosure Information involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the requirements of the Determination. The procedures selected depend on our judgement, including the identification and assessment of risk of material non-compliance with the Determination.

Our procedures include:

- evaluating the methodologies used in preparing the Disclosure Information and confirming that they are in accordance with the requirements set out in the Determination;
- ensuring proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the Company;
- identifying key inputs to the Disclosure Information;
- ensuring the information used in preparing the Disclosure Information has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and
- ensuring the calculations are mathematically correct.

These procedures have been undertaken to form an opinion as to whether the Disclosure Information has been prepared, in all material respects, with the Determination in relation to the preparation of the Disclosure Information for the period 1 April 2017 to 31 March 2018.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any systems of internal control, there is an unavoidable risk that fraud, error or non-compliance by the Company with the Determination in relation to the preparation of the Disclosure Information may occur and not be detected, even though the engagement is properly planned and performed in accordance with SAE 3100 (Revised).

Use of Report

This report is provided solely for your exclusive use and solely for the purpose of Section 2.8 of the Determination. This report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence in relation to the opinion expressed in this report.

Deloitte Limited

Wellington, New Zealand
22 August 2018