EDB Information Disclosure Requirements

Information Templates

for

Schedules 1–10

Company Name	Wellington Electricity Lines Limited
Disclosure Date	29 July 2020
Disclosure Year (year ended)	31 March 2020

Templates for Schedules 1–10 excluding 5f–5g
Template Version 4.1. Prepared 21 December 2017

Table of Contents

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 21 December 2017). 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

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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)
9	**Operational expenditure**	14,139	190	61,810	6,756	22,846
10	Network	6,923	93	30,262	3,308	11,186
11	Non-network	7,217	97	31,548	3,448	11,661
12						
13	**Expenditure on assets**	24,783	334	108,340	11,841	40,044
14	Network	23,744	320	103,798	11,345	38,365
15	Non-network	1,039	14	4,542	496	1,679

1(ii): Revenue metrics

		Revenue per GWh energy delivered to ICPs ($/GWh)	Revenue per average no. of ICPs ($/ICP)
19	**Total consumer line charge revenue**	74,461	1,003
20	Standard consumer line charge revenue	74,277	990
21	Non-standard consumer line charge revenue	91,439	159,508

1(iii): Service intensity measures

25	Demand density	109	*Maximum coincident system demand per km of circuit length (for supply) (kW/km)*
26	Volume density	478	*Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)*
27	Connection point density	35	*Average number of ICPs per km of circuit length (for supply) (ICPs/km)*
28	Energy intensity	13,468	*Total energy delivered to ICPs per average number of ICPs (kWh/ICP)*

1(iv): Composition of regulatory income

		($000)	% of revenue
32	Operational expenditure	32,190	18.87%
33	Pass-through and recoverable costs excluding financial incentives and wash-ups	67,840	39.78%
34	Total depreciation	26,844	15.74%
35	Total revaluations	15,920	9.33%
36	Regulatory tax allowance	12,757	7.48%
37	Regulatory profit/(loss) including financial incentives and wash-ups	46,841	27.46%
38	**Total regulatory income**	170,553	

1(v): Reliability

42	Interruption rate	9.82	*Interruptions per 100 circuit km*

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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	CY-1	Current Year CY
7	**2(i): Return on Investment**			
8		31 Mar 18	31 Mar 19	31 Mar 20
9	**ROI – comparable to a post tax WACC**	%	%	%
10	Reflecting all revenue earned	5.91%	6.48%	7.38%
11	Excluding revenue earned from financial incentives	5.82%	6.38%	7.51%
12	Excluding revenue earned from financial incentives and wash-ups	5.76%	6.32%	7.44%
13				
14	**Mid-point estimate of post tax WACC**	5.04%	4.75%	4.27%
15	25th percentile estimate	4.36%	4.07%	3.59%
16	75th percentile estimate	5.72%	5.43%	4.95%
17				
18				
19	**ROI – comparable to a vanilla WACC**			
20	Reflecting all revenue earned	6.50%	6.99%	7.81%
21	Excluding revenue earned from financial incentives	6.41%	6.89%	7.93%
22	Excluding revenue earned from financial incentives and wash-ups	6.35%	6.83%	7.87%
23				
24	**WACC rate used to set regulatory price path**	7.19%	7.19%	7.19%
25				
26	**Mid-point estimate of vanilla WACC**	5.60%	5.26%	4.69%
27	25th percentile estimate	4.92%	4.58%	4.01%
28	75th percentile estimate	6.29%	5.94%	5.37%
29				

30	**2(ii): Information Supporting the ROI**		($000)	
31				
32	Total opening RAB value	629,323		
33	*plus* Opening deferred tax	(36,198)		
34	**Opening RIV**		593,125	
35				
36	**Line charge revenue**		169,522	
37				
38	Expenses cash outflow	100,030		
39	*add* Assets commissioned	43,322		
40	*less* Asset disposals	–		
41	*add* Tax payments	9,070		
42	*less* Other regulated income	1,031		
43	**Mid-year net cash outflows**		151,392	
44				
45	**Term credit spread differential allowance**		–	
46				
47	Total closing RAB value	661,487		
48	*less* Adjustment resulting from asset allocation	(234)		
49	*less* Lost and found assets adjustment	–		
50	*plus* Closing deferred tax	(39,885)		
51	**Closing RIV**		621,836	
52				
53	**ROI – comparable to a vanilla WACC**			7.81%
54				
55	Leverage (%)			42%
56	Cost of debt assumption (%)			3.61%
57	Corporate tax rate (%)			28%
58				
59	**ROI – comparable to a post tax WACC**			7.38%
60				

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).
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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 — 7.70%

Year-end ROI – comparable to a post tax WACC — 7.27%

** 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	114	
Purchased assets – avoided transmission charge	–	
Energy efficiency and demand incentive allowance		
Quality incentive adjustment	(1,119)	
Other financial incentives	–	
Financial incentives		(1,005)

Impact of financial incentives on ROI — –0.12%

Input methodology claw-back	–	
CPP application recoverable costs	–	
Catastrophic event allowance	–	
Capex wash-up adjustment	518	
Transmission asset wash-up adjustment	–	
2013–15 NPV wash-up allowance	–	
Reconsideration event allowance	–	
Other wash-ups	–	
Wash-up costs		518

Impact of wash-up costs on ROI — 0.06%

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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)
7	**3(i): Regulatory Profit**		
8		**Income**	
9		Line charge revenue	169,522
10	*plus*	Gains / (losses) on asset disposals	26
11	*plus*	Other regulated income (other than gains / (losses) on asset disposals)	1,005
12			
13		**Total regulatory income**	170,553
14		**Expenses**	
15	*less*	Operational expenditure	32,190
16			
17	*less*	Pass-through and recoverable costs excluding financial incentives and wash-ups	67,840
18			
19		**Operating surplus / (deficit)**	70,522
20			
21	*less*	Total depreciation	26,844
22			
23	*plus*	Total revaluations	15,920
24			
25		**Regulatory profit / (loss) before tax**	59,598
26			
27	*less*	Term credit spread differential allowance	–
28			
29	*less*	Regulatory tax allowance	12,757
30			
31		**Regulatory profit/(loss) including financial incentives and wash-ups**	46,841
32			

			($000)	
33	**3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups**			
34		**Pass through costs**		
35		Rates	2,824	
36		Commerce Act levies	297	
37		Industry levies	566	
38		CPP specified pass through costs	–	
39		**Recoverable costs excluding financial incentives and wash-ups**		
40		Electricity lines service charge payable to Transpower	61,287	
41		Transpower new investment contract charges	1,129	
42		System operator services	–	
43		Distributed generation allowance	1,738	
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**		67,840
47				

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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).
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sch ref

3(iii): Incremental Rolling Incentive Scheme

($000)

		CY-1 31 Mar 19	CY 31 Mar 20
51	Allowed controllable opex	34,131	35,184
52	Actual controllable opex	34,017	32,190
53			
54	Incremental change in year		2,880
55			

			Previous years' incremental change	Previous years' incremental change adjusted for inflation
56				
57	CY-5	31 Mar 15	–	–
58	CY-4	31 Mar 16	1,277	1,277
59	CY-3	31 Mar 17	598	598
60	CY-2	31 Mar 18	(2,272)	(2,272)
61	CY-1	31 Mar 19	511	511
62	**Net incremental rolling incentive scheme**			114
63				
64	**Net recoverable costs allowed under incremental rolling incentive scheme**			114

3(iv): Merger and Acquisition Expenditure

		($000)
66	Merger and acquisition expenditure	–
67		
68	*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)*	

3(v): Other Disclosures

		($000)
71	Self-insurance allowance	–

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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

4(i): Regulatory Asset Base Value (Rolled Forward)

		for year ended	RAB 31 Mar 16 ($000)	RAB 31 Mar 17 ($000)	RAB 31 Mar 18 ($000)	RAB 31 Mar 19 ($000)	RAB 31 Mar 20 ($000)
10		**Total opening RAB value**	586,689	591,580	602,562	611,855	629,323
12	*less*	**Total depreciation**	24,829	26,498	28,765	26,323	26,844
14	*plus*	**Total revaluations**	3,438	12,800	6,590	9,069	15,920
16	*plus*	**Assets commissioned**	26,282	24,695	31,469	37,191	43,322
18	*less*	**Asset disposals**	–	16	–	–	–
20	*plus*	**Lost and found assets adjustment**	–	–	–	–	–
22	*plus*	**Adjustment resulting from asset allocation**	–	–	–	(2,469)	(234)
24		**Total closing RAB value**	591,580	602,562	611,855	629,323	661,487

4(ii): Unallocated Regulatory Asset Base

			Unallocated RAB * ($000)	Unallocated RAB * ($000)	RAB ($000)	RAB ($000)
29		**Total opening RAB value**		631,792		629,323
30	*less*					
31		**Total depreciation**		26,899		26,844
32	*plus*					
33		**Total revaluations**		15,982		15,920
34	*plus*					
35		Assets commissioned (other than below)	43,322		43,322	
36		Assets acquired from a regulated supplier	–		–	
37		Assets acquired from a related party	–		–	
38		**Assets commissioned**		43,322		43,322
39	*less*					
40		Asset disposals (other than below)	–		–	
41		Asset disposals to a regulated supplier	–		–	
42		Asset disposals to a related party	–		–	
43		**Asset disposals**		–		–
45	*plus*	**Lost and found assets adjustment**		–		–
47	*plus*	**Adjustment resulting from asset allocation**				(234)
49		**Total closing RAB value**		664,198		661,487

** 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.*

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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

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

54	CPI_4	1,052
55	CPI_4^{-4}	1,026
56	Revaluation rate (%)	2.53%

		Unallocated RAB *		RAB	
		($000)	($000)	($000)	($000)
60	Total opening RAB value	631,792		629,323	
61	*less* Opening value of fully depreciated, disposed and lost assets	1,113		1,113	
63	Total opening RAB value subject to revaluation	630,679		628,210	
64	**Total revaluations**		15,982		15,920

4(iv): Roll Forward of Works Under Construction

		Unallocated works under construction		Allocated works under construction	
68	**Works under construction—preceding disclosure year**		17,604		17,604
69	*plus* Capital expenditure	46,653		46,653	
70	*less* Assets commissioned	43,322		43,322	
71	*plus* Adjustment resulting from asset allocation			–	
72	**Works under construction - current disclosure year**		20,935		20,935
74	Highest rate of capitalised finance applied				5.34%

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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

4(v): Regulatory Depreciation

		Unallocated RAB * ($000)	($000)	RAB ($000)	($000)
79	Depreciation - standard	23,395		23,340	
80	Depreciation - no standard life assets	3,504		3,504	
81	Depreciation - modified life assets	–		–	
82	Depreciation - alternative depreciation in accordance with CPP	–		–	
83	**Total depreciation**		26,899		26,844

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					

** include additional rows if needed*

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	
99	**Total opening RAB value**	2,562	49,252	53,123	159,235	208,514	102,969	32,148	14,440	7,080	629,323	
100	*less* Total depreciation	148	3,435	2,396	4,141	8,924	3,672	1,787	343	1,998	26,844	
101	*plus* Total revaluations	66	1,108	1,467	4,196	5,233	2,600	784	302	163	15,920	
102	*plus* Assets commissioned	648	432	8,431	7,790	4,802	12,963	994	5,380	1,882	43,322	
103	*less* Asset disposals	–	–	–	–	–	–	–	–	–	–	
104	*plus* Lost and found assets adjustment	–	–	–	–	–	–	–	–	–	–	
105	*plus* Adjustment resulting from asset allocation	–	–	–	(234)	–	–	–	–	–	(234)	
106	*plus* Asset category transfers	–	–	–	–	–	–	–	–	–	–	
107	**Total closing RAB value**	3,128	47,356	60,625	166,847	209,625	114,860	32,139	19,779	7,128	661,487	
108												
109	**Asset Life**											
110	Weighted average remaining asset life	15.8	13.9	20.4	36.8	23.1	24.1	17.8	31.5	3.9		(years)
111	Weighted average expected total asset life	48.9	53.8	42.5	53.2	52.8	46.7	36.2	37.9	11.0		(years)

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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 2.8.

sch ref					
7	**5a(i): Regulatory Tax Allowance**				**($000)**
8		**Regulatory profit / (loss) before tax**			59,598
9					
10	*plus*	Income not included in regulatory profit / (loss) before tax but taxable	–	*	
11		Expenditure or loss in regulatory profit / (loss) before tax but not deductible	64	*	
12		Amortisation of initial differences in asset values	7,151		
13		Amortisation of revaluations	3,502		
14					10,717
15					
16	*less*	Total revaluations	15,920		
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	8,835		
21					24,754
22					
23		**Regulatory taxable income**			45,561
24					
25	*less*	Utilised tax losses	–		
26		Regulatory net taxable income			45,561
27					
28		Corporate tax rate (%)	28%		
29		**Regulatory tax allowance**			12,757
30					
31	*	Workings to be provided in Schedule 14			
32	**5a(ii): Disclosure of Permanent Differences**				
33		In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).			
34	**5a(iii): Amortisation of Initial Difference in Asset Values**				**($000)**
35					
36		Opening unamortised initial differences in asset values	91,060		
37	*less*	Amortisation of initial differences in asset values	7,151		
38	*plus*	Adjustment for unamortised initial differences in assets acquired	–		
39	*less*	Adjustment for unamortised initial differences in assets disposed	–		
40		Closing unamortised initial differences in asset values			83,909
41					
42		Opening weighted average remaining useful life of relevant assets (years)			13
43					

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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 2.8.

sch ref				
44	**5a(iv): Amortisation of Revaluations**			**($000)**
45				
46		Opening sum of RAB values without revaluations	570,623	
47				
48		Adjusted depreciation	23,342	
49		Total depreciation	26,844	
50		Amortisation of revaluations		3,502
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**	(36,198)	
61				
62	*plus*	Tax effect of adjusted depreciation	6,536	
63				
64	*less*	Tax effect of tax depreciation	8,227	
65				
66	*plus*	Tax effect of other temporary differences*	335	
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	–	
73				
74	*plus*	Deferred tax cost allocation adjustment	(328)	
75				
76		**Closing deferred tax**		(39,885)
77				
78	**5a(vii): Disclosure of Temporary Differences**			
79		*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).*		
80				
81	**5a(viii): Regulatory Tax Asset Base Roll-Forward**			
82				**($000)**
83		**Opening sum of regulatory tax asset values**	359,868	
84	*less*	Tax depreciation	29,381	
85	*plus*	Regulatory tax asset value of assets commissioned	39,514	
86	*less*	Regulatory tax asset value of asset disposals	–	
87	*plus*	Lost and found assets adjustment	–	
88	*plus*	Adjustment resulting from asset allocation	(1,406)	
89	*plus*	Other adjustments to the RAB tax value	–	
90		**Closing sum of regulatory tax asset values**		368,594

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

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

sch ref

5b(i): Summary—Related Party Transactions

	($000)	($000)
Total regulatory income		16
Market value of asset disposals		–
Service interruptions and emergencies	–	
Vegetation management	–	
Routine and corrective maintenance and inspection	1,659	
Asset replacement and renewal (opex)	–	
Network opex		1,659
Business support	4,893	
System operations and network support	5,805	
Operational expenditure		12,357
Consumer connection	929	
System growth	109	
Asset replacement and renewal (capex)	1,204	
Asset relocations	177	
Quality of supply	115	
Legislative and regulatory	–	
Other reliability, safety and environment	59	
Expenditure on non-network assets		56
Expenditure on assets		2,649
Cost of financing		–
Value of capital contributions		–
Value of vested assets		–
Capital Expenditure		2,649
Total expenditure		15,007
Other related party transactions		–

5b(iii): Total Opex and Capex Related Party Transactions

Name of related party	Nature of opex or capex service provided	Total value of transactions ($000)
International Infrastructure Services Company Limited - NZ Branch (IISC)	Routine and corrective maintenance and inspection	1,659
International Infrastructure Services Company Limited - NZ Branch (IISC)	Business support	4,816
International Infrastructure Services Company Limited - NZ Branch (IISC)	System operations and network support	5,805
International Infrastructure Services Company Limited - NZ Branch (IISC)	Other reliability, safety and environment	59
International Infrastructure Services Company Limited - NZ Branch (IISC)	Consumer connection	929
International Infrastructure Services Company Limited - NZ Branch (IISC)	Asset replacement and renewal (capex)	1,204
International Infrastructure Services Company Limited - NZ Branch (IISC)	Quality of supply	115
International Infrastructure Services Company Limited - NZ Branch (IISC)	System growth	87
International Infrastructure Services Company Limited - NZ Branch (IISC)	Asset relocations	177
CHED Services Pty Limited	System growth	22
CHED Services Pty Limited	Expenditure on non-network assets	56
CHED Services Pty Limited	Business support	12
Cheung Kong Infrastructure Holdings Limited	Business support	65
Enviro (NZ) Limited	Business support	1
	[Select one]	
Total value of related party transactions		15,007

** include additional rows if needed*

Related Party Disclosure Supporting Documentation:

ID clause 2.3.8
Consistent with disclosure S5b, WELL transacts with the following related parties:
International Infrastructure Services Company Limited - NZ Branch (IISC) - Provides front and back office services to utility providers. These include asset management, financial and commercial operations, regulation, project management, network operations, information technology and quality, safety and environment management.
Cheung Kong Infrastructure Holdings Limited – A global infrastructure company with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management, waste-to-energy, household infrastructure and other infrastructure related business.
CHED Services PTY Limited – CHED services provide specialist corporate and metering services for a number of clients. These services include: finance and tax, company secretarial and legal, human resources, corporate affairs, regulation, customer services, information technology and office administration.
Enviro (NZ) Limited – Provides innovative, safe and sustainable resource recovery and management.

The relationships between the companies are as follows:
Same ultimate beneficial owners
- IISC
- Cheung Kong Infrastructure Holdings Limited
- Enviro (NZ) Limited

Controlling shareholder in common
- CHED Services PTY Limited
- The total annual expenditure between WELL and the related parties can be seen in S5b

ID Clause 2.3.10 and 2.3.11
Current policy for the procurement of goods and services from a related party

It is envisaged that Wellington Electricity may procure goods and services from related party companies when it is economically and commercially viable for both the company and its customers. Wellington Electricity will ensure when entering into a third party relationship that it complies with relevant laws and regulations. As a result Wellington Electricity has the following guidance in place for material transactions involving related parties. This guidance is in place to mitigate the risk (actual and perceived) that the transactions are not arms-length.

Wellington Electricity shall not procure goods or services from a related party without either a third party independent benchmarking report or directly comparable quotes.

Costs and benefits may be compared in-house following the standard procurement process if the goods or services are the same or substantially similar to those offered by non-related parties.

If costs relating to the goods or services are not easily comparable with market information, a third party independent benchmarking report(s) must be provided by a reputable company with relevant experience to conduct a benchmarking report. This is to be used when there is limited information or comparability surrounding the goods or services being provided. This may be the case due to the limited size of the New Zealand market. This is extremely important as it ensures that consumers are not disadvantaged by any transaction.

Further efficiencies may be gained by entering into long term contracts, these must be reviewed on a regular basis and have dauses for termination of the contract to avoid the economic benefits being eroded over time.

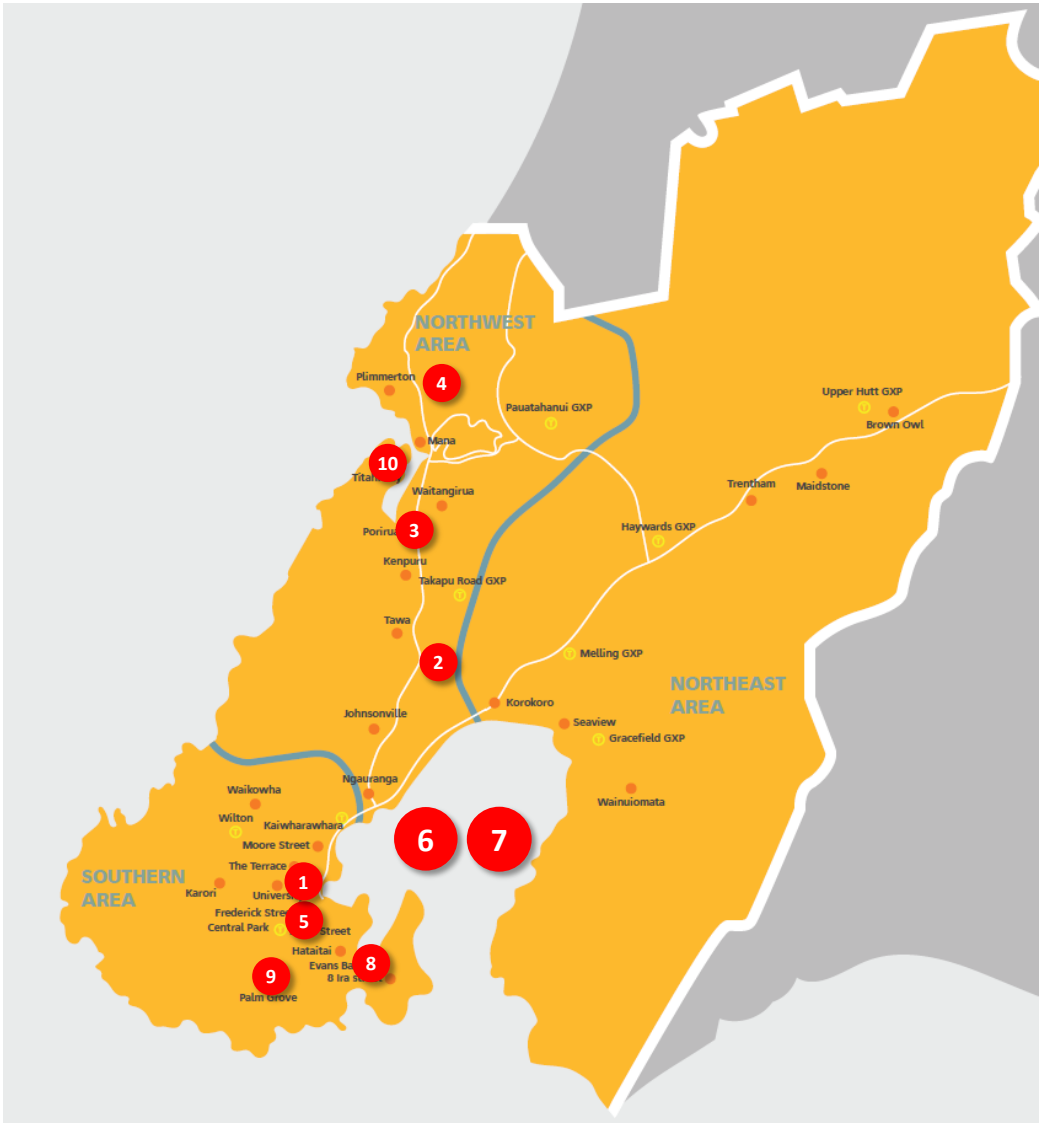
ID Clause 2.3.12
(1) When procuring from a related party Wellington Electricity will do either of the following:
a.) Put out a competitive tender for the goods or services which will be judged on subjective measures if there is an active market for the good or service; or
b.) Commission an independent third party to perform a benchmarking over the goods or services being procured if the information is not readily available.
(2) Wellington Electricity does not have any policies or procedures that require or have the effect of requiring a consumer to purchase assets or goods or services from a related party.
(3) The contract between Wellington Electricity and IISC is currently being renegotiated after coming to the end of its initial three year term and renewal period. Since there is no active market for the services provided, the following benchmark tests were implemented:
a.) Commissioning a benchmarking report from KPMG on contractor margins to test that costs are at market rates;
b.) Analysis of Lines Company costs contained in the PwC Electricity Lines Business Information Disclosure Compendium to see that the cost of the business support service is aligned with other New Zealand networks; and
c.) Reviewing IISC labour rates against other third party providers to test that labour rates are at market levels.
The results of the benchmarking have been used to assess contract rates, ensuring the related party transition is at arms length and representative of a market price. The benchmarking is being used as part of the contract re-negotiation.
(4) The arm's length nature is determined through the use of independent benchmarking reports and other benchmarking tests. This was performed in the current year as part of the contract re-negotiation process.
(5) Wellington Electricity does not consider the procurement of assets or goods or services from a related party to differ significantly between expenditure categories.

Related Party Disclosure Supporting Documentation for ID clause 2.3.13 and 2.3.14

- WELL does not have any operating expenditure projects
- WELL's largest 10 capex projects by cost are (as provided by the 2020 AMP):

Map refn	Project	Estimated Cost $0	Location	Timing	Constraint alleviated	AMP refn	Supply of assets, goods or services by related party
❶	Build Bond Street zone substation	33,000	Southern Wellington Area	2028-2032	The forecast summer peak load at The Terrace zone substation is expected to exceed the subtransmission N-1 rating by 2021. The short-term risk mitigation plan is to re-balance the load between Frederick Street and The Terrace after the current constraint at Frederick Street is mitigated.	8.4.2.9	Currently not indicated for supply by a related party
❷	Build Grenada North Zone (GRN) Zone Sub supplied from first Takapu Road-Khandallah line section, upgrade 11 kV ties to supply Ngauranga and Johnsonville from GRN.	20,000	Porirua	2027-2030	The sustained peak load supplied by Johnsonville zone substation currently exceeds the N-1 capacity of the subtransmission circuits. Capacity and security will be managed operationally until the investment is complete.	8.5.2.1	Currently not indicated for supply by a related party
❸	A complete upgrade of the Porirua OR 33kV Cable, zone substation transformers and switchboard.	16,000	Porirua	2022-2025	The peak load supplied by Porirua zone substation exceeds the N-1 subtransmission circuit branch ratings for both winter and summer periods. Capacity and security will be managed operationally until the investment is complete.	8.5.2.6	Currently not indicated for supply by a related party
❹	Install a 33 kV bus, a second 24 MVA transformer and a second 11 kV bus section at Plimmerton.	8,000	Porirua	2026-2027	Security of supply risk as Plimmerton zone substation is supplied by a single subtransmission circuit. In addition, the forecast peak load at Plimmerton is expected to exceed the subtransmission N-1 rating by 2023 due to the limited capacity of the Mana-Plimmerton 11 kV bus tie. Capacity and security will be managed operationally until the investment is complete.	8.5.2.5	Currently not indicated for supply by a related party
❺	Frederick Street Sub transmission Cable Replacement and Protection Upgrade	7,500	Southern Wellington Area	2020-2022	The sustained peak load supplied by Frederick Street zone substation currently exceeds the N-1 capacity of the sub transmission supply cables. Capacity and security will be managed operationally until the investment is complete.	8.4.2.3	Currently not indicated for supply by a related party
❻	Average cost of annual pole replacement programme	6,100	Across the entire network	Annual	Replacement and renewal of pole fleet based on the results of testing and the asset health and asset criticality indicators. Meets regulatory requirements in terms of managing tagged poles.	7.5.3.3	Currently not indicated for supply by a related party
❼	Wireless communication system	5,100	Across the entire network	2021 – 2025	New communication systems to provide remote operation, protection, load control and system coverage. Replaces the existing copper based pilot cable system.	8.7.1.1	Currently not indicated for supply by a related party
❽	Build 33 kV bus at Evans Bay zone substation	4,500	Southern Wellington Area	2020-2022	Evans Bay 1 33kV cable asset replacement - asset replacement required to maintain current reliability levels.	8.4.2.2	Currently not indicated for supply by a related party
❾	Upgrade Palm Grove zone substation transformer capacity by replacing the existing with 36 MVA units	4,500	Southern Wellington Area	2023-2025	The sustained peak load supplied by Palm Grove zone substation currently exceeds the N-1 capacity of the sub transmission supply cables. Capacity and security will be managed operationally until the investment is complete.	8.4.2.8	Currently not indicated for supply by a related party
❿	Reinforce 11 kV feeders to enable load transfer from Mana to Porirua and Plimmerton after these two zone substations.	4,000	Porirua	2030	Improvement to supply security for the Mana zone substation.	8.5.2.4	Currently not indicated for supply by a related party

Network map of the 10 largest capital projects



Company Name	Wellington Electricity Lines Limited
For Year Ended	31 March 2020

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

5c(i): Qualifying Debt (may be Commission only)

Issuing party	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Debt issue cost readjustment
N/A								
** include additional rows if needed*						–	–	–

5c(ii): Attribution of Term Credit Spread Differential

Gross term credit spread differential		–
Total book value of interest bearing debt		
Leverage	42%	
Average opening and closing RAB values		
Attribution Rate (%)		–
Term credit spread differential allowance		–

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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

	Value allocated ($000s)				
	Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase ($000s)
Service interruptions and emergencies					
Directly attributable		4,987			
Not directly attributable	–	–	–	–	–
Total attributable to regulated service		4,987			
Vegetation management					
Directly attributable		1,659			
Not directly attributable	–	–	–	–	–
Total attributable to regulated service		1,659			
Routine and corrective maintenance and inspection					
Directly attributable		7,498			
Not directly attributable	–	634	15	649	–
Total attributable to regulated service		8,132			
Asset replacement and renewal					
Directly attributable		982			
Not directly attributable	–	–	–	–	–
Total attributable to regulated service		982			
System operations and network support					
Directly attributable		5,916			
Not directly attributable	–	–	–	–	–
Total attributable to regulated service		5,916			
Business support					
Directly attributable		9,842			
Not directly attributable	–	672	30	703	–
Total attributable to regulated service		10,514			
Operating costs directly attributable		30,884			
Operating costs not directly attributable	–	1,307	45	1,352	–
Operational expenditure		32,190			

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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(ii): Other Cost Allocations

	($000)
Pass through and recoverable costs	
Pass through costs	
Directly attributable	3,686
Not directly attributable	–
Total attributable to regulated service	3,686
Recoverable costs	
Directly attributable	64,154
Not directly attributable	–
Total attributable to regulated service	64,154

5d(iii): Changes in Cost Allocations* †

Change in cost allocation 1

			($000) CY-1	($000) Current Year (CY)
Cost category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–

Rationale for change

Change in cost allocation 2

			($000) CY-1	($000) Current Year (CY)
Cost category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–

Rationale for change

Change in cost allocation 3

			($000) CY-1	($000) Current Year (CY)
Cost category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–

Rationale for change

** 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

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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

5e(i): Regulated Service Asset Values

	Value allocated ($000s) Electricity distribution services
Subtransmission lines	
Directly attributable	3,128
Not directly attributable	–
Total attributable to regulated service	3,128
Subtransmission cables	
Directly attributable	47,356
Not directly attributable	–
Total attributable to regulated service	47,356
Zone substations	
Directly attributable	60,625
Not directly attributable	–
Total attributable to regulated service	60,625
Distribution and LV lines	
Directly attributable	35,564
Not directly attributable	131,283
Total attributable to regulated service	166,847
Distribution and LV cables	
Directly attributable	209,625
Not directly attributable	–
Total attributable to regulated service	209,625
Distribution substations and transformers	
Directly attributable	114,860
Not directly attributable	–
Total attributable to regulated service	114,860
Distribution switchgear	
Directly attributable	32,139
Not directly attributable	–
Total attributable to regulated service	32,139
Other network assets	
Directly attributable	19,779
Not directly attributable	–
Total attributable to regulated service	19,779
Non-network assets	
Directly attributable	7,128
Not directly attributable	–
Total attributable to regulated service	7,128
Regulated service asset value directly attributable	530,204
Regulated service asset value not directly attributable	131,283
Total closing RAB value	661,487

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

Change in asset value allocation 1

			($000) CY-1	Current Year (CY)
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–

Rationale for change

Change in asset value allocation 2

			($000) CY-1	Current Year (CY)
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–

Rationale for change

Change in asset value allocation 3

			($000) CY-1	Current Year (CY)
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–

Rationale for change

** 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 compone*
† include additional rows if needed

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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

6a(i): Expenditure on Assets

			($000)	($000)
8		Consumer connection		13,570
9		System growth		1,291
10		Asset replacement and renewal		23,616
11		Asset relocations		2,689
12		Reliability, safety and environment:		
13		Quality of supply	2,024	
14		Legislative and regulatory	–	
15		Other reliability, safety and environment	10,867	
16		**Total reliability, safety and environment**		12,892
17		**Expenditure on network assets**		54,057
18		Expenditure on non-network assets		2,366
19				
20		**Expenditure on assets**		56,422
21	*plus*	Cost of financing		320
22	*less*	Value of capital contributions		10,090
23	*plus*	Value of vested assets		–
24				
25		**Capital expenditure**		46,653

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	–

6a(iii): Consumer Connection

	*Consumer types defined by EDB**	($000)	($000)
32	Substation	4,033	
33	Subdivision	6,476	
34	Residential & Commercial Customers (low Voltage)	2,970	
35	Public Lighting	91	
36	[Description of material project or programme]		
37	** include additional rows if needed*		
38	**Consumer connection expenditure**		13,570
39			
40	*less* Capital contributions funding consumer connection expenditure	8,860	
41	**Consumer connection less capital contributions**		4,710

6a(iv): System Growth and Asset Replacement and Renewal

		System Growth ($000)	Asset Replacement and Renewal ($000)
45	Subtransmission	590	450
46	Zone substations	90	4,472
47	Distribution and LV lines	–	6,125
48	Distribution and LV cables	117	2,748
49	Distribution substations and transformers	115	7,511
50	Distribution switchgear	75	1,958
51	Other network assets	304	352
52	**System growth and asset replacement and renewal expenditure**	1,291	23,616
53	*less* Capital contributions funding system growth and asset replacement and renewal	–	–
54	**System growth and asset replacement and renewal less capital contributions**	1,291	23,616
55			

6a(v): Asset Relocations

	*Project or programme**	($000)	($000)
58	11kV Relocation for Transpower OTB-HAY	1,589	
59	[Description of material project or programme]		
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	1,100	
65	**Asset relocations expenditure**		2,689
66	*less* Capital contributions funding asset relocations	1,230	
67	**Asset relocations less capital contributions**		1,459

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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

6a(vi): Quality of Supply

			($000)	($000)
70		*Project or programme**		
71		[Description of material project or programme]		
72		[Description of material project or programme]		
73		[Description of material project or programme]		
74		[Description of material project or programme]		
75		[Description of material project or programme]		
76		** include additional rows if needed*		
77		All other projects programmes - quality of supply	2,024	
78		**Quality of supply expenditure**		2,024
79	*less*	Capital contributions funding quality of supply	–	
80		**Quality of supply less capital contributions**		2,024

6a(vii): Legislative and Regulatory

			($000)	($000)
82		*Project or programme**		
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		** include additional rows if needed*		
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**		–

6a(viii): Other Reliability, Safety and Environment

			($000)	($000)
94		*Project or programme**		
95		Streamlined CPP - Seismic Strengthening	4,758	
96		Streamlined CPP - Spares	4,400	
97		Streamlined CPP - Mobile Substations	859	
98		BAU - Seismic Strengthening	740	
99		[Description of material project or programme]		
100		** include additional rows if needed*		
101		All other projects or programmes - other reliability, safety and environment	110	
102		**Other reliability, safety and environment expenditure**		10,867
103	*less*	Capital contributions funding other reliability, safety and environment	–	
104		**Other reliability, safety and environment less capital contributions**		10,867
105				

6a(ix): Non-Network Assets

Routine expenditure

			($000)	($000)
108		*Project or programme**		
109		Streamlined CPP - Radios & Phones	723	
110		Corporate Servers	422	
111		Streamlined CPP - Data Centres	412	
112		[Description of material project or programme]		
113		[Description of material project or programme]		
114		** include additional rows if needed*		
115		All other projects or programmes - routine expenditure	808	
116		**Routine expenditure**		2,366

Atypical expenditure

			($000)	($000)
118		*Project or programme**		
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		** include additional rows if needed*		
125		All other projects or programmes - atypical expenditure	–	
126		**Atypical expenditure**		–
127				
128		**Expenditure on non-network assets**		2,366

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**

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	4,987	
9	Vegetation management	1,659	
10	Routine and corrective maintenance and inspection	8,132	
11	Asset replacement and renewal	982	
12	**Network opex**		15,760
13	System operations and network support	5,916	
14	Business support	10,514	
15	**Non-network opex**		16,430
16			
17	**Operational expenditure**		32,190
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		1,508
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 2020**

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

		Target ($000) [1]	Actual ($000)	% variance
7	**7(i): Revenue**			
8	Line charge revenue	168,896	169,522	0%
		Forecast ($000) [2]	**Actual ($000)**	**% variance**
9	**7(ii): Expenditure on Assets**			
10	Consumer connection	8,189	13,570	66%
11	System growth	6,309	1,291	(80%)
12	Asset replacement and renewal	19,595	23,616	21%
13	Asset relocations	2,499	2,689	8%
14	Reliability, safety and environment:			
15	Quality of supply	1,602	2,024	26%
16	Legislative and regulatory	–	–	–
17	Other reliability, safety and environment	16,200	10,867	(33%)
18	**Total reliability, safety and environment**	17,802	12,892	(28%)
19	**Expenditure on network assets**	54,393	54,057	(1%)
20	Expenditure on non-network assets	4,989	2,366	(53%)
21	Expenditure on assets	59,382	56,422	(5%)
22	**7(iii): Operational Expenditure**			
23	Service interruptions and emergencies	3,913	4,987	27%
24	Vegetation management	1,851	1,659	(10%)
25	Routine and corrective maintenance and inspection	10,147	8,132	(20%)
26	Asset replacement and renewal	834	982	18%
27	**Network opex**	16,745	15,760	(6%)
28	System operations and network support	5,884	5,916	1%
29	Business support	11,982	10,514	(12%)
30	**Non-network opex**	17,866	16,430	(8%)
31	**Operational expenditure**	34,612	32,190	(7%)
32	**7(iv): Subcomponents of Expenditure on Assets (where known)**			
33	Energy efficiency and demand side management, reduction of energy losses	–	–	–
34	Overhead to underground conversion	–	–	–
35	Research and development	–	–	–
36				
37	**7(v): Subcomponents of Operational Expenditure (where known)**			
38	Energy efficiency and demand side management, reduction of energy losses	–	–	–
39	Direct billing	–	–	–
40	Research and development	–	–	–
41	Insurance	1,008	1,508	50%
42				

43 *1 From the nominal dollar target revenue for the disclosure year disclosed under clause 2.4.3(3) of this determination*

44 *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)*

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**
Network / Sub-Network Name	

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(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)	Billed quantities by price component: Fixed Charge (FIXD)	Demand (DAMD)	Capacity Charge (CAPY)	On-Pk Demand Chg (DOPC)	Pwr Factor Charge (PWRF)	Uncontrolled /Var Chg (24 UC)	Night Charge (NITE)	Controlled Charge (CTRL)	All Inclusive Charge (AICO)	EV Peak	EV Off Peak	EV Controlled	Individual Contracts (IC)	
Price component																			
Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)						day	kVA/month	kVA/day	kW/mth	kVAr/mth	kWh	kWh	kWh	kWh	kWh	kWh	kWh	ea	*Add extra columns for additional billed quantities by price component as necessary*
	RLU, RLUEVB, RSU, RSUEVB	Domestic	Standard	151,808	1,039,124	55,593,053	–	–	–	–	520,363,353	6,690,414	39,537,104	471,041,142	380,783	1,058,372	52,936	–	
	GLV300, GTX300	Large Commercial	Standard	439	147,945	168,538	–	–	–	–	147,944,898	–	–	–	–	–	–	–	
	GTX1501	Large Industrial	Standard	33	160,835	14,092	–	32,774,492	357,886	26,029	160,834,807	–	–	–	–	–	–	–	
	GLV138, GTX138	Medium Commercial	Standard	425	54,674	155,334	–	–	–	–	54,673,680	–	–	–	–	–	–	–	
	GLV15, GTX15, GLV69, GTX69	Small Commercial	Standard	15,080	353,082	5,519,080	–	–	–	–	353,082,437	–	–	–	–	–	–	–	
	GLV1500, GTX1500	Small Industrial	Standard	398	467,781	173,766	1,321,860	74,961,514	–	–	467,780,566	–	–	–	–	–	–	–	
	G001, G002	Un-metered	Standard	849	28,790	16,742,651	–	–	–	–	28,790,220	–	–	–	–	–	–	–	
	Individual Contracts	Individual Contracts	Non-standard	14	24,422	–	–	–	–	–	–	–	–	–	–	–	–	24,421,979	
			[Select one]																
			[Select one]																
	Add extra rows for additional consumer groups or price category codes as necessary																		
			Standard consumer totals	169,031	2,252,231	78,366,515	1,321,860	107,736,006	357,886	26,029	1,733,469,961	6,690,414	39,537,104	471,041,142	380,783	1,058,372	52,936	–	
			Non-standard consumer totals	14	24,422	–	–	–	–	–	–	–	–	–	–	–	–	24,421,979	
			Total for all consumers	169,045	2,276,653	78,366,515	1,321,860	107,736,006	357,886	26,029	1,733,469,961	6,690,414	39,537,104	471,041,142	380,783	1,058,372	52,936	24,421,979	

Company Name	**Wellington Electricity Lines Limited**
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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)	Line charge revenues ($000) by price component												
							Price component	Fixed Charge (FIXD)	Demand (DAMD)	Capacity Charge (CAPY)	On-Pk Demand Chg (DOPC)	Pwr Factor Charge (PWRF)	Uncontrolled /Var Chg (24 UC)	Night Charge (NITE)	Controlled Charge (CTRL)	All Inclusive Charge (AICO)	EV Peak (EVB-PEAK)	EV Off-peak (EVB-OFFPEAK)	EV Controlled (EVB-CTRL)	Individual Contracts (IC)
							Rate (eg, $ per day, $ per kWh, etc.)	$/day	$/kVA/month	$/kVA/day	$/kW/mth	$/kVAr/mth	$/kWh	$/kWh	kWh	$/kWh	$/kWh	$/kWh	$/kWh	$
RLU, RLUEVB, RSU, RSUEVB	Domestic	Standard	$109,585	–	$69,285	$40,299		$28,415	–	–	–	–	$47,502	$117	$1,418	$32,045	$45	$40	$1	–
GLV300, GTX300	Large Commercial	Standard	$4,757	–	$3,053	$1,704		$2,022	–	–	–	–	$2,735	–	–	–	–	–	–	–
GTX1501	Large Industrial	Standard	$5,665	–	$3,631	$2,034		$1	–	$950	$4,249	$223	$241	–	–	–	–	–	–	–
GLV138, GTX138	Medium Commercial	Standard	$3,819	–	$2,455	$1,364		$1,332	–	–	–	–	$2,488	–	–	–	–	–	–	–
GLV15, GTX15, GLV69, GTX69	Small Commercial	Standard	$21,000	–	$13,507	$7,493		$6,675	–	–	–	–	$14,325	–	–	–	–	–	–	–
GLV1500, GTX1500	Small Industrial	Standard	$18,122	–	$11,659	$6,462		$4,701	$8,793	$1,229	–	–	$3,399	–	–	–	–	–	–	–
G001, G002	Un-metered	Standard	$4,341	–	$2,789	$1,552		$3,695	–	–	–	–	$646	–	–	–	–	–	–	–
Individual Contracts	Individual Contracts	Non-standard	$2,233	–	$1,340	$893		–	–	–	–	–	–	–	–	–	–	–	–	$2,233
		[Select one]	–																	
		[Select one]	–																	
Add extra rows for additional consumer groups or price category codes as necessary																				
		Standard consumer totals	$167,289	–	$106,380	$60,909		$46,840	$8,793	$2,180	$4,249	$223	$71,337	$117	$1,418	$32,045	$45	$40	$1	–
		Non-standard consumer totals	$2,233	–	$1,340	$893		–	–	–	–	–	–	–	–	–	–	–	–	$2,233
		Total for all consumers	$169,522	–	$107,720	$61,802		$46,840	$8,793	$2,180	$4,249	$223	$71,337	$117	$1,418	$32,045	$45	$40	$1	$2,233

Add extra columns for additional line charge revenues by price component as necessary

8(iii): Number of ICPs directly billed

Number of directly billed ICPs at year end	14	**Check** OK

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**
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

8	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1–4)
9	All	Overhead Line	Concrete poles / steel structure	No.	30,682	30,714	32	3
10	All	Overhead Line	Wood poles	No.	8,657	8,583	(74)	3
11	All	Overhead Line	Other pole types	No.	43	161	118	3
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	57	57	(0)	4
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	–	–	–	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	32	32	0	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	50	50	(0)	4
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	48	48	0	4
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	7	8	1	4
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	–	–	–	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	–	–	–	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	–	–	–	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	–	–	–	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	–	–	–	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	27	27	–	4
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	–	–	–	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	–	–	–	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	–	–	–	N/A
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	–	–	–	N/A
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	–	–	–	N/A
29	HV	Zone substation switchgear	33kV RMU	No.	–	–	–	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	–	–	–	N/A
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	2	2	–	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	355	355	–	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	–	–	–	N/A
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	52	52	–	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	588	587	(1)	4
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	2	2	0	4
37	HV	Distribution Line	SWER conductor	km	1	1	(0)	3
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	146	156	10	3
39	HV	Distribution Cable	Distribution UG PILC	km	1,034	1,033	(1)	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	0	0	–	4
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	17	17	–	4
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	950	993	43	4
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	2,600	2,609	9	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	610	611	1	3
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1,971	1,998	27	4
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	1,802	1,811	9	4
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	2,545	2,623	78	4
48	HV	Distribution Transformer	Voltage regulators	No.	–	–	–	N/A
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	513	516	3	4
50	LV	LV Line	LV OH Conductor	km	1,079	1,076	(2)	2
51	LV	LV Cable	LV UG Cable	km	1,701	1,714	13	2
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	1,918	1,922	5	2
53	LV	Connections	OH/UG consumer service connections	No.	168,201	168,987	786	3
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	1,409	1,430	21	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	264	265	1	4
56	All	Capacitor Banks	Capacitors including controls	No	–	–	–	N/A
57	All	Load Control	Centralised plant	Lot	24	24	–	4
58	All	Load Control	Relays	No	–	–	–	N/A
59	All	Civils	Cable Tunnels	km	1	1	–	4

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

SCHEDULE 9b: ASSET AGE PROFILE

This schedule requires a summary of the age profile (based on year of installation) of the 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

8 **Disclosure Year (year ended)**: 31 March 2020

Number of assets at disclosure year end by installation date

9	Voltage	Asset category	Asset class	Units	pre-1940	1940 –1949	1950 –1959	1960 –1969	1970 –1979	1980 –1989	1990 –1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	No. with age unknown	Items at end of year	No. with default dates	Data accuracy (1–4)
10	All	Overhead Line	Concrete poles / steel structure	No.	58	161	1,424	5,226	3,461	1,722	2,962	477	237	390	490	258	1,377	1,846	2,517	1,279	517	424	383	426	533	637	677	906	809	990	455	67	–	–	–	–	–	–	30,714	422	3
11	All	Overhead Line	Wood poles	No.	23	38	425	2,468	1,716	1,654	787	25	20	8	23	28	46	183	125	85	62	71	105	56	56	69	70	124	100	83	106	27	–	–	–	–	–	–	8,583	243	3
12	All	Overhead Line	Other pole types	No.	–	–	6	31	44	4	9	–	–	–	–	–	–	–	–	–	3	–	–	–	–	1	–	10	17	13	21	2	–	–	–	–	–	–	161	–	3
13	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	–	–	–	17	25	–	12	–	0	–	–	–	–	–	–	–	0	–	0	–	0	–	–	0	1	0	–	2	–	–	–	–	–	–	57	0	4
14	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	–	–	–	0	–	–	3	–	3	0	–	1	–	2	0	5	–	–	10	0	0	6	1	0	0	–	0	–	–	–	–	–	–	32	–	4
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	–	–	–	20	20	9	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	50	–	4
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	–	–	10	28	7	3	–	–	–	–	–	–	–	0	0	–	–	–	–	–	0	–	–	–	–	–	–	–	–	–	–	–	–	48	–	4
18	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	–	–	–	1	6	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8	–	4
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
22	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
23	HV	Subtransmission Cable	Subtransmission submarine cable	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
24	HV	Zone substation Buildings	Zone substations up to 66kV	No.	–	–	1	14	9	1	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	27	–	4
25	HV	Zone substation Buildings	Zone substations 110kV+	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
27	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
28	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
29	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
30	HV	Zone substation switchgear	33kV RMU	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
31	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
32	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	–	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	–	–	–	131	87	28	32	–	7	–	–	–	–	–	16	–	2	–	–	–	14	13	1	11	–	–	1	12	–	–	–	–	–	–	355	–	4
34	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
35	HV	Zone Substation Transformer	Zone Substation Transformers	No.	–	–	4	26	14	6	–	–	–	1	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	52	–	4
36	HV	Distribution Line	Distribution OH Open Wire Conductor	km	–	–	4	216	102	151	55	5	3	3	5	1	3	1	1	1	1	2	1	8	4	2	3	3	2	4	4	0	–	–	–	–	–	–	587	2	4
37	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	–	–	–	1	0	0	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–	–	–	–	–	0	0	–	–	–	–	–	–	2	–	4
38	HV	Distribution Line	SWER conductor	km	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	4
39	HV	Distribution Cable	Distribution UG XLPE or PVC	km	–	–	–	1	1	0	2	9	16	4	8	3	3	4	8	9	7	5	9	13	11	6	5	6	8	11	8	1	–	–	–	–	–	–	156	–	3
40	HV	Distribution Cable	Distribution UG PILC	km	55	22	115	277	249	154	113	11	5	4	5	9	6	5	1	2	0	0	0	0	0	0	–	–	–	0	0	0	–	–	–	–	–	–	1,033	–	3
41	HV	Distribution Cable	Distribution Submarine Cable	km	–	–	–	–	–	–	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionaliser	No.	–	–	–	1	–	–	1	–	–	–	–	–	–	2	2	–	–	1	–	–	–	1	6	1	1	–	1	–	–	–	–	–	–	17	–	4
43	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	–	5	17	201	134	159	114	7	13	2	3	–	5	7	17	21	34	46	31	43	24	17	19	10	18	25	12	3	–	–	–	–	–	–	993	–	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	2	–	151	714	419	187	211	51	49	80	69	40	36	47	64	33	21	37	30	35	23	27	41	65	48	56	63	10	–	–	–	–	–	–	2,609	53	3
45	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	–	–	5	108	162	197	49	–	8	1	3	–	2	–	4	4	2	6	5	8	14	2	3	7	5	11	5	–	–	–	–	–	–	–	611	29	3
46	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	–	–	23	141	407	216	248	31	23	32	53	39	38	50	36	33	69	40	52	59	52	58	46	68	56	58	58	12	–	–	–	–	–	–	1,998	25	4
47	HV	Distribution Transformer	Pole Mounted Transformer	No.	1	4	86	351	195	68	193	60	52	53	45	37	71	44	47	31	30	27	29	28	31	25	30	68	45	77	56	27	–	–	–	–	–	–	1,811	4	4
48	HV	Distribution Transformer	Ground Mounted Transformer	No.	1	18	139	384	505	211	218	42	57	41	53	57	67	81	60	51	54	51	47	44	44	69	45	68	66	58	59	33	–	–	–	–	–	–	2,623	2	4
49	HV	Distribution Transformer	Voltage regulators	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
50	HV	Distribution Substations	Ground Mounted Substation Housing	No.	4	12	82	128	84	85	38	8	9	12	5	5	3	2	1	3	5	1	–	4	4	6	3	3	4	–	5	–	–	–	–	–	–	516	–	4
51	LV	LV Line	LV OH Conductor	km	5	12	154	488	246	4	3	1	2	1	3	1	2	2	1	1	83	57	2	1	1	1	1	1	1	1	1	0	–	–	–	–	–	–	1,076	14	2
52	LV	LV Cable	LV UG Cable	km	7	20	103	313	522	207	206	26	20	14	17	26	24	20	25	22	11	11	7	13	14	15	12	14	17	15	12	2	–	–	–	–	–	–	1,714	16	2
53	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	2	11	114	513	622	165	190	16	13	14	12	15	20	11	10	27	50	53	7	5	11	8	6	7	7	7	6	1	–	–	–	–	–	–	1,922	173	2
54	LV	Connections	OH/UG consumer service connections	No.	2	16	145	290	130,161	114	148	37	15	11	9	8	3	17	12	12	843	872	1,046	875	916	1,072	1,026	1,110	1,135	1,442	1,833	538	–	–	–	–	–	25,279	168,987	130,163	2
55	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	–	–	–	–	–	–	–	–	–	1	1	–	–	–	1	5	2	–	15	43	41	28	46	4	21	22	33	3	–	–	–	–	–	1,164	1,430	–	3
56	All	SCADA and communications	SCADA and communications equipment operating as a single sys	Lot	–	–	–	–	–	48	90	2	2	1	–	–	5	4	6	1	14	12	17	8	12	6	20	5	1	7	3	1	–	–	–	–	–	–	265	–	4
57	All	Capacitor Banks	Capacitors including controls	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
58	All	Load Control	Centralised plant	Lot	–	–	6	8	6	1	1	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	1	–	–	–	–	–	–	–	–	24	–	4
59	All	Load Control	Relays	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	N/A
60	All	Civils	Cable Tunnels	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	1	–	4

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**
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)
10	**Circuit length by operating voltage (at year end)**			
11	> 66kV	–	–	–
12	50kV & 66kV	–	–	–
13	33kV	57	138	195
14	SWER (all SWER voltages)	1	–	1
15	22kV (other than SWER)	–	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	589	1,189	1,778
17	Low voltage (< 1kV)	1,076	1,714	2,791
18	**Total circuit length (for supply)**	1,723	3,042	4,765
19				
20	Dedicated street lighting circuit length (km)	810	1,113	1,922
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			–

		Circuit length (km)	(% of total overhead length)
23	**Overhead circuit length by terrain (at year end)**		
24	Urban	1,331	77%
25	Rural	392	23%
26	Remote only	–	–
27	Rugged only	–	–
28	Remote and rugged	–	–
29	Unallocated overhead lines	–	–
30	**Total overhead length**	1,723	100%

		Circuit length (km)	(% of total circuit length)
33	Length of circuit within 10km of coastline or geothermal areas (where known)	4,164	87%

		Circuit length (km)	(% of total overhead length)
35	Overhead circuit requiring vegetation management	1,551	90%

Company Name	**Limited**
For Year Ended	**31 March 2020**

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

	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 2020**
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

9e(i): Consumer Connections

Number of ICPs connected in year by consumer type

*Consumer types defined by EDB**	Number of connections (ICPs)
Domestic	1,847
Small Commercial	569
Medium Commercial	15
Large Commercial	23
Small Industrial	5
Un-metered	103

** include additional rows if needed*

Connections total	2,562	

Distributed generation

Number of connections made in year	236	**connections**
Capacity of distributed generation installed in year	1.74	**MVA**

9e(ii): System Demand

		Demand at time of maximum coincident demand (MW)	
	Maximum coincident system demand		
	GXP demand	467	
plus	Distributed generation output at HV and above	54	
	Maximum coincident system demand	521	
less	Net transfers to (from) other EDBs at HV and above	–	
	Demand on system for supply to consumers' connection points	521	

		Energy (GWh)	
	Electricity volumes carried		
	Electricity supplied from GXPs	2,237	
less	Electricity exports to GXPs	110	
plus	Electricity supplied from distributed generation	267	
less	Net electricity supplied to (from) other EDBs	–	
	Electricity entering system for supply to consumers' connection points	2,394	
less	Total energy delivered to ICPs	2,277	
	Electricity losses (loss ratio)	117	4.9%
	Load factor	0.52	

9e(iii): Transformer Capacity

	(MVA)
Distribution transformer capacity (EDB owned)	1,409
Distribution transformer capacity (Non-EDB owned, estimated)	27
Total distribution transformer capacity	1,436
Zone substation transformer capacity	1,067

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

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

10(i): Interruptions

Interruptions by class

		Number of interruptions
10	Class A (planned interruptions by Transpower)	–
11	Class B (planned interruptions on the network)	239
12	Class C (unplanned interruptions on the network)	226
13	Class D (unplanned interruptions by Transpower)	3
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)	–
19	**Total**	468

Interruption restoration

		≤3Hrs	>3hrs
22	Class C interruptions restored within	139	87

SAIFI and SAIDI by class

		SAIFI	SAIDI
25	Class A (planned interruptions by Transpower)	–	–
26	Class B (planned interruptions on the network)	0.06	6.5
27	Class C (unplanned interruptions on the network)	0.43	27.1
28	Class D (unplanned interruptions by Transpower)	0.34	9.0
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)	–	–
34	**Total**	0.82	42.6

Normalised SAIFI and SAIDI

		Normalised SAIFI	Normalised SAIDI
37	Classes B & C (interruptions on the network)	0.48	33.6

Company Name	**Wellington Electricity Lines Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

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	0.01	0.95
Vegetation	0.04	2.43
Adverse weather	0.01	1.35
Adverse environment	0.00	0.69
Third party interference	0.05	4.24
Wildlife	0.01	0.79
Human error	0.02	0.46
Defective equipment	0.21	13.13
Cause unknown	0.06	3.05

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)	0.05	6.21
Distribution cables (excluding LV)	0.00	0.27
Distribution other (excluding LV)	–	–

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

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	–	–
Subtransmission cables	–	–
Subtransmission other	–	–
Distribution lines (excluding LV)	0.33	22.28
Distribution cables (excluding LV)	0.09	4.83
Distribution other (excluding LV)	–	–

10(v): Fault Rate

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	–	57	–
Subtransmission cables	–	138	–
Subtransmission other	–		
Distribution lines (excluding LV)	193	589	32.79
Distribution cables (excluding LV)	33	1,189	2.78
Distribution other (excluding LV)	–		
Total	226		

Company Name Wellington Electricity Lines Limited

For Year Ended 31 March 2020

Schedule 14 Mandatory Explanatory Notes

(Guidance Note: This Microsoft Word version of Schedules 14, 14a and 15 is from the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018. Clause references in this template are to that determination)

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 11 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 2020 return on investment (ROI) of 7.81% (vanilla WACC) is above the Custom Price-Quality Path (CPP) WACC rate used to set regulatory price path of 7.19% for the 2 year period 1 April 2018 to 31 March 2020.

There were no reclassifications for the year.

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
During the year WELL has earned $0.5m for charges relating to new connections, upgrades, decommissioning and temporary disconnections.

There were no reclassifications for the year.

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.

There were no reclassifications for the 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.

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

Wellington Electricity Lines Limited (WELL) has recorded expenditure before tax that is not deductible of $64k. 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.

Cost allocation (Schedule 5d)

10. 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 7: Cost allocation

Allocating routine and corrective maintenance expenses to unregulated pole services.

Routine and corrective maintenance is an unavoidable cost for the regulated business and is crucial to network integrity. WELL also derives unregulated revenue from some poles in the form of rental for space on the pole for fibre connections. WELL applies the Accounting-based allocation (ABAA) approach method to allocated costs to the unregulated portion of the business.

There are two types of costs relating to the unregulated pole services:

(1) Installation costs: Installation costs incurred by WELL are the largest costs incurred in relation to the unregulated pole services. These costs sit outside of the regulatory cost base and are excluded from the information disclosures.

(2) On-going pole maintenance: Pole maintenance is performed annually and is ad-hoc. This is driven by the needs of the regulated business and not the fibre services - therefore there is no causal allocator available for these costs in relation to the unregulated portion of income. We have therefore allocated a portion of these costs to the unregulated business using a proxy allocator of the surface area of the pole used to house fibre equipment.

Allocating business support expenses to non-regulated services

These costs are generic business support costs which WELL allocated based on the ABAA approach. Business support services support unregulated services of rental of pole space for fibre, other leased assets not included in the RAB, loss rental rebates and instantaneous reserve revenue. Business support costs are allocated to these unregulated services using causal drivers. A causal driver has been selected because the activities to derive the revenue can be identified and the value associated to it can be calculated and separated from the regulated activities.

If the non-regulatory revenue streams did not exist, WELL would still incur the business support costs held in the regulatory business. Any business support costs directly relating to unregulated revenue have not been included in ID disclosures as a regulatory cost.

There were no reclassifications for the year.

Asset allocation (Schedule 5e)

11. 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 8: Commentary on asset allocation

WELL applies the ABAA method to allocate pole assets between the regulated and non-regulated parts of the business for fibre connections. WELL is unable to identify a direct causal relationship between the pole RAB and the unregulated revenue because the fibre equipment which also uses the poles is an incidental and incremental service – if the fibre connections did not exist, the poles would still be needed to provide distribution services. WELL has therefore applied a proxy allocator for the allocation of RAB between attributable and not directly attributable. The proxy allocator used is surface area of the pole. Surface area represents the portion of the pole that external parties are leasing to attach fibre connections to. The surface area of a pole used to attach fibre equipment has been calculated to be 2.25% of a pole. This percentage is applied to the average number of poles with a fibre connection, in the regulatory year.

There were no reclassifications for the year.

Capital Expenditure for the Disclosure Year (Schedule 6a)

12. In the box below, comment on expenditure on assets for the disclosure year, as disclosed in Schedule 6a. This comment must include-

    12.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;

    12.2 information on reclassified items in accordance with subclause 2.7.1(2).

Box 9: Explanation of capital expenditure for the disclosure year

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 $250k or more or relates to the CPP.

There were no reclassifications for the year.

Operational Expenditure for the Disclosure Year (Schedule 6b)

13. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-

    13.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b;

    13.2 Information on reclassified items in accordance with subclause 2.7.1(2);

    13.3 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 10: Explanation of operational expenditure for the disclosure year

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.

There were no reclassifications for the year.

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

Variance between forecast and actual expenditure (Schedule 7)

14. 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 11: 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 new dwellings consented in the Wellington region compared to previous years. The number of consents has increased in 2019 to 2,600, from the 2,100 in 2018 and from the annual average of 1,400 for the 4 years prior to 2018. There have also been several large one-off customer projects during the year.

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 and the Evans Bay 33kV bus installation project. The expenditure relating to these projects has now been programmed to start in the 2020/21 regulatory year. The 2020 AMP provides further details about these projects.

Asset Replacement and Renewals: Expenditure increased due to the inclusion of the operating lease Right of Use asset as a result of the adoption of IFRS 16.

Asset Relocation: Largely in line with forecast, the majority of this expenditure relates to a relocation project initiated by Transpower.

Quality of Supply: Expenditure increased due to programme changes resulting from asset health and reliability checks.

Other Reliability: Lower than expected expenditure on the streamlined CPP work due to a delay in the programme. However WELL has delivered the majority of the project and is on track to complete this by March 2021. There have also been delays in the Newtown Substation BAU seismic work which is planned to be completed in the coming year.

Expenditure on Non-Network Assets: The decrease in spend was largely due to delay in the streamlined CPP work. However, WELL has delivered the majority of the project and is on track to complete this by March 2021.

Operational Expenditure:

Service interruptions and emergencies: Increased expenditure in reactive maintenance primarily due to market driven contractor price increases.

Vegetation Management: Expenditure largely in line with forecast.

Routine and corrective Maintenance and Asset replacement and renewal: Decreased expenditure due to lower than expected equipment repairs.

Systems operations and network support: In line with forecast.

Business support: Reduction in expenditure as a result of the removal of lease expense due to the adoption of IFRS 16 and a reduction in spend on professional fees.

There were no reclassifications for the year.

Information relating to revenues and quantities for the disclosure year

15. In the box below provide-

    15.1 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

    15.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

Box 12: Explanatory comment relating to revenue for the disclosure year
Actual line charge revenue of $169.5m was greater than the target revenue of $168.9m. This was due to higher than forecast volumes and lower than forecast actual pass-through and recoverable costs.

Network Reliability for the Disclosure Year (Schedule 10)

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

Box 13: Commentary on network reliability for the disclosure year

WELL outperformed the quality targets outlined in clause 9 of the 2018 CPP Determination. The performance was a result of the continued refinements to WELL's quality improvement programme. At a high level, the quality improvement programme included:

- Continued work on improving feeder performance by undertaking refurbishment projects on 11 kV feeders;
- Continued predictive analysis of failure rates for sub transmission and substation assets, overhead conductors and poles, and 11 kV underground cables;
- A company-wide awareness of reliability performance through the wide circulation of weekly and monthly reports on network performance;
- Providing in-depth analysis of unplanned outages via the monthly outage report;
- Continued implementation of conductor covers on the network to reduce likelihood of outages due to vegetation contact during high winds; and
- The use of portable generators to reduce the impact of de-energised planned outages.

WELL will continue to investigate ways to improve the reliability of the network. WELL's AMP provides an analysis of critical trends and an annual update to the reliability performance improvement programme (the AMP can be found at: https://www.welectricity.co.nz/disclosures/asset-management-plan).

Disclosure of reliability information within Schedule 10

As outlined in the Commerce Commissions letter titled "*Information Disclosure exemption: Disclosure and auditing of reliability information within Schedule 10*", dated 9 April 2020, Wellington Electricity Lines Limited has provided additional disclosure information relating to the measurement of SAIFI.

EDBs must complete and disclose, as part of their disclosures under the ID Determination, the following information:

7.1.1 whether successive interruptions have been treated in the same way for the 2020 disclosure year as they were for the 2019 disclosure year;

The treatment of successive interruptions in the 2020 disclosure year is consistent with the 2019 disclosure year and also with all previous disclosure years.

7.1.2 if successive interruptions were treated differently for the 2020 disclosure year than they were for the 2019 disclosure year, provide an explanation of the nature of and reasons for the change; and

N/A

7.1.3 the process applied in recognising, or not recognising, successive interruptions following an initial outage.

Where an interruption to the supply of electricity distribution services to a customer is followed by restoration, and then by a "successive interruption" within the same event, WELL records this as a single interruption. If the successive interruption includes customers that were not affected by the initial outage, those additional customers are added to the same event.

Insurance cover

17. In the box below, provide details of any insurance cover for the assets used to provide electricity distribution services, including-

    17.1 The EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;

    17.2 In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

Box 14: Explanation of insurance cover

Due to the limited nature/cost of insurance cover available to WELL's, only 15% of its assets have insurance cover. 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 international 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 CPP. Therefore WELL is not self-insured.

Amendments to previously disclosed information

18. 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:

    18.1 a description of each error; and

    18.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 15: 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 2020

Schedule 14a Mandatory Explanatory Notes on Forecast Information

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018.)

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 2020

Schedule 15 Voluntary Explanatory Notes

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018.)

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

A process improvement to the system demand calculation has allowed more granular electricity volume information to be provided.

Schedule 18 Certification For Year-End Disclosures

Clause 2.9.2

We, Richard Pearson and Andrew Hunter, being directors of Wellington Electricity Lines Limited's 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.

c. In respect of information concerning assets, costs and revenues valued or disclosed in accordance with clause 2.3.6 of the Electricity Distribution Information Disclosure Determination 2012 and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012, we are satisfied that-
   i. the costs and values of assets or goods or services acquired from a related party comply, in all material respects, with clauses 2.3.6(1) and 2.3.6(3) of the Electricity Distribution Information Disclosure Determination 2012 and clauses 2.2.11(1)(g) and 2.2.11(5)(a)-2.2.11(5)(b) of the Electricity Distribution Services Input Methodologies Determination 2012; and
   ii. the value of assets or goods or services sold or supplied to a related party comply, in all material respects, with clause 2.3.6(2) of the Electricity Distribution Information Disclosure Determination 2012.

Richard Pearson
Chairman

Andrew Hunter
Director

29 July 2020

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INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF WELLINGTON ELECTRICITY LINES LIMITED AND THE COMMERCE COMMISSION

Report on the Disclosure Information prepared in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated April 2018)

We have conducted a reasonable assurance engagement on whether the information disclosed by Wellington Electricity Lines Limited (the 'Company') required to be disclosed in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated April 2018) as amended by the Information Disclosure exemption: Disclosure and auditing of reliability information within Schedule 10, issued by the Commerce Commission on 9 April 2020 ('the Determination') for the disclosure year ended 31 March 2020, has been prepared, in all material respects, in accordance with the Determination.

The Disclosure information required to be reported by the Company, under the Information Disclosure Determination is in schedules 1 to 4, 5a to 5g, 6a, 6b, 7, 10 and the explanatory notes in boxes 1 to 11 of Schedule 14, and the related party relationships, procurement policies and processes and the practical application of the procurement policies and processes disclosed in Schedule 5b.

Further, we have conducted a reasonable assurance engagement on whether the Company's basis for valuation of related party transactions ('the Related Party Transaction Information') for the disclosure year ended 31 March 2020, has been prepared, in all material respects, in accordance with clause 2.3.6, 2.3.8, 2.3.10, 2.3.11 and 2.3.12 of the Determination, and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated January 2019) ('the Input Methodologies Determination').

Opinion

This opinion has been formed on the basis of, and is subject to, the inherent limitations outlined elsewhere in this independent assurance report.

In our opinion:

- The Company has complied, in all material respects, with the Determination in preparing the Disclosure Information;
- The Related Party Transaction Information complies, in all material respects, with the Determination and the Input Methodologies Determination;
- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information and the Related Party Transaction 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 and the Related Party Transaction 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 the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Standard on Assurance Engagements 3100 (Revised): *Compliance Engagements* ('SAE3100 (Revised)') issued by the New Zealand Auditing and Assurance Standards Board.

These standards require that we comply with ethical requirements and plan and perform our assurance engagement to provide reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, with the Determination, and about whether the Related Party Transaction Information has been prepared, in all material respects, with the Determination and the Input Methodologies Determination. Reasonable assurance is a high level of assurance.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Disclosure Information. These matters were addressed in the context of our audit of the Disclosure Information, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Classification of expenditure between operating expenditure and capital expenditure	
The Company carries out a large number of individual network system projects that can be either operational (network maintenance) or capital (asset replacement or network growth) in nature. Professional judgement has been exercised about whether costs incurred in bringing assets to working condition for their intended use and should be capitalised as part of the cost of the asset, or whether they should be expensed as network maintenance. In the current year, total capital expenditures were $56,422,000 compared to network operational expenditure incurred of $32,190,000. The Company's business operations are regulated and are subject to maximum allowable revenue limits set by the Commerce Commission. These revenue limits are, in part, determined by the value of the Company's regulatory asset base which is determined by these expenditure classifications. The classification of expenditure between operating expenditure and capital expenditure is a key audit matter due to the level of judgement involved, extent of costs incurred, and importance of the regulatory asset base to future revenue determination.	Our audit procedures included the following: • Assessing the Company's capitalisation policy was in line with NZ IAS 16 – *Property, plant and equipment* and NZ IAS 38 – *Intangible assets*; • Testing the design and implementation of controls over the application of the policy to expenditure incurred on network system projects was tested; • Evaluating the average operating and capital expenditure ratios were compared against the customised price path plan approved by the Commerce Commission. Using this analysis we focused our testing procedures on those areas or periods which were not consistent with the trends in the wider population; and • Testing a sample of costs to invoice(s) or other supporting information to determine whether the expenditure was correctly classified as capital or operating expenditure.
Completeness & accuracy of non-financial reporting disclosures in relation to faults data capture (SAIDI/SAIFI)	
The Information Disclosure Determination defines certain quality measures in relation to the number of interruptions, faults, cause of faults and the average SAIDI and SAIFI values. SAIFI and SAIDI is calculated using aggregate faults and interruptions information for the period through prescribed formulas and requirements per Attachment B of the Determination. The Company's policies and procedures require all	Our audit procedures included the following: • Obtaining a robust understanding of the Company's methods by which electricity outages and their duration are recorded; • Testing the design and implementation of key controls related to the recording and review of outage data; • Assessing the reasonableness of why certain events have not been recorded as outage events;

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Key audit matter	How our audit addressed the key audit matter
high voltage faults, whether planned or unplanned, to be recorded. The Company captures interruption automatically through the Outage database ('SCADA') but can also be from notification by the public of a fault. The information is then recorded in an outage listing, which is updated to reflect any manual adjustments. Manual switching sheets are maintained for all faults and contain details regarding the class and calculation of each outage. The Company's process is not wholly system integrated and manual adjustments are processed. As a result the completeness & accuracy of faults have been identified as a key audit matter.	• For unplanned outages, selecting a sample of faults recorded on the Outage database and traced the number of customers, number of minutes, the class type and fault cause to the information recorded on the outage listing; • For planned outages, selecting a sample of faults recorded on the switching sheets and traced the number of customers, number of minutes, the class type and fault cause to the information recorded on the system and the information recorded on the outage listing; • Where a manual adjustment was processed, for planned or unplanned, obtaining supporting information for the adjustment; • Recalculating the normalised SAIDI and SAIFI using the predetermined boundary limits; and • Reviewing the disclosures in Schedule 14 in respect of the treatment of successive interruptions.
Valuation of related party goods and services at arms-length The basis of valuation of related party transactions are required to be disclosed on schedule 5b of the disclosure information. The Directors have determined that the related party transactions identified have occurred at arms-length by comparing related party terms and conditions, including pricing, to external transactions and information obtained from benchmarking advice from an independent advisor on margins charged by contractors. The related entity provides back office, information technology support services, systems operations, electrical contracting services and project management. This represents $2,649,000 or 4.69% of total capital expenditure, as set out in Schedule 6a. This represents $12,357,000 or 38.39% of total operational expenditure, as set out in Schedule 6b. Due to the inherent judgment associated with the valuation of the goods or services on an arms-length basis, these matters have been identified as a key audit matter.	Our audit procedures included the following: • Obtaining a detailed listing of all transactions impacting the Company for the disclosure year ended 31 March 2020 and comparing to the list of entities and transactions included on schedule 5b. We also obtained management's methodology of how they determined the transactions were related party transactions and their assessment of these transactions at arm's length; • Assessing the data per Wellington Electricity Lines Limited's benchmarking of contractor margins June 2018; • Evaluating the independent advice obtained by the directors to support the arm's length assessment; and • Evaluating the competence objectivity and relevant experience of the independent advisor who provided the benchmarking advice.

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Responsibilities of the Board of Directors for the Disclosure Information

The Board of Directors is responsible on behalf of the Company for the preparation of the Disclosure Information and Related Party Transaction Information in accordance with the Determination. The responsibility includes the design, implementation and maintenance of internal control relevant to the Company's preparation of the Disclosure Information and the Related Party Transaction 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 independent auditor and the provision of other assurance services including the audit of regulatory disclosure statements, project quality assurance and trustee reporting, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor of Wellington Electricity Lines Limited.

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.

Auditor's Responsibility

Our responsibility is to express an opinion whether the Disclosure Information and the Related Party Transaction Information has been prepared, in all material respects, in accordance with the Determination and the Input Methodologies Determination. SAE 3100 (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 and the Input Methodologies Determination in relation to the preparation of the Disclosure Information and the Related Party Transaction Information.

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

We have performed procedures to obtain evidence about the amounts and disclosures in the Disclosure Information and the basis of valuation in the Related Party Transaction Information. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Disclosure Information and Related Party Transaction Information, whether due to fraud or error or non-compliance with the Determination or the Input Methodologies Determination. In making those risk assessments, we considered internal control relevant to the Company's preparation of the Disclosure Information and Related Party Transaction Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Inherent Limitations

Because of the inherent limitations of a reasonable assurance engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

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We did not examine every transaction, adjustment or event underlying the Disclosure Information or the Related Party Transaction Information nor do we guarantee complete accuracy of the Disclosure Information or the Related Party Transaction Information. Also we did not evaluate the security and controls over the electronic publication of the Disclosure Information or the Related Party Transaction Information.

The opinion expressed in this independent assurance report has been formed on the above basis.

Use of Report

This independent assurance report has been prepared solely for the directors of the Company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination, and about whether the Related Party Transaction Information has been prepared in all material respects with the Determination and the Input Methodologies Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the Company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Deloitte Limited

Wellington, New Zealand
29 July 2020