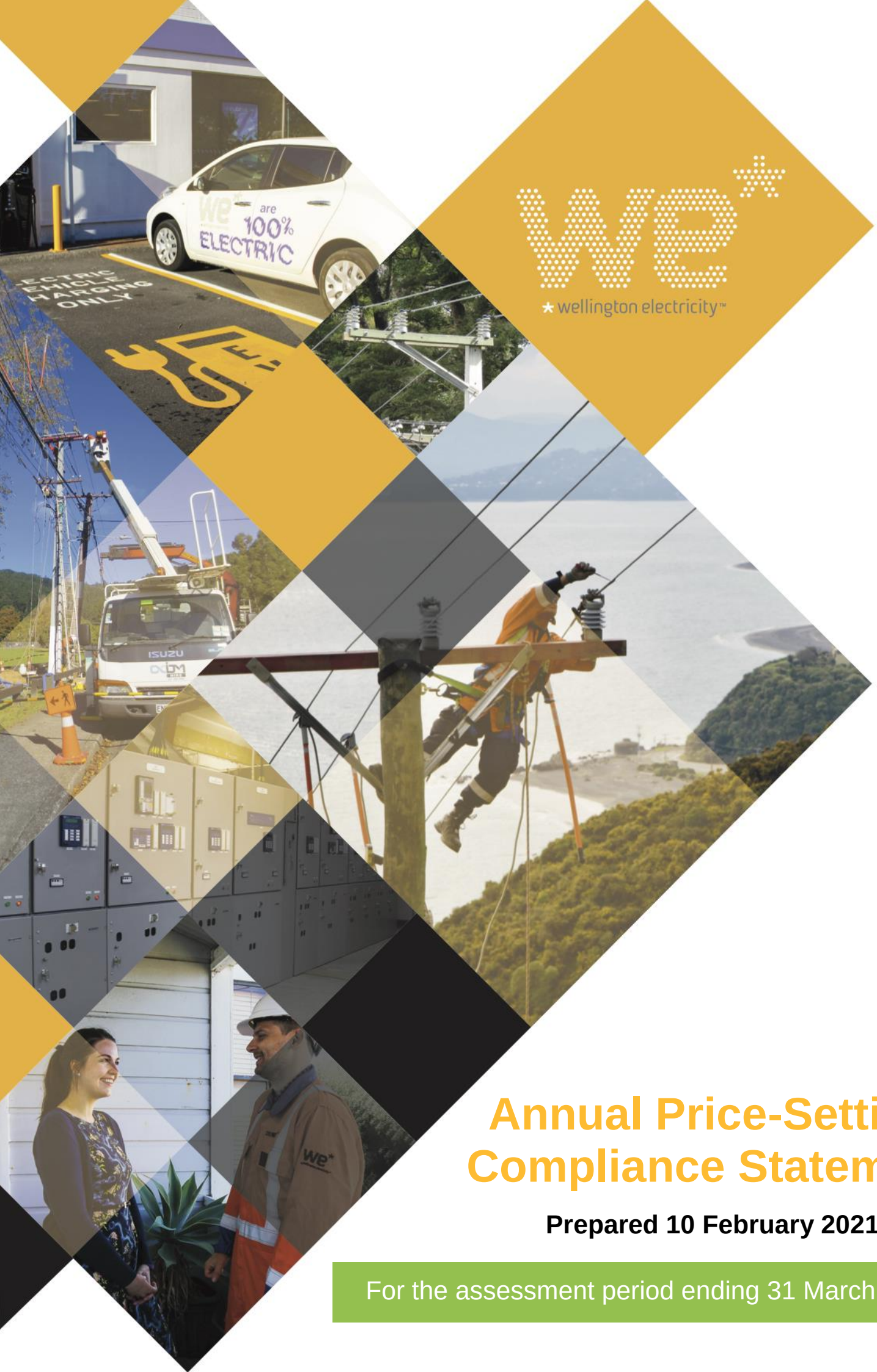

wellington electricity™

Annual Price-Setting Compliance Statement

Prepared 10 February 2021

For the assessment period ending 31 March 2022

Contents

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A copy of this Annual Price-Setting Compliance Statement and our Asset Management Plan can be downloaded from www.welectricity.co.nz/disclosures

Any comments or suggestions regarding the Annual Price Setting Compliance Statement can be made to:

Angela Watty

Stakeholder Relationship Manager

Wellington Electricity Lines Limited

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1 Introduction

Wellington Electricity Lines Limited (**WELL**) owns and operates the electricity distribution network in the Wellington region. We manage the poles, wires and equipment that provide electricity to approximately 400,000 customers in the Wellington, Porirua, Lower Hutt and Upper Hutt areas.

We are investing around **$161m** in infrastructure on the Wellington network

We provide electricity to over **171,000** households and to **400,000** people

Our total network is around **6,700 km** in length with over **4,100 km** of it being underground cables.

We have around **4,000 substations** and **40,000 poles**.

We own around **2,000 km** of streetlight circuits but none of the streetlights themselves.

WELL has just delivered a three year Customised Price-Quality Path (**CPP**) which included an earthquake readiness programme. We have a number of known earthquake fault lines in the region. In March 2018 we were granted $31.24 million of additional funding to improve our ability to respond after a major earthquake. Our earthquake readiness programme Included:

1. Seismically strengthening 91 of our substation buildings to ensure that they can withstand the shaking.
2. Increase our stock of spares and have them distributed around the region so that we can restore critical power quicker.
3. Upgrade our radio and phone systems to improve our communications after an event.
4. Construct three data centres to ensure we have access to vital information which is accessible should telecommunications links fail.
5. Construct two portable substations (one for Wellington and the other for the Hutt Valley) that can be deployed at any substation which may be severely impacted by an earthquake.

Under Part 4 of the Commerce Act 1986, the Commerce Commission (**Commission**) regulates markets where competition is limited, including electricity distribution services. Regulation for electricity distribution services includes regulation of price and quality through a price-quality path to ensure incentives and pressures, similar to those in a workably competitive market, are faced by distributors so that consumers will benefit in the long term.

The price-quality path set by the Commission includes the allowances WELL has to operate the network, how much revenue we can collect from our customers and the quality levels that we must perform to. To demonstrate that WELL has met these performance targets, we are required to provide two compliance statements, the *Annual Price-Setting Compliance Statement* and the *Annual Compliance Statement.*

This document is the *Annual Price-Setting Compliance Statement.* The *Annual Price-Setting Compliance Statement* confirms that WELL's forecast prices for the 12-month period ended 31 March 2022 have been

set at a level to collect the allowances determined by the price–quality path set by the Commission. The *Annual Price-Setting Compliance Statement* was submitted to the Commission and published on our website in March 2021 (www.welectricity.co.nz/disclosures/price-quality-path-annual-compliance-statements/).

The *Annual Compliance Statement* confirms that WELL has met its revenue, quality and earthquake readiness expectations set out by the price-quality path. WELL submits the *Annual Compliance Statement* to the Commission and publishes it on our website within five months of the end of the regulatory year (the end of the regulatory year being 31 March).

1.1 2020 DPP Determination requirements

WELL has completed its CPP Determination and the associated earthquake readiness programs and has transitioned back to the Default Price-Quality Path (DPP). The requirements of the *Annual Price-Setting Compliance Statement* are provided in the *Electricity Distribution Services Default Price-Quality Path (Wellington Electricity transition) Amendments Determination 2020* (**DPP Determination 2020**). The DPP Determination 2020 requires WELL to provide an *Annual Price-Setting Compliance Statement* to the Commission demonstrating that WELL's forecast prices are set at appropriate levels. This *Annual Price-Setting Compliance Statement* must include WELL's calculations of forecast revenue from prices and forecast allowable revenue. The statement must also include supporting information for all components of these calculations.

As required by clause 11.2(a) of the DPP Determination 2020, this *Annual Price-Setting Compliance Statement* confirms that WELL has complied with the price path in clauses 8.3-8.5 of the DPP Determination 2020 for the assessment period ending 31 March 2022.

1.2 Disclaimer

The information contained in this *Annual Price-Setting Compliance Statement* has been prepared for the express purpose of complying with the requirements of clauses 11.1-11.3 of the DPP Determination 2020. The *Annual Price-Setting Compliance Statement* has not been prepared for any other purpose. WELL expressly disclaims any liability to any other party who may rely on the *Annual Price-Setting Compliance Statement* for any other purpose.

Representations in this *Annual Price-Setting Compliance Statement* made by WELL relate solely to the services offered on the electricity distribution network in the Wellington region.

1.3 Rounding

For presentation purposes some numbers in this document have been rounded. In most cases calculations are based on more detailed numbers (i.e. to more decimal places than shown in this document). This may cause small discrepancies or rounding inconsistencies when aggregating some of the information presented in this document. These discrepancies do not affect the overall compliance calculations which have been based on the more detailed information.

2 Compliance assessment

2.1 Summary

WELL transitioned to the DPP Price-Quality Path one year after the DPP Price-Quality Path started[1]. WELL's first year in the DPP Price-Quality Path is the second assessment period of the DPP regulatory period. The relevant price path compliance requirement is provided in clause 8.4 of the DPP Determination 2020. Clause 8.4 applies to Annual Price-Setting Compliance Statement assessments that are in the second to fifth assessment periods of the DPP regulatory period and states that the forecast revenue from prices for each assessment period must not exceed the lessor of:

a) The forecast allowable revenue for the second assessment period; and

b) The forecast revenue from prices for the previous assessment period x (1+ the limit on annual percentage increase in forecast revenue from prices (which is 10%)).

WELL has complied with the price path for the assessment period ending 31 March 2022 (assessment period two of the regulatory period) as shown in the table below. The table confirms that forecast revenue from prices for the assessment period ending 31 March 2022 does not exceed forecast allowable revenue and is below the limit of annual price increases.

Forecast revenue from prices ($000)	**Forecast allowable revenue ($000)**	**Forecast revenue from prices for the previous period * (1 + 10%) ($000)**	**Compliance test result**
154,675	154,709	160,833	Complies because forecast revenue from prices is < forecast allowable revenue **and** forecast revenue from price for the previous period * limit of annual price increases

Sections 2.2, 2.3 and 2.4 provide more detail about the assumptions and calculations that support these forecasts.

2.2 Forecast allowable revenue

WELL's forecast allowable revenue for each annual assessment period is determined in accordance with the formula as per Schedule 1.5 (5) of the DPP Determination 2020.

Forecast allowable revenue = Forecast net allowable revenue

+ Forecast pass-through and recoverable costs

+ Opening wash-up account balance

+ Pass-through balance annual allowance

[1] WELL's three year CPP programme overlaps with the five year DPP regulatory period. The CPP programme finishes 31 March 2021, one year after the start of the DPP regulatory period.

The calculation of WELL's forecast allowable revenue for the assessment period ending 31 March 2022:

Calculation components	Amount ($000)
Forecast net allowable revenue	91,109
Forecast pass-through and recoverable costs	65,159
Opening wash-up account balance	(1,559)
Pass-through balance annual allowance	-
Total forecast allowable revenue	**154,709**

The components of forecast allowable revenue for the assessment period ending 31 March 2022 are described in more detail below.

2.2.1 Forecast net allowable revenue

The forecast net allowable revenue is provided in schedule 1.4 of the DPP Determination 2020. The forecast net allowable revenue for the assessment period ending 31 March 2022 is $91,109,000.

2.2.2 Forecast pass-through and recoverable costs

WELL forecasts the pass-through and recoverable costs for the annual assessment period. The DPP Determination 2020 requires that WELL demonstrates the forecasts are reasonable. The following table provides a breakdown of these forecast costs and summarises the approach WELL has applied to determine these forecasts. In WELL's opinion, the forecasts are reasonable.

Component	Amount ($000)	Basis for forecast
Forecast pass-through costs		
Council rates	2,832	Based on historical costs plus CPI adjustment of 5% for local council rates and 2% for non-council pass-through costs. Local councils have indicated above inflation increases for the upcoming year. Non-council costs are inflated at the mid-point of the Reserve Bank's monetary policy target inflation.
Commerce Commission levies	191	
Electricity Authority levies	527	
UDL levies	100	
Total forecast pass-through costs	**3,650**	
Forecast recoverable costs		
Transpower connection and interconnection charges	54,243	As notified by Transpower
Transpower new investment charges	1,060	

Component	Amount ($000)	Basis for forecast
Avoided Cost of Transmission (ACOT) Charges	1,719	Forecast based on calculation of Transpower interconnection charges avoided in accordance with contracts with Distributed Generators.[2]
Quality incentive adjustment	1,172	Determined for 2021/22 regulatory year (adjusted for time value of money)
Capex wash-up adjustment	0	Nil for the first year in a DPP regulatory period of which starting prices were determined, as per clause 3.1.3 (1)(p) of the Input Methodologies Determination 2012
IRIS Incentive adjustment – operating expenditure	3,078	Calculated as per Section 3.3.2 of the Electricity Services Input Methodologies Determination 2012
IRIS Incentive adjustment – capital expenditure	189	Calculated as per Section 3.3.10 of the Electricity Services Input Methodologies Determination 2012
Innovation project allowance	0	
Fire and Emergency New Zealand (FENZ) levies	48	Based on historical costs plus CPI adjustment of 2%. Inflation set at the mid-point of the Reserve Bank's monetary policy target inflation.
Total forecast recoverable costs	**61,509**	
Total pass-through and recoverable costs	**65,159**	

2.2.3 Opening wash-up account balance

This is the closing wash-up account balance of the previous assessment period, as per Schedule 1.7 (2)(a) of the DPP Determination 2020. The previous assessment period was the last year of the *Wellington Electricity Lines Limited Electricity Distribution Customised Price-Quality Path Determination 2018* (**CPP Determination**). The closing wash-up account balance is calculated as per Schedule 1.7 (3):

Closing wash-up account balance	Definition	Amount ($000)	Reference to supporting calculation/ information
Wash-up amount for the previous assessment period	Difference between actual allowable revenue and actual revenue less revenue foregone from the second assessment period of the CPP Determination.	($1,435)	As provided in WELL's *2020-21 Annual Compliance Statement*[3]

[2] Refer to WELL's pricing methodology for further information on the calculation of ACOT payments
[3] Submitted to the Commission and publically disclosed on WELL's website August 2020

Closing wash-up account balance	Definition	Amount ($000)	Reference to supporting calculation/ information
less voluntary undercharging amount foregone for the previous assessment period	WELL did not voluntarily undercharge in the previous assessment period.	$0	.
multiplied by (1 + 67th percentile estimate of post-tax WACC)[2]	(1+ 4.23%) [2]	1.0864	67th percentile estimate of post-tax WACC provided in clause 4.2 of the DPP Determination 2020.
Total wash-up amount		**($1,559)**	

2.2.4 Pass-through balance annual recovery

As per clause 4.2 of the DDP Determination 2020, the pass-through balance annual recovery for WELL is nil for all assessment periods.

2.3 Forecast revenue from prices for the previous period + annual limit on price increases

As per clause 8.4 (b) of the DPP Determination 2020, forecast revenue from prices for the previous assessment period x (1 + the limit on annual percentage increase in forecast revenue from prices) is calculated as:

Previous forecast revenue + price increase limit	Definition	Amount ($000)	Reference to supporting calculation/ information
Forecast revenue from prices for the previous assessment period	Forecast revenue from prices for the previous assessment period refers to the Forecast revenue from prices for the last year or third assessment period of the CPP Determination.	$146,212	As provided in WELL's *2020 -21 Annual Price-Setting Compliance Statement*[4]
(1 + the limit on annual percentage increase in forecast revenue from prices)	= (1 + limit on annual percentage increase in forecast revenue from prices) = (1+10%) = 1.1	1.1	Limit on annual percentage increase in forecast revenue from prices provided in clause 4.2 of the DPP Determination 2020.
Total amount		**$160,833**	

[4] Submitted to the Commission and publically disclosed on WELL's website August 2020

2.4 Forecast revenue from prices

WELL's forecast revenue from prices is equal to the total of each of its prices multiplied by the forecast quantities they will apply to. The DPP Determination 2020 requires that these forecasts are demonstrably reasonable.

Prices have fixed and variable components, each requiring separate quantity forecasts – the fixed component requiring a forecast for the number of new connections and the variable component requiring a forecast of volume (kWh). WELL has based forecasts for Residential, General Low Voltage and General Transformer Standard Consumer Group Connections on historic trends. The forecast for energy volumes is based on the latest consumption data (rather than using longer term historic trends) to capture changes in energy consumption behaviour post the Covid-19 economic lockdown. Residential volumes have increased and commercial volumes have decreased as people continue to work from home since the April 2020 economic lockdown. The table below summarises the volume trends and the resulting forecast.

Standard consumer groups (excl. unmetered)	**Forecast connections**		**Forecast volume (kWh)**	
	(% change from 2020/21)	**Forecast base**	**(% change from 2020/21)**	**Forecast base**
Residential (includes low user, standard user and EV)	+0.8%	3 year historic average	1.0%	Based on the latest consumption data.
General Low Voltage	+0.3%	3 year historic average	-1.8%	
General Transformer	-0.9%	3 year historic average	-1.8%	

For the unmetered consumer group, WELL has forecast a 0% change relative to 2020/21 in connections and volume. The majority of the revenue in this consumer group arises from fixed charges, which are charged based on the number of fittings (rather than ICPs).

WELL also has consumers who are charged based on non-standard contracts. These customers have atypical connection characteristics. For non-standard consumers, a confidential agreement exists between WELL and the individual consumer which sets out the terms and conditions for the supply of the electricity lines services including the price.

For consumers on non-standard contracts, WELL changed prices from 1 April 2022 in accordance with the conditions of the non-standard contracts.

A summary of WELL's forecast revenue from prices is provided in the table below. Further information is provided in Appendix 1.

Consumer group	Forecast revenue from prices ($000)
Residential (includes low user, standard user and EV)	101,560
General Low Voltage	30,490
General Transformer	17,052
Unmetered	3,536
Non-standard consumers (individual contracts)	2,037
Total	154,675

3 Compliance references

The following tables describe the DPP Determination 2020 requirements and the section of this Annual Price-Setting Compliance Statement that addresses them.

3.1.1 Price path summary

Determination clause	Requirement	Section of this document
8.4	The forecast revenue from prices for an assessment period in the second to fifth assessment periods must not exceed must not exceed the lessor of: a) The forecast allowable revenue for that assessment period; and b) The forecast revenue from prices for the previous assessment period x (1+ the limit on annual percentage increase in forecast revenue from prices (which is 10%)).	2.1, 2.2 & 2.3

3.1.2 Annual price-setting compliance statement

Determination clause	Requirement	Section of this document
An annual price-setting compliance statement must be provided to the Commission consisting of:		
11.2 (a)	A statement indicating whether or not WELL has complied with the price path in clause 8 for the assessment period.	2.1
11.2 (b)	The date on which the statement was prepared.	Cover

Determination clause	Requirement	Section of this document
11.2 (c)	A certification in the form set out in Schedule 6, signed by at least one Director of WELL.	Appendix 2
11.3 (a)	WELL's calculation of its forecast revenue from prices together with supporting information for all components of the calculation.	2.3 & Appendix 1
11.3 (b)	WELL's calculation of its forecast allowable revenue together with supporting information for all components of the calculation.	2.2
11.3 (c)	Any reasons for non-compliance with the price path.	N/A
11.3 (d)	Actions taken to mitigate any non-compliance and to prevent similar non-compliance in future assessment periods.	N/A

4 Appendix 1 – Forecast volumes and revenue for period 1 April 2021 to 31 March 2022

Price Code	Units	Description	Quantity 2021/22	Distribution Price 1 April 2021 to 31 March 2022	Transmission Price 1 April 2021 to 31 March 2022		Revenue 1 April 2021 to 31 March 2022
Residential							
RLU-FIXD	$/con/day	Residential Low User daily	3,354,565	0.0900	0.0600		503,185
RLU-24UC	$/kWh	Residential Low User uncontrolled	23,696,359	0.0606	0.0412		2,412,289
RLU-AICO	$/kWh	Residential Low User all inclusive	20,971,316	0.0487	0.0330		1,713,356
RLU-CTRL	$/kWh	Residential Low User controlled	1,820,559	0.0293	0.0199		89,572
RLU-NITE	$/kWh	Residential Low User night only	268,256	0.0099	0.0068		4,480
RSU-FIXD	$/con/day	Residential Standard User daily	2,271,739	0.5486	0.4489		2,266,060
RSU-24UC	$/kWh	Residential Standard User uncontrolled	29,003,253	0.0380	0.0259		1,853,308
RSU-AICO	$/kWh	Residential Standard User all inclusive	28,383,228	0.0262	0.0177		1,246,024
RSU-CTRL	$/kWh	Residential Standard User controlled	2,414,048	0.0117	0.0078		47,074
RSU-NITE	$/kWh	Residential Standard User night only	452,581	0.0091	0.0061		6,879
RLUTOU-FIXD	$/con/day	Residential Time of Use Low User daily	30,191,085	0.0900	0.0600		4,528,663
RLUTOU-P-UC	$/kWh	Residential Time of Use Low User peak uncontrolled	45,563,864	0.0703	0.0670		6,255,918
RLUTOU-UC	$/kWh	Residential Time Of Use low user uncontrolled	65,115,915	0.0606	0.0412		6,628,800
RLUTOU-AICO	$/kWh	Residential Time Of Use low user all inclusive	57,627,690	0.0487	0.0330		4,708,182
RLUTOU-OP-UC	$/kWh	Residential Time of Use Low User off-peak uncontrolled	102,587,449	0.0563	0.0297		8,822,521
RLUTOU-P-AI	$/kWh	Residential Time of Use Low User peak all inclusive	40,838,351	0.0634	0.0560		4,876,099
RLUTOU-OP-AI	$/kWh	Residential Time of Use Low User off-peak all inclusive	90,275,800	0.0420	0.0226		5,831,817
RLUTOU-CTRL	$/kWh	Residential Time of Use Low User controlled	16,385,034	0.0293	0.0199		806,144
RLUTOU-NITE	$/kWh	Residential Time of Use Low User night boost	2,414,302	0.0099	0.0068		40,319
RSUTOU-FIXD	$/con/day	Residential Time of Use Standard User daily	20,445,655	0.5486	0.4489		20,394,541
RSUTOU-UC	$/kWh	Residential Time Of Use standard user uncontrolled	79,698,885	0.0380	0.0259		5,092,759
RSUTOU-AICO	$/kWh	Residential Time Of Use standard user all inclusive	77,995,100	0.0262	0.0177		3,423,985
RSUTOU-P-UC	$/kWh	Residential Time of Use Standard User peak uncontrolled	54,797,908	0.0506	0.0481		5,408,553
RSUTOU-OP-UC	$/kWh	Residential Time of Use Standard User off-peak uncontrolled	126,532,484	0.0325	0.0163		6,174,785
RSUTOU-P-AI	$/kWh	Residential Time of Use Standard User peak all inclusive	55,325,738	0.0416	0.0367		4,332,005
RSUTOU-OP-AI	$/kWh	Residential Time of Use Standard User off-peak all inclusive	122,128,213	0.0193	0.0091		3,468,441
RSUTOU-CTRL	$/kWh	Residential Time of Use Standard User controlled	21,726,431	0.0117	0.0078		423,665
RSUTOU-NITE	$/kWh	Residential Time of Use Standard User night boost	4,073,227	0.0091	0.0061		61,913
RLUEVB-FIXD	$/con/day	Residential Low User electric vehicle and battery daily	27,107	0.0900	0.0600		4,066
RLUEVB-PEAK	$/kWh	Residential Low User electric vehicle and battery peak	132,036	0.0837	0.0765		21,152
RLUEVB-OFFPEAK	$/kWh	Residential Low User electric vehicle and battery off-peak	355,427	0.0372	0.0341		25,342
RSUEVB-FIXD	$/con/day	Residential Standard User electric vehicle and battery daily	28,898	0.6530	0.5133		33,704
RSUEVB-PEAK	$/kWh	Residential Standard User electric vehicle and battery peak	312,677	0.0602	0.0549		35,989
RSUEVB-OFFPEAK	$/kWh	Residential Standard User electric vehicle and battery off-peak	690,300	0.0137	0.0124		18,017
						subtotal	101,559,608
General low voltage connection							
GLV15-FIXD	$/con/day	General low voltage <=15kVA daily	1,890,184	0.3282	0.2235		1,042,814
GLV15-24UC	$/kWh	General low voltage <=15kVA uncontrolled	42,751,542	0.0297	0.0202		2,133,302
GLV69-FIXD	$/con/day	General low voltage >15kVA and <=69kVA daily	3,640,143	0.8118	0.5529		4,967,704
GLV69-24UC	$/kWh	General low voltage >15kVA and <=69kVA uncontrolled	292,973,829	0.0206	0.0140		10,136,894
GLV138-FIXD	$/con/day	General low voltage >69kVA and <=138kVA daily	150,075	4.6000	3.1332		1,160,557
GLV138-24UC	$/kWh	General low voltage >69kVA and <=138kVA uncontrolled	50,844,577	0.0243	0.0167		2,084,628
GLV300-FIXD	$/con/day	General low voltage >138kVA and <=300kVA daily	129,937	6.5526	4.4633		1,431,372
GLV300-24UC	$/kWh	General low voltage >138kVA and <=300kVA uncontrolled	97,503,122	0.0101	0.0069		1,657,553
GLV1500-FIXD	$/con/day	General low voltage >300kVA and <=1500kVA daily	77,335	16.5232	11.2546		2,148,194
GLV1500-24UC	$/kWh	General low voltage >300kVA and <=1500kVA uncontrolled	133,221,628	0.0045	0.0030		999,162
GLV1500-DAMD	$/kVA/month	General low voltage >300kVA and <=1500kVA demand	404,858	4.0078	2.7299		2,727,809
						subtotal	30,489,990
General transformer connection							
GTX15-FIXD	$/con/day	General transformer <=15kVA daily	717	0.2979	0.2030		359
GTX15-24UC	$/kWh	General transformer <=15kVA uncontrolled	51,857	0.0276	0.0189		2,411
GTX69-FIXD	$/con/day	General transformer >15kVA and <=69kVA daily	6,975	0.7368	0.5017		8,638
GTX69-24UC	$/kWh	General transformer >15kVA and <=69kVA uncontrolled	433,281	0.0194	0.0132		14,125
GTX138-FIXD	$/con/day	General transformer >69kVA and <=138kVA daily	6,067	4.1740	2.8430		42,572
GTX138-24UC	$/kWh	General transformer >69kVA and <=138kVA uncontrolled	1,857,346	0.0228	0.0155		71,136
GTX300-FIXD	$/con/day	General transformer >138kVA and <=300kVA daily	37,507	5.9459	4.0500		374,915
GTX300-24UC	$/kWh	General transformer >138kVA and <=300kVA uncontrolled	45,171,675	0.0094	0.0064		713,712
GTX1500-FIXD	$/con/day	General transformer >300kVA and <=1500kVA daily	94,931	12.8291	8.7383		2,047,410
GTX1500-24UC	$/kWh	General transformer >300kVA and <=1500kVA uncontrolled	335,615,596	0.0037	0.0024		2,047,255
GTX1500-CAPY	$/kVA/day	General transformer >300kVA and <=1500kVA capacity	74,252,608	0.0087	0.0061		1,098,939
GTX1500-DAMD	$/kVA/month	General transformer >300kVA and <=1500kVA demand	976,075	3.3688	2.2946		5,527,903
GTX1501-FIXD	$/con/day	General transformer >1500kVA connection daily	14,082	0.0285	0.0195		676
GTX1501-24UC	$/kWh	General transformer >1500kVA connection uncontrolled	147,472,951	0.0008	0.0006		206,462
GTX1501-CAPY	$/kVA/day	General transformer >1500kVA connection capacity	32,220,895	0.0154	0.0106		837,743
GTX1501-DOPC	$/kW/month	General transformer >1500kVA connection on-peak demand	361,855	6.3472	4.3233		3,861,173
GTX1501-PWRF	$/kVAr/month	General transformer >1500kVA connection power factor	25,557	4.5831	3.1218		196,912
						subtotal	17,052,342
Unmetered							
G001-FIXD	$/fitting/day	Non-street lighting daily	546,730	0.0227	0.0154		20,830
G001-24UC	$/kWh	Non-street lighting uncontrolled	2,486,015	0.0734	0.0500		306,774
G002-FIXD	$/fitting/day	Street lighting daily	15,743,630	0.1211	0.0827		3,208,552
G002-24UC	$/kWh	Street lighting uncontrolled	14,741,294	-	-		-
						subtotal	3,536,156
Non standard charges							
Special	Unit	Non standard charges	1	1,233,856	803,402		2,037,258
						TOTAL	154,675,354

5 Appendix 2 – Director's certificate

Schedule 6: Form of director's certificate for annual price-setting compliance statement

Clause 11.2(c)

I, Richard Pearson, being a Director of Wellington Electricity Lines Limited certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached annual price-setting compliance statement of Wellington Electricity Lines Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* has been prepared in accordance with all the relevant requirements, and all forecasts used in the calculations for forecast revenue from prices and forecast allowable revenue are reasonable.

Richard Pearson
Chairman

10 February 2021

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding $100,000 in the case of an individual or $300,000 in the case of a body corporate.