

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

Company Name

WEL Networks Limited

Disclosure Date

31 August 2023

Disclosure Year (year ended)

31 March 2023

Templates for Schedules 1–10 excluding 5f–5g
Template Version 5.1. Prepared 24 November 2022

Table of Contents

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

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

7	1(i): Expenditure metrics				
8					
9		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 MVA of capacity from EDB-owned distribution transformers (\$/MVA)
10	Operational expenditure	27,123	364	127,683	36,951
11	Network	8,329	112	39,210	11,347
12	Non-network	18,794	252	88,473	25,604
13	Expenditure on assets	59,098	793	278,211	80,512
14	Network	50,225	674	236,438	68,423
15	Non-network	8,873	119	41,772	12,089
16					
17	1(ii): Revenue metrics				
18					
19		Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)		
20	Total consumer line charge revenue	76,871	1,031		
21	Standard consumer line charge revenue	77,967	1,020		
22	Non-standard consumer line charge revenue	33,901	279,008		
23					
24	1(iii): Service intensity measures				
25	Demand density	50			Maximum coincident system demand per km of circuit length (for supply) (kW/km)
26	Volume density	236			Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
27	Connection point density	18			Average number of ICPs per km of circuit length (for supply) (ICPs/km)
28	Energy intensity	13,416			Total energy delivered to ICPs per average number of ICPs (kWh/ICP)
29					
30	1(iv): Composition of regulatory income				
31					
32				(\$000)	% of revenue
33	Operational expenditure			35,879	35.24%
34	Pass-through and recoverable costs excluding financial incentives and wash-ups			29,244	28.73%
35	Total depreciation			24,551	24.12%
36	Total revaluations			42,790	42.03%
37	Regulatory tax allowance			3,496	3.43%
38	Regulatory profit/(loss) including financial incentives and wash-ups			51,425	50.51%
39	Total regulatory income			101,806	
40					
41	1(v): Reliability				
42	Interruption rate			24.02	Interruptions per 100 circuit km

Company Name
For Year Ended

WEL Networks Limited
31 March 2023

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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

sch ref

2(i): Return on Investment		CY-2	CY-1	Current Year CY
		31 Mar 21	31 Mar 22	31 Mar 23
		%	%	%
7	ROI – comparable to a post tax WACC			
8				
9	Reflecting all revenue earned	5.31%	9.61%	7.84%
10	Excluding revenue earned from financial incentives	5.31%	9.61%	7.84%
11	Excluding revenue earned from financial incentives and wash-ups	5.31%	9.61%	7.84%
12				
13				
14	Mid-point estimate of post tax WACC	3.72%	3.52%	4.88%
15	25th percentile estimate	3.04%	2.84%	4.20%
16	75th percentile estimate	4.40%	4.20%	5.56%
17				
18				
19	ROI – comparable to a vanilla WACC			
20	Reflecting all revenue earned	5.64%	9.91%	8.35%
21	Excluding revenue earned from financial incentives	5.64%	9.91%	8.35%
22	Excluding revenue earned from financial incentives and wash-ups	5.64%	9.91%	8.35%
23				
24	WACC rate used to set regulatory price path	–	–	–
25				
26	Mid-point estimate of vanilla WACC	4.05%	3.82%	5.39%
27	25th percentile estimate	3.37%	3.14%	4.71%
28	75th percentile estimate	4.73%	4.50%	6.07%
29				
30	2(ii): Information Supporting the ROI			
31				
32	Total opening RAB value	644,346		
33	plus Opening deferred tax	(41,920)		
34	Opening RIV		602,426	
35				
36	Line charge revenue		101,687	
37				
38	Expenses cash outflow	65,123		
39	add Assets commissioned	44,722		
40	less Asset disposals	831		
41	add Tax payments	514		
42	less Other regulated income	119		
43	Mid-year net cash outflows		109,409	
44				
45	Term credit spread differential allowance		–	
46				
47	Total closing RAB value	706,476		
48	less Adjustment resulting from asset allocation	0		
49	less Lost and found assets adjustment	–		
50	plus Closing deferred tax	(44,902)		
51	Closing RIV		661,574	
52				
53	ROI – comparable to a vanilla WACC			8.35%
54				
55	Leverage (%)			42%
56	Cost of debt assumption (%)			4.38%
57	Corporate tax rate (%)			28%
58				
59	ROI – comparable to a post tax WACC			7.84%
60				

Company Name
For Year Ended

WEL Networks Limited
31 March 2023

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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

sch ref

2(iii): Information Supporting the Monthly ROI

61									
62									
63		Opening RIV							N/A
64									
65									
66			Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows	
67		April							-
68		May							-
69		June							-
70		July							-
71		August							-
72		September							-
73		October							-
74		November							-
75		December							-
76		January							-
77		February							-
78		March							-
79		Total	-	-	-	-	-	-	-
80									
81		Tax payments							N/A
82									
83		Term credit spread differential allowance							N/A
84									
85		Closing RIV							N/A
86									
87									
88		Monthly ROI – comparable to a vanilla WACC							N/A
89									
90		Monthly ROI – comparable to a post tax WACC							N/A
91									

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

92									
93									
94		Year-end ROI – comparable to a vanilla WACC							8.23%
95									
96		Year-end ROI – comparable to a post tax WACC							7.72%
97									
98		<i>* 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.</i>							
99									

2(v): Financial Incentives and Wash-Ups

100									
101									
102		Net recoverable costs allowed under incremental rolling incentive scheme							-
103		Purchased assets – avoided transmission charge							
104		Energy efficiency and demand incentive allowance							
105		Quality incentive adjustment							
106		Other financial incentives							
107		Financial incentives							-
108									
109		Impact of financial incentives on ROI							-
110									
111		Input methodology claw-back							
112		CPP application recoverable costs							
113		Catastrophic event allowance							
114		Capex wash-up adjustment							
115		Transmission asset wash-up adjustment							
116		2013–15 NPV wash-up allowance							
117		Reconsideration event allowance							
118		Other wash-ups							
119		Wash-up costs							-
120									
121		Impact of wash-up costs on ROI							-

Company Name **WEL Networks Limited**
For Year Ended **31 March 2023**

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

sch ref		(\$000)
7	3(i): Regulatory Profit	
8	Income	
9	Line charge revenue	101,687
10	plus Gains / (losses) on asset disposals	(492)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	611
12		
13	Total regulatory income	101,806
14	Expenses	
15	less Operational expenditure	35,879
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	29,244
18		
19	Operating surplus / (deficit)	36,683
20		
21	less Total depreciation	24,551
22		
23	plus Total revaluations	42,790
24		
25	Regulatory profit / (loss) before tax	54,922
26		
27	less Term credit spread differential allowance	-
28		
29	less Regulatory tax allowance	3,496
30		
31	Regulatory profit/(loss) including financial incentives and wash-ups	51,425
32		
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)
34	Pass through costs	
35	Rates	1,052
36	Commerce Act levies	225
37	Industry levies	231
38	CPP specified pass through costs	-
39	Recoverable costs excluding financial incentives and wash-ups	
40	Electricity lines service charge payable to Transpower	20,081
41	Transpower new investment contract charges	2,296
42	System operator services	-
43	Distributed generation allowance	5,359
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	29,244
47		

Company Name **WEL Networks Limited**
 For Year Ended **31 March 2023**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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

sch ref

		(\$000)	
		CY-1	CY
		31 Mar 22	31 Mar 23
48	3(iii): Incremental Rolling Incentive Scheme		
49			
50			
51	Allowed controllable opex		
52	Actual controllable opex		
53			
54	Incremental change in year		
55			
		Previous years' incremental change	Previous years' incremental change adjusted for inflation
56			
57	CY-5 31 Mar 18		
58	CY-4 31 Mar 19		
59	CY-3 31 Mar 20		
60	CY-2 31 Mar 21		
61	CY-1 31 Mar 22		
62	Net incremental rolling incentive scheme		-
63			
64	Net recoverable costs allowed under incremental rolling incentive scheme		-
65	3(iv): Merger and Acquisition Expenditure		
70			(\$000)
66	Merger and acquisition expenditure		
67			
68	<i>Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)</i>		
69	3(v): Other Disclosures		
70			(\$000)
71	Self-insurance allowance		

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

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

sch ref

4(i): Regulatory Asset Base Value (Rolled Forward)		for year ended				
		RAB 31 Mar 19 (\$000)	RAB 31 Mar 20 (\$000)	RAB 31 Mar 21 (\$000)	RAB 31 Mar 22 (\$000)	RAB 31 Mar 23 (\$000)
	Total opening RAB value	559,425	569,300	599,939	592,314	644,346
	less Total depreciation	19,895	20,476	21,914	21,872	24,551
	plus Total revaluations	8,278	14,295	8,696	40,984	42,790
	plus Assets commissioned	29,931	43,116	30,575	33,128	44,722
	less Asset disposals	654	55	114	206	831
	plus Lost and found assets adjustment	-	(6,241)	(23,623)	-	-
	plus Adjustment resulting from asset allocation	(7,784)	-	(1,245)	(2)	0
	Total closing RAB value	569,300	599,939	592,314	644,346	706,476

4(ii): Unallocated Regulatory Asset Base		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
	Total opening RAB value		654,303		644,346
	less Total depreciation		25,160		24,551
	plus Total revaluations		43,446		42,790
	plus Assets commissioned (other than below)	37,181		36,090	
	Assets acquired from a regulated supplier	-		-	
	Assets acquired from a related party	8,632		8,632	
	Assets commissioned		45,813		44,722
	less Asset disposals (other than below)	831		831	
	Asset disposals to a regulated supplier	-		-	
	Asset disposals to a related party	-		-	
	Asset disposals		831		831
	plus Lost and found assets adjustment		-		-
	plus Adjustment resulting from asset allocation				0
	Total closing RAB value		717,571		706,476

* 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.

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

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

sch ref

51

52 **4(iii): Calculation of Revaluation Rate and Revaluation of Assets**

53

54

CPI_t 1,218

55

CPI_{t-4} 1,142

56

Revaluation rate (%) 6.65%

57

58

59

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Total opening RAB value	654,303		644,346	
less Opening value of fully depreciated, disposed and lost assets	1,468		1,377	
Total opening RAB value subject to revaluation	652,835		642,969	
Total revaluations		43,446		42,790

60

61

62

63

64

65

66 **4(iv): Roll Forward of Works Under Construction**

67

68

Works under construction—preceding disclosure year 35,981

69

plus Capital expenditure 64,632

70

less Assets commissioned 44,722

71

plus Adjustment resulting from asset allocation (1,091)

72

Works under construction - current disclosure year 54,800

73

74

Highest rate of capitalised finance applied

75

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

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

sch ref

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

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
79 Depreciation - standard	19,294		19,194	
80 Depreciation - no standard life assets	5,866		5,357	
81 Depreciation - modified life assets	-		-	
82 Depreciation - alternative depreciation in accordance with CPP	-		-	
83 Total depreciation		25,160		24,551

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

(\$000 unless otherwise specified)

Asset or assets with changes to depreciation*	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation

* include additional rows if needed

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

(\$000 unless otherwise specified)

	Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
99 Total opening RAB value	22,716	47,908	79,969	131,732	199,979	70,291	44,523	13,928	33,300	644,346
100 <i>less</i> Total depreciation	677	1,309	2,973	4,049	5,494	2,365	1,471	856	5,357	24,551
101 <i>plus</i> Total revaluations	1,512	3,188	5,328	8,766	13,306	4,622	2,962	934	2,172	42,790
102 <i>plus</i> Assets commissioned	145	2,766	2,929	6,983	19,183	3,711	3,285	474	5,246	44,722
103 <i>less</i> Asset disposals	-	-	-	-	-	801	-	-	30	831
104 <i>plus</i> Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
105 <i>plus</i> Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	-	-
106 <i>plus</i> Asset category transfers	-	-	-	-	-	-	-	-	-	-
107 Total closing RAB value	23,696	52,553	85,253	143,432	226,974	75,458	49,299	14,480	35,331	706,476
108 Asset Life										
109 Weighted average remaining asset life	39.6	40.0	32.1	42.7	42.7	35.3	33.0	13.9	13.1	(years)
111 Weighted average expected total asset life	58.7	52.7	44.1	59.3	54.5	48.7	40.1	20.6	18.9	(years)

Company Name

WEL Networks Limited

For Year Ended

31 March 2023

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

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

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

sch ref

		(\$000)	
7	5a(i): Regulatory Tax Allowance		
8	Regulatory profit / (loss) before tax		54,922
9			
10	<i>plus</i> Income not included in regulatory profit / (loss) before tax but taxable	-	*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	7	*
12	Amortisation of initial differences in asset values	7,095	
13	Amortisation of revaluations	4,100	
14			11,202
15			
16	<i>less</i> Total revaluations	42,790	
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	10,847	
21			53,637
22			
23	Regulatory taxable income		12,487
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		12,487
27			
28	Corporate tax rate (%)	28%	
29	Regulatory tax allowance		3,496
30			

* Workings to be provided in Schedule 14

5a(ii): Disclosure of Permanent Differences

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

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

(\$000)

35			
36	Opening unamortised initial differences in asset values	78,048	
37	<i>less</i> Amortisation of initial differences in asset values	7,095	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	-	
40	Closing unamortised initial differences in asset values		70,953
41			
42	Opening weighted average remaining useful life of relevant assets (years)		11
43			

Company Name **WEL Networks Limited**For Year Ended **31 March 2023****SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE**

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

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

sch ref

44	5a(iv): Amortisation of Revaluations		(\$000)
45			
46	Opening sum of RAB values without revaluations	540,102	
47			
48	Adjusted depreciation	20,451	
49	Total depreciation	24,551	
50	Amortisation of revaluations		4,100
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	(41,920)	
61			
62	plus Tax effect of adjusted depreciation	5,726	
63			
64	less Tax effect of tax depreciation	9,112	
65			
66	plus Tax effect of other temporary differences*	2,273	
67			
68	less Tax effect of amortisation of initial differences in asset values	1,987	
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	(117)	
73			
74	plus Deferred tax cost allocation adjustment	(0)	
75			
76	Closing deferred tax		(44,902)
77			
78	5a(vii): Disclosure of Temporary Differences		
79	<i>In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).</i>		
80			
81	5a(viii): Regulatory Tax Asset Base Roll-Forward		
82			(\$000)
83	Opening sum of regulatory tax asset values	341,799	
84	less Tax depreciation	32,542	
85	plus Regulatory tax asset value of assets commissioned	58,267	
86	less Regulatory tax asset value of asset disposals	414	
87	plus Lost and found assets adjustment	-	
88	plus Adjustment resulting from asset allocation	-	
89	plus Other adjustments to the RAB tax value	-	
90	Closing sum of regulatory tax asset values		367,110

Company Name **WEL Networks Limited**
For Year Ended **31 March 2023**

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

	(\$000)	(\$000)
5b(i): Summary—Related Party Transactions		
Total regulatory income		2,206
Market value of asset disposals		-
Service interruptions and emergencies	3,888	
Vegetation management	1,146	
Routine and corrective maintenance and inspection	1,125	
Asset replacement and renewal (opex)	1,376	
Network opex		7,535
Business support	2	
System operations and network support	3	
Operational expenditure		7,540
Consumer connection	1,572	
System growth	298	
Asset replacement and renewal (capex)	5,318	
Asset relocations	336	
Quality of supply	4	
Legislative and regulatory	74	
Other reliability, safety and environment	1,023	
Expenditure on non-network assets		7
Expenditure on assets		8,632
Cost of financing		-
Value of capital contributions		-
Value of vested assets		-
Capital Expenditure		8,632
Total expenditure		16,172
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)
WEL Contracting Division	Service interruptions and emergencies	3,888
WEL Contracting Division	Vegetation management	1,146
WEL Contracting Division	Routine and corrective maintenance and inspection	1,125
WEL Contracting Division	Asset replacement and renewal (opex)	1,376
WEL Contracting Division	Business support	2
WEL Contracting Division	System operations and network support	3
WEL Contracting Division	Consumer connection	1,572
WEL Contracting Division	System growth	298
WEL Contracting Division	Asset replacement and renewal (capex)	5,318
WEL Contracting Division	Asset relocations	336
WEL Contracting Division	Quality of supply	4
WEL Contracting Division	Legislative and regulatory	74
WEL Contracting Division	Other reliability, safety and environment	1,023
WEL Contracting Division	Expenditure on non-network assets	7
Total value of related party transactions		16,172

* include additional rows if needed

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

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

sch ref

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

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
* 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					-

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

		Value allocated (\$000s)				
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000s)
7	5d(i): Operating Cost Allocations					
8						
9						
10	Service interruptions and emergencies					
11	Directly attributable		5,378			
12	Not directly attributable				-	
13	Total attributable to regulated service		5,378			
14	Vegetation management					
15	Directly attributable		1,664			
16	Not directly attributable				-	
17	Total attributable to regulated service		1,664			
18	Routine and corrective maintenance and inspection					
19	Directly attributable		2,000			
20	Not directly attributable				-	
21	Total attributable to regulated service		2,000			
22	Asset replacement and renewal					
23	Directly attributable		1,976			
24	Not directly attributable				-	
25	Total attributable to regulated service		1,976			
26	System operations and network support					
27	Directly attributable		9,673			
28	Not directly attributable				-	
29	Total attributable to regulated service		9,673			
30	Business support					
31	Directly attributable					
32	Not directly attributable		15,188	4,458	19,646	
33	Total attributable to regulated service		15,188			
34						
35	Operating costs directly attributable		20,691			
36	Operating costs not directly attributable	-	15,188	4,458	19,646	-
37	Operational expenditure		35,879			
38						

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

39 **5d(ii): Other Cost Allocations**

	(\$000)
40 Pass through and recoverable costs	
41 Pass through costs	
42 Directly attributable	1,508
43 Not directly attributable	-
44 Total attributable to regulated service	1,508
45 Recoverable costs	
46 Directly attributable	27,736
47 Not directly attributable	-
48 Total attributable to regulated service	27,736

50 **5d(iii): Changes in Cost Allocations* †**

		(\$000)	
		CY-1	Current Year (CY)
52 Change in cost allocation 1			
53 Cost category		Original allocation	
54 Original allocator or line items		New allocation	
55 New allocator or line items		Difference	-
56			-
57 Rationale for change			

		(\$000)	
		CY-1	Current Year (CY)
61 Change in cost allocation 2			
62 Cost category		Original allocation	
63 Original allocator or line items		New allocation	
64 New allocator or line items		Difference	-
65			-
66 Rationale for change			

		(\$000)	
		CY-1	Current Year (CY)
70 Change in cost allocation 3			
71 Cost category		Original allocation	
72 Original allocator or line items		New allocation	
73 New allocator or line items		Difference	-
74			-
75 Rationale for change			

78 * 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.
79 † include additional rows if needed

Company Name

WEL Networks Limited

For Year Ended

31 March 2023

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	23,696
Not directly attributable	
Total attributable to regulated service	23,696
Subtransmission cables	
Directly attributable	52,553
Not directly attributable	
Total attributable to regulated service	52,553
Zone substations	
Directly attributable	85,253
Not directly attributable	
Total attributable to regulated service	85,253
Distribution and LV lines	
Directly attributable	140,463
Not directly attributable	2,969
Total attributable to regulated service	143,432
Distribution and LV cables	
Directly attributable	226,974
Not directly attributable	
Total attributable to regulated service	226,974
Distribution substations and transformers	
Directly attributable	75,458
Not directly attributable	
Total attributable to regulated service	75,458
Distribution switchgear	
Directly attributable	49,299
Not directly attributable	
Total attributable to regulated service	49,299
Other network assets	
Directly attributable	14,480
Not directly attributable	
Total attributable to regulated service	14,480
Non-network assets	
Directly attributable	26,196
Not directly attributable	9,135
Total attributable to regulated service	35,331
Regulated service asset value directly attributable	694,372
Regulated service asset value not directly attributable	12,104
Total closing RAB value	706,476

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

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

* 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

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

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

sch ref

7	6a(i): Expenditure on Assets		(\$000)	(\$000)
8	Consumer connection			32,212
9	System growth			6,795
10	Asset replacement and renewal			18,162
11	Asset relocations			3,834
12	Reliability, safety and environment:			
13	Quality of supply	384		
14	Legislative and regulatory	357		
15	Other reliability, safety and environment	4,695		
16	Total reliability, safety and environment			5,436
17	Expenditure on network assets			66,439
18	Expenditure on non-network assets			11,738
19				
20	Expenditure on assets			78,177
21	plus Cost of financing			–
22	less Value of capital contributions			13,545
23	plus Value of vested assets			–
24				
25	Capital expenditure			64,632
26	6a(ii): Subcomponents of Expenditure on Assets (where known)			(\$000)
27	Energy efficiency and demand side management, reduction of energy losses			1,015
28	Overhead to underground conversion			–
29	Research and development			–
30	Cybersecurity (Commission only)			–
31	6a(iii): Consumer Connection			
32	<i>Consumer types defined by EDB*</i>		(\$000)	(\$000)
33	Residential Low User		15,645	
34	Residential Standard User		10,398	
35	General		3,316	
36	Streetlighting		23	
37	Medium Voltage (11kV)		55	
38	High Voltage (33kV)		1	
39	Low Voltage (400V)		236	
40	Unmetered		90	
41	Commercial Asset Specific		1	
42	Residential Low User Conditional		817	
43	Residential Standard User Conditional		823	
44	General Conditional		808	
45	<i>* include additional rows if needed</i>			
46	Consumer connection expenditure			32,212
47	less Capital contributions funding consumer connection expenditure		8,358	
48	Consumer connection less capital contributions			23,854
49				
50	6a(iv): System Growth and Asset Replacement and Renewal			
51				Asset
52			System Growth	Replacement and
53			(\$000)	Renewal
54				(\$000)
55	Subtransmission	4,399		1,555
56	Zone substations	1,832		1,668
57	Distribution and LV lines	–		6,597
58	Distribution and LV cables	172		4,115
59	Distribution substations and transformers	137		1,512
60	Distribution switchgear	7		2,133
61	Other network assets	248		582
62	System growth and asset replacement and renewal expenditure	6,795		18,162
63	less Capital contributions funding system growth and asset replacement and renewal		–	463
64	System growth and asset replacement and renewal less capital contributions	6,795		17,699
65				
66	6a(v): Asset Relocations			
67	<i>Project or programme*</i>		(\$000)	(\$000)
68	Peacocks Development		1,050	
69	Hamilton City Council		856	
70	Tainui Group Holdings		234	
71	NZTA		118	
72	Other relocations		1,576	
73	<i>* include additional rows if needed</i>			
74	All other projects or programmes - asset relocations		–	
75	Asset relocations expenditure			3,834
76	less Capital contributions funding asset relocations		4,724	
77	Asset relocations less capital contributions			(890)

Company Name

WEL Networks Limited

For Year Ended

31 March 2023

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

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates).

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

sch ref

68				
69	6a(vi): Quality of Supply			
70	<i>Project or programme*</i>		(\$000)	(\$000)
71	Distribution transformers LV Upgrade		384	
72				
73				
74				
75				
76	<i>* include additional rows if needed</i>			
77	All other projects programmes - quality of supply		–	
78	Quality of supply expenditure			384
79	less Capital contributions funding quality of supply		–	
80	Quality of supply less capital contributions			384
81	6a(vii): Legislative and Regulatory			
82	<i>Project or programme*</i>		(\$000)	(\$000)
83	Seismic upgrades of substation		188	
84	Low lines mitigation		169	
85				
86				
87				
88	<i>* include additional rows if needed</i>			
89	All other projects or programmes - legislative and regulatory		–	
90	Legislative and regulatory expenditure			357
91	less Capital contributions funding legislative and regulatory		–	
92	Legislative and regulatory less capital contributions			357
93	6a(viii): Other Reliability, Safety and Environment			
94	<i>Project or programme*</i>		(\$000)	(\$000)
95	Fibre routes		177	
96	Network reliability project		194	
97	Garden Place Switching Station Bypass		484	
98	CBD IoT Fault Indication		7	
	Massey Switchgear Upgrade		995	
	Restricted Space Improvements		90	
	Gordonton Zone Substation Upgrade		2,659	
	Distribution Network Reinforcement		58	
99	Distribution System Operator enabling		31	
100	<i>* include additional rows if needed</i>			
101	All other projects or programmes - other reliability, safety and environment		–	
102	Other reliability, safety and environment expenditure			4,695
103	less Capital contributions funding other reliability, safety and environment		–	
104	Other reliability, safety and environment less capital contributions			4,695
105				
106	6a(ix): Non-Network Assets			
107	Routine expenditure			
108	<i>Project or programme*</i>		(\$000)	(\$000)
109	Computer Equipment		864	
110	Computer Software		3,527	
111	Property, Plant and Equipment		1,358	
112	Motor Vehicles		47	
	Buildings		19	
	Easements		201	
	Land and Building, and Plant and Equipment Leases		968	
113	Smartmeters		1,015	
114	<i>* include additional rows if needed</i>			
115	All other projects or programmes - routine expenditure		–	
116	Routine expenditure			7,999
117	Atypical expenditure			
118	<i>Project or programme*</i>		(\$000)	(\$000)
119	Land		1,310	
120	Data Headend		2,429	
121				
122				
123				
124	<i>* include additional rows if needed</i>			
125	All other projects or programmes - atypical expenditure		–	
126	Atypical expenditure			3,739
127				
128	Expenditure on non-network assets			11,738

Company Name

WEL Networks Limited

For Year Ended

31 March 2023

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	5,378	
9	Vegetation management	1,664	
10	Routine and corrective maintenance and inspection	2,000	
11	Asset replacement and renewal	1,976	
12	Network opex		11,018
13	System operations and network support	9,673	
14	Business support	15,188	
15	Non-network opex		24,861
16			
17	Operational expenditure		35,879
18	6b(ii): Subcomponents of Operational Expenditure (where known)		
19	<i>EDBs' must disclose both a public version of this Schedule (excluding cybersecurity cost data) and a confidential version of this Schedule (including cybersecurity costs)</i>		
20	Energy efficiency and demand side management, reduction of energy losses		387
21	Direct billing*		N/A
22	Research and development		-
23	Insurance		738
24	Cybersecurity (Commission only)		
25	<i>* Direct billing expenditure by suppliers that directly bill the majority of their consumers</i>		

Company Name

WEL Networks Limited

For Year Ended

31 March 2023

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

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

sch ref

7(i): Revenue		Target (\$000) ¹	Actual (\$000)	% variance
7				
8	Line charge revenue	103,339	101,687	(2%)
7(ii): Expenditure on Assets		Forecast (\$000) ²	Actual (\$000)	% variance
9				
10	Consumer connection	29,199	32,212	10%
11	System growth	11,987	6,795	(43%)
12	Asset replacement and renewal	15,626	18,162	16%
13	Asset relocations	5,174	3,834	(26%)
14	Reliability, safety and environment:			
15	Quality of supply	587	384	(35%)
16	Legislative and regulatory	773	357	(54%)
17	Other reliability, safety and environment	5,747	4,695	(18%)
18	Total reliability, safety and environment	7,107	5,436	(24%)
19	Expenditure on network assets	69,093	66,439	(4%)
20	Expenditure on non-network assets	7,050	11,738	66%
21	Expenditure on assets	76,143	78,177	3%
7(iii): Operational Expenditure				
22				
23	Service interruptions and emergencies	3,429	5,378	57%
24	Vegetation management	1,742	1,664	(4%)
25	Routine and corrective maintenance and inspection	2,290	2,000	(13%)
26	Asset replacement and renewal	2,741	1,976	(28%)
27	Network opex	10,202	11,018	8%
28	System operations and network support	9,868	9,673	(2%)
29	Business support	14,595	15,188	4%
30	Non-network opex	24,463	24,861	2%
31	Operational expenditure	34,665	35,879	4%
7(iv): Subcomponents of Expenditure on Assets (where known)				
32				
33	Energy efficiency and demand side management, reduction of energy losses	–	1,015	–
34	Overhead to underground conversion	5,023	–	(100%)
35	Research and development	–	–	–
36				
7(v): Subcomponents of Operational Expenditure (where known)				
37				
38	Energy efficiency and demand side management, reduction of energy losses	385	387	1%
39	Direct billing	N/A	N/A	–
40	Research and development	109	–	(100%)
41	Insurance	702	738	5%
42				

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

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

Company Name

WEL Networks Limited

For Year Ended

31 March 2023

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

sch ref	Voltage	Asset category	Asset class	Units	Items at start of	Items at end of	Net change	Data accuracy
					year (quantity)	year (quantity)		(1-4)
8	All	Overhead Line	Concrete poles / steel structure	No.	37,430	37,532	102	3
9	All	Overhead Line	Wood poles	No.	1,711	1,640	(71)	3
10	All	Overhead Line	Other pole types	No.	16	24	8	3
11	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	184	178	(6)	3
12	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
13	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	256	253	(2)	4
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	N/A
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	15	15	-	4
17	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
22	HV	Zone substation Buildings	Zone substations up to 66kV	No.	26	26	-	4
23	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	N/A
24	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	-	-	-	N/A
26	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	-	-	-	N/A
27	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	51	46	(5)	4
28	HV	Zone substation switchgear	33kV RMU	No.	21	21	-	4
29	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	112	111	(1)	4
30	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	28	17	(11)	4
31	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	-	-	-	N/A
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	-	-	-	N/A
33	HV	Zone Substation Transformer	Zone Substation Transformers	No.	49	49	-	4
34	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,926	1,926	(0)	3
35	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	N/A
36	HV	Distribution Line	SWER conductor	km	-	-	-	N/A
37	HV	Distribution Cable	Distribution UG XLPE or PVC	km	637	653	16	3
38	HV	Distribution Cable	Distribution UG PILC	km	106	104	(2)	3
39	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	N/A
40	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	231	202	(29)	3
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	397	356	(41)	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	6,309	6,297	(12)	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	-	-	-	N/A
44	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1,173	1,160	(13)	3
45	HV	Distribution Transformer	Pole Mounted Transformer	No.	4,185	4,102	(83)	3
46	HV	Distribution Transformer	Ground Mounted Transformer	No.	2,081	2,077	(4)	3
47	HV	Distribution Transformer	Voltage regulators	No.	26	29	3	4
48	HV	Distribution Substations	Ground Mounted Substation Housing	No.	-	-	-	N/A
49	LV	LV Line	LV OH Conductor	km	961	954	(6)	3
50	LV	LV Cable	LV UG Cable	km	1,485	1,534	50	3
51	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	1,296	1,317	21	3
52	LV	Connections	OH/UG consumer service connections	No.	100,131	101,861	1,730	2
53	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	1,002	877	(125)	3
54	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1,389	1,311	(78)	3
55	All	Capacitor Banks	Capacitors including controls	No.	1	1	-	4
56	All	Load Control	Centralised plant	Lot	9	14	5	4
57	All	Load Control	Relays	No.	59,387	60,031	644	2
58	All	Civils	Cable Tunnels	km	-	-	-	N/A

Company Name	WEL Networks Limited
For Year Ended	31 March 2023
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	Disclosure Year (year ended)	31 March 2023	Number of assets at disclosure year end by installation date																									No. with age unknown	Items at end of year	No. with default dates	Data accuracy [1-4]												
			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				
9	Voltage	Asset category	Asset class	Units																																							
10	All	Overhead Line	Concrete poles / steel structure	No.	3	7	36	1,217	16,877	7,084	2,454	237	268	863	213	289	335	328	403	374	430	267	562	577	440	521	484	577	422	596	457	470	385	462	412	2	37,532	1	3				
11	All	Overhead Line	Wood poles	No.	-	-	16	77	329	435	468	43	58	30	27	10	21	13	9	12	26	7	3	4	10	5	2	5	4	2	4	7	5	4	3	1	1,640	5	3				
12	All	Overhead Line	Other pole types	No.	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	24	-	3			
13	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	-	-	-	-	4	59	36	22	0	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	178	-	3			
14	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A			
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	-	-	-	-	13	5	8	7	7	-	-	0	3	20	39	11	53	7	3	55	22	2	1	14	3	1	2	1	2	12	12	3	-	253	-	4			
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A			
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (GAS pressurised)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A			
18	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	-	14	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	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	5	2	2	-	-	-	-	-	-	-	-	2	2	6	2	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	26	-	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.	5	-	-	-	18	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46	-	4		
30	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21	-	4	
31	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131	-	4	
32	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	-	-	-	-	2	1	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	-	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A		
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.	-	-	-	7	8	3	2	-	2	2	-	-	1	1	4	4	-	2	4	2	1	-	-	2	2	-	-	-	-	-	-	-	-	-	49	-	4		
36	HV	Distribution Line	Distribution OH Open Wire Conductor	km	0	4	74	1,031	366	108	13	25	22	-	9	22	19	14	8	9	14	10	6	13	18	16	31	23	11	23	12	6	6	12	1	-	1,926	-	1				
37	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	N/A		
38	HV	Distribution Line	SWER conductor	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A			
39	HV	Distribution Cable	Distribution UG XLPE PVC	km	-	-	40	59	40	38	15	11	19	9	14	19	24	18	28	40	19	15	23	22	22	29	24	15	18	17	22	18	18	20	-	-	653	-	3				
40	HV	Distribution Cable	Distribution UG PILC	km	-	-	11	43	49	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104	-	3	
41	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A		
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionaliser	No.	-	-	3	-	-	-	-	2	-	8	11	-	3	2	5	1	1	1	1	1	4	1	21	24	36	25	20	16	7	6	6	-	-	292	-	3			
43	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	-	-	-	32	28	36	40	10	13	12	-	1	3	5	22	17	21	9	37	14	4	-	-	8	21	-	-	-	-	-	-	-	-	-	356	-	3		
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (pole mounted)	No.	-	6	3	30	878	778	385	62	120	148	114	155	114	166	131	158	189	127	175	256	264	242	298	238	217	206	203	207	140	122	164	-	-	6,297	-	3			
45	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A		
46	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1	-	2	21	126	50	35	4	8	29	19	21	35	37	38	34	37	37	23	50	56	49	72	53	41	41	52	62	42	41	44	-	-	1,160	-	3			
47	HV	Distribution Transformer	Pole Mounted Transformer	No.	2	13	36	82	128	379	509	63	92	112	107	96	130	136	135	142	94	97	157	128	149	177	135	197	133	154	137	73	95	123	-	-	4,192	-	3				
48	HV	Distribution Transformer	Ground Mounted Transformer	No.	3	-	9	34	181	222	203	28	41	49	23	40	51	60	92	86	89	69	57	68	75	77	88	58	49	61	56	54	51	53	-	-	2,037	-	3				
49	HV	Distribution Transformer	Voltage regulators	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29	-	4	
50	HV	Distribution Substations	Ground Mounted Substation Housing	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A		
51	LV	LV Line	LV OH Conductor	km	0	1	29	438	239	106	11	13	17	11	11	13	16	9	5	3	2	2	4	4	4	3	4	2	4	3	1	2	0	0	1	-	-	954	-	3			
52	LV	LV Cable	LV UG Cable	km	0	4	-	53	200	268	133	26	25	27	28	34	43	56	39	47	32	16	18	18	24	29	46	43	41	42	54	59	46	39	44	-	-	1,534	-	3			
53	LV	LV Street Lighting	LV OH/UG Streetlight circuit	km	0	0	1	23	218	227	167	49	45	50	43	60	44	36	31	37	12	10	25	20	13	21	16	35	17	27	39	16	13	17	-	-	1,247	-	3				
54	LV	Connections	OH/UG consumer service connections	No.	-	-	-	-	-	-	1,550	66,709	1,																														

Company Name **WEL Networks Limited**

For Year Ended **31 March 2023**

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

9			
10	Circuit length by operating voltage (at year end)	Overhead (km)	Underground (km)
11	> 66kV	–	–
12	50kV & 66kV	–	–
13	33kV	178	268
14	SWER (all SWER voltages)	–	–
15	22kV (other than SWER)	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	1,926	757
17	Low voltage (< 1kV)	954	1,534
18	Total circuit length (for supply)	3,057	2,560
19			
20	Dedicated street lighting circuit length (km)	279	1,038
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		859
22			
23	Overhead circuit length by terrain (at year end)	(% of total circuit length)	
24	Urban	484	16%
25	Rural	1,907	62%
26	Remote only	–	–
27	Rugged only	665	22%
28	Remote and rugged	–	–
29	Unallocated overhead lines	–	–
30	Total overhead length	3,057	100%
31			
32		(% of total circuit length)	
33	Length of circuit within 10km of coastline or geothermal areas (where known)	378	7%
34		(% of total circuit length)	
35	Overhead circuit requiring vegetation management	2,048	67%

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	Brick Street	18	129
9	Flagship	3	71
10	Halfmoon Bay	60	53
11	Hulme Place	38	21
12	Jeffs Road Dannemora	883	617
13	Kirkdale	266	181
14	Oaklands	178	134
15	Porchester Road	277	203
16	Ryan Place	70	50
17	Southgate	110	81
18			
19			
20			
21			
22			
23			
24			
25			

* 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

26

Company Name	WEL Networks Limited
For Year Ended	31 March 2023
Network / Sub-network Name	

SCHEDULE 9e: REPORT ON NETWORK DEMAND

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

sch ref

8 9e(i): Consumer Connections and Decommissionings

9 Number of ICPs connected in year by consumer type

10 Consumer types defined by EDB*

Consumer type	Number of connections (ICPs)
1153 Residential Low User	496
1154 Residential Standard User	2,228
1200 General	181
1450 Unmetered	2
1354 Medium Voltage (11kV)	1
1360 Low Voltage (400V)	38
1153C Residential Low User Conditional	(427)
1154C Residential Standard User Conditional	(79)
1200C General Conditional	(67)

16 * include additional rows if needed

17 Connections total

2,373

19 Number of ICPs decommissioned in year by consumer type

20 Consumer types defined by EDB*

Consumer type	Number of decommissionings
1153 Residential Low User	124
1154 Residential Standard User	101
1200 General	33
1293 Metered and Unmetered Streetlighting	3
1450 Unmetered	2
1360 Low Voltage (400V)	3
1153C Residential Low User Conditional	24
1154C Residential Standard User Conditional	36
1200C General Conditional	83

26 * include additional rows if needed

27 Decommissionings total

409

29 Distributed generation

30 Number of connections made in year

517 connections

32 Capacity of distributed generation installed in year

4.61 MVA

34 9e(ii): System Demand

37 Maximum coincident system demand

38 GXP demand

241

39 plus Distributed generation output at HV and above

40

40 Maximum coincident system demand

281

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

—

42 Demand on system for supply to consumers' connection points

281

43 Electricity volumes carried

44 Electricity supplied from GXPs

1,060

45 less Electricity exports to GXPs

51

46 plus Electricity supplied from distributed generation

362

47 less Net electricity supplied to (from) other EDBs

(15)

48 Electricity entering system for supply to consumers' connection points

1,386

49 less Total energy delivered to ICPs

1,323

51 Electricity losses (loss ratio)

63

4.6%

53 Load factor

0.56

54 9e(iii): Transformer Capacity

56 Distribution transformer capacity (EDB owned)

971

57 Distribution transformer capacity (Non-EDB owned, estimated)

49

58 Total distribution transformer capacity

1,020

60 Zone substation transformer capacity

766

Company Name	WEL Networks Limited
For Year Ended	31 March 2023
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

8 10(i): Interruptions

9 Interruptions by class

	Number of interruptions
10 Class A (planned interruptions by Transpower)	–
11 Class B (planned interruptions on the network)	513
12 Class C (unplanned interruptions on the network)	833
13 Class D (unplanned interruptions by Transpower)	–
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)	3
17 Class H (planned interruptions caused by another disclosing entity)	–
18 Class I (interruptions caused by parties not included above)	–
19 Total	1,349

21 Interruption restoration

	≤3Hrs	>3hrs
22 Class C interruptions restored within	493	340

24 SAIFI and SAIDI by class

	SAIFI	SAIDI
25 Class A (planned interruptions by Transpower)	–	–
26 Class B (planned interruptions on the network)	0.2928	50.46
27 Class C (unplanned interruptions on the network)	1.4345	149.15
28 Class D (unplanned interruptions by Transpower)	–	–
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)	0.0064	1.58
32 Class H (planned interruptions caused by another disclosing entity)	–	–
33 Class I (interruptions caused by parties not included above)	–	–
34 Total	1.7337	201.19

36 Normalised SAIFI and SAIDI

	Normalised SAIFI	Normalised SAIDI
37 Classes B & C (interruptions on the network)	1.7273	156.23

39 Transitional SAIDI and SAIDI (previous method)

Where EDBs do not currently record their SAIFI and SAIDI values using the 'multi-count' approach, they shall continue to record their SAIFI and SAIDI values on the same basis that they employed as at 31 March 2023 as 'Transitional SAIFI' and 'Transitional SAIDI' values, in addition to their SAIFI and SAIDI values (Classes B & C) using the 'multi-count approach'. This is a transitional reporting requirement that shall be in place for the 2024, 2025, and 2026 disclosure years.

	SAIFI	SAIDI
40 Class B (planned interruptions on the network)		
41 Class C (unplanned interruptions on the network)		

43

Company Name **WEL Networks Limited**For Year Ended **31 March 2023**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

This schedule requires a summary of the key measures of network reliability (interruptions, SAIFI, SAIDI 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**

Lightning
Vegetation
Adverse weather
Adverse environment
Third party interference
Wildlife
Human error
Defective equipment
Cause unknown

SAIFI

SAIDI

0.0289	1.55
0.1081	18.29
0.2972	54.56
–	–
0.2764	27.46
0.0745	3.52
0.0403	2.49
0.4364	33.35
0.1727	7.93

Breakdown of third party interference

Dig-in
Overhead contact
Vandalism
Vehicle damage
Other

SAIFI

SAIDI

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

Subtransmission lines
Subtransmission cables
Subtransmission other
Distribution lines (excluding LV)
Distribution cables (excluding LV)
Distribution other (excluding LV)

SAIFI

SAIDI

–	–
–	–
–	–
0.1120	27.07
–	–
0.1808	23.39

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

Subtransmission lines
Subtransmission cables
Subtransmission other
Distribution lines (excluding LV)
Distribution cables (excluding LV)
Distribution other (excluding LV)

SAIFI

SAIDI

0.2091	6.41
–	–
0.0005	0.05
0.8700	118.18
0.1379	7.14
0.2170	17.37

10(v): Fault Rate**Main equipment involved**

Subtransmission lines
Subtransmission cables
Subtransmission other
Distribution lines (excluding LV)
Distribution cables (excluding LV)
Distribution other (excluding LV)

Number of Faults

Circuit length
(km)Fault rate (faults
per 100km)

17	178
–	268
4	
314	1,926
41	757
457	
833	

9.57
–
16.31
5.41

Total**833**

Company Name	<u>WEL Networks Limited</u>
For Year Ended	<u>31 March 2023</u>

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

ROI for disclosure year 2023 is 8.35% (FY22: 9.91%) compared to a comparable mid-point estimate of vanilla WACC of 5.39%. The ROI is largely driven by the CPI rate applied to revalue the RAB, in FY23 this was 6.65% (FY22: 6.93%).

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

5.1. Other regulated income includes income received for providing control services (monitoring network status and alarm response, coordination of switching) to another EDB; distributed generation applications; and recoveries for damage to network assets (eg. car v pole).

5.2. No items were reclassified.

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

No merger and acquisition expenditure.

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 Asset Base in Schedule 4 for disclosure year 2022 was \$644.3M and for disclosure year 2023 is now \$706.5M; a positive movement of \$62.1M. This movement is mainly due to the high CPI rate in FY23 resulting in \$42.8M of revaluations; and \$44.7M of assets commissioned.

WIP

The closing value of assets not yet commissioned and included in Works under construction as at 31 March 2023 is \$54.8M. The WIP balance associated with these assets will be rolled out of WIP once these assets are capitalised into the RAB.

Asset allocation

WEL utilises the ABAA allocation methodology for the allocation of poles that are being used for purposes other than electricity e.g. fibre, telephone lines etc, and for the allocation of non-network assets that are being used for purposes other than electricity e.g. building, land, computer assets etc. Refer to box 8.

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

- 8.1. There is no 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 relates to the non-deductible portion of entertainment.
- 8.3. There is no income included in regulatory profit / (loss) before tax but not taxable.
- 8.4. There is no expenditure or loss deductible but not in regulatory profit / (loss) before tax.

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)

Tax effect of other temporary differences amount to \$2.27M and relate to:

- \$2.25M tax effect of the current year portion of capital contributions which are being amortised over 10 years (\$8.03M @ 28%); and
- \$0.02M tax effect movement in other general provisions.

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

All of the costs are allocated on a proxy basis. Within the business support cost centres, timesheets or any other work allocation methods are not utilised. Therefore there are no identifying allocators to enable a causal basis to be used.

Costs have been allocated based on the relevant managers' determination of the time spent on electricity distribution related and non-electricity distribution related functions.

No items were reclassified.

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

Assets that are considered not directly attributable have been allocated using ABAA methodology when they do not relate solely to the regulated business.

Not directly attributable Distribution and LV Lines values relate to poles that have multiple uses e.g. fibre, streetlights etc. The allocation is based on GIS information on poles that have mixed use which is a causal allocator.

The allocators for non-network assets e.g. buildings, furniture, computer hardware and software align to the business operational expenditure proxy allocators. Non-network assets relate to the business support cost centres. In these cost centres, timesheets or any other work allocation methods are not utilised. Therefore there are no identifying allocators to enable a causal basis to be used. Asset values have been allocated based on the relevant managers' determination of the time spent on electricity distribution related and non-electricity distribution related functions.

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

12.1. WEL classifies a project with total cost over \$0.5M as a major capital project.

All projects are categorised for ID purposes using AMP classifications to ensure consistency in reporting and any overheads are allocated on a pro-rata basis across all relevant projects.

Capital contributions in Schedule 6a are recognised in the financial year in which the project has been completed, and therefore may not align with the financial year in which the related capital expenditure has been incurred.

12.2. No items have been reclassified.

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

13.1. Asset replacement and renewal operating expenditure is mainly incurred in relation to unplanned defects correction. The expenditure includes the following main asset categories:

- Switchgear including RMU & overhead line switches / sectionalisers / voltage regulators
- Conductors, poles and cross-arms including insulator, live line clamps, broken cut outs, possum guards and stay wire repairs
- Distribution transformers
- Pillars
- Feeders including stolen earth repairs
- Circuit breakers
- Zone substations including buildings, zone sub transformers, ripple plants and battery chargers and banks
- SCADA and other communication devices

13.2. No items have been reclassified.

13.3. There have been no material items of atypical expenditure.

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 – Consumer connection expenditure was \$3.0M higher than forecasted in the AMP (10%). This is due to strong demand for subdivision work in greenfield areas, and densification of infill housing. Due to the increase in housing, costs for new connections/ subdivisions have also increased as in some areas network upgrades were required to meet the increased demand. Resources were focused toward delivering the customer works pipeline during the year.

System growth – System growth expenditure was \$5.2M lower than forecasted in the AMP (43%). The new Fairfield substation was forecasted in the AMP, however projected connections in the Fairfield/Hamilton East areas and eastern boundary of Hamilton City have reduced in the short term meaning the substation build has been deferred to FY25/26 (\$4.3M); Smart meters were forecasted under System Growth, but the actuals are reported under Non-network assets (\$0.5M); and GXP Transfers to Te Kowhai were overforecasted in the AMP, and timing of completion has been moved into FY23 (\$0.5M). These were partially offset by unforeseen spend on 33kV cable jointing from Te Kowhai to Pukete which was required to be completed in FY23 due to the Contact Co-gen disestablishment in early FY24 (\$0.6M).

Asset replacement and renewal – Asset replacement and renewal expenditure was \$2.5M above forecasted in the AMP (16%). This is due to capital faults being higher than forecasted with cyclone and storm response, and a higher cost per fault (\$1.9M); the Te Uku Zone Substation Upgrade being forecasted under Other reliability, safety and supply, but the actuals being reported under asset replacement and renewal (\$1.4M); unplanned capital notifications being above forecast due to the clearing of a back log in notifications (\$0.8M); a higher number of red and yellow tagged poles requiring replacement (\$0.7M); complex transformer replacements being required (\$0.6M); and unforeseen spend on the repeater station system upgrade (\$0.3M). These were partially offset by resource constraints and prioritisation of works resulting in an underspend on crossarm and pillar replacements (\$2.2M), and deferral of the Sandwich CB3 feeder reconductoring (\$0.6M).

Asset relocations – Asset relocation expenditure was \$1.3M lower than forecasted in the AMP (26%). The variance mainly relates to relocations for the Peacockes development being overforecasted in the AMP.

Quality of supply – Quality of supply expenditure was \$0.2M lower than forecasted in the AMP (35%). This is due to distribution transformer and LV feeder upgrade projects being deferred due to constrained resources with customer driven work and fault response being prioritised.

Legislative and regulatory – Legislative and regulatory expenditure was \$0.4M lower than forecasted in the AMP (54%). This is due to seismic strengthening works on the Kent Substation starting in late FY22 with the full project cost being forecasted for FY23.

Other reliability, safety, and supply – Other reliability, safety, and supply expenditure was \$1.1M lower than forecasted in the AMP (18%). This is due to Te Uku Zone Substation Upgrade being forecasted under Other reliability, safety and supply, but the actuals being reported under asset replacement and renewal (\$1.0M); Garden Place Switching Bypass project timing completion moving into FY24 and refined costing based on contractor quotes (\$0.8M); and reduced scope for fibre routes, distributed system enabling and link replacements in FY23 (\$0.7M). These were offset by Gordonton zone substation upgrade works completion moving into FY23 from FY22, and site complexities causing cost overruns which were unforeseen (\$1.8M).

Non-network assets – Non-network asset expenditure was \$4.7M above forecasted in the AMP (66%). This is due to atypical expenditure relating to Data Headend Hardware and Software purchases (\$2.4M), purchase of land (\$1.3M), and Smart meters which are budgeted under System Growth, but the actuals are reported under non-network assets (\$1.0M).

Operational Expenditure

Service interruptions and emergencies – Service interruptions and emergencies expenditure was approximately \$1.9M higher than forecasted in the AMP (57%). This is due to the unplanned nature of faults works. The AMP was set based on historical averages which did not take into account the increased cost per fault or increased weather events including Cyclone Gabrielle, and significant storms.

Asset replacement and renewal – Asset replacement and renewal (opex) was approximately \$0.8M lower than forecasted in the AMP (28%). This is due to refurbishments at substations particularly relating to circuit breakers and zone transformers being delayed as a result of resource constraints.

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

The variance between target revenue and total billed revenue for the year is 2%. This is not a material difference.

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

The normalised result for SAIDI was 156.23 and the normalised result of SAIFI was 1.7273 for the disclosure year.

The process applied for calculating SAIDI and SAIFI has been based on all customer interruptions including instances where customers were impacted multiple times in multi-stage outages.

There was one significant storm event during the disclosure year (Cyclone Gabrielle) on 12-17 February 2023. This resulted in the normalised SAIDI being 43.38 lower than total SAIDI.

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

17.1. WEL takes prudent insurance cover for critical 'point' assets within the network (being the substations) including material damage, but notes insurance for the actual network is either unavailable or prohibitively expensive. WEL also takes prudent insurance cover for the non-network assets and appropriate contracting and statutory liability insurances.

17.2. WEL does not have any formal self-insurance policies. WEL has risk management practices and procedures. WEL does not have its own 'captive' insurance company or cash reserves invested.

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

No material errors identified.

Company Name WEL Networks Limited

For Year Ended 31 March 2023

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.)

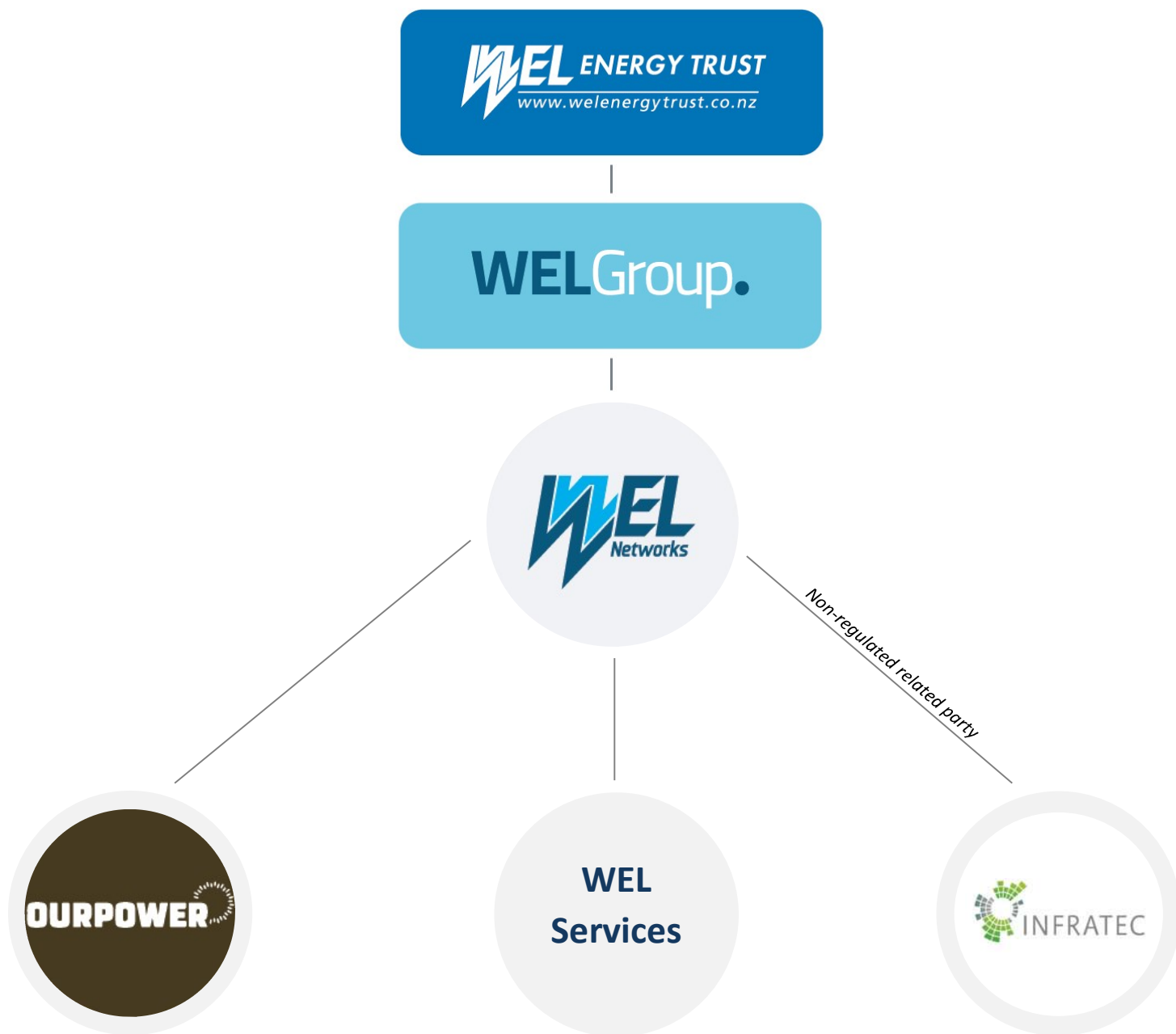
1. This schedule enables EDBs to provide, should they wish to-
 - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1 and 2.5.2;
 - 1.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as 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

Disclosure and auditing of reliability information within Schedule 10

As required by the exemption granted 26 May 2023 WEL Networks confirms that successive interruptions have been treated in the same way for the 2019-2023 disclosure years. The process applied for calculating SAIDI and SAIFI has been based on all customer interruptions including instances where customers were impacted multiple times in multi-stage outages.

Regulated Related Party Model



Wholly owned retail provider of power to the Waikato region.

Annual revenue (000's):
Lines charges: \$2,206

Business division providing contracting services to WEL Networks.

Annual expenditure Opex 2023 (000's):
Service Interruption and Emergencies: \$3,888
Vegetation Management: \$1,146
Routine and Corrective Maintenance and Inspection: \$1,125
Asset Replacement and Renewal: \$1,376
Business Support: \$2
System Operations and Network Support: \$3

Annual expenditure Capex 2023 (000's):
Consumer connection: \$1,572
System Growth: \$298
Asset Replacement and Renewal: \$5,318
Asset Relocations: \$336
Quality of Supply: \$4
Legislative and Regulatory: \$74
Other Reliability, Safety and Environment: \$1,023
Non-network assets: \$7



Related Party Procurement

Procurement Policy Summary

WEL Networks Ltd (WEL) procures a range of goods and services that enable the construction, operation and maintenance of our electricity network. While there is a need to ensure procurement delivers value for money, procurement should also ensure quality, safety, efficient and sustainable sourcing.

WEL Networks may engage related parties to deliver services on their behalf across the distribution network. Related parties may be chosen to achieve efficiency through obtaining desired quality/price, ensure high safety standards and retention of the appropriate skills within WEL.

A **related party** means a person that is related to the EDB, where the EDB would be considered as the 'reporting entity' under NZ IAS 24 or any part of the EDB that does not supply electricity distribution services¹.

The current procurement policy as at March 2023 was reviewed in May 2022 (next review is due May 2025).

All work is either designed within WEL Networks or through external contractors with the correct expertise. If designed externally it is reviewed by the WEL Networks design team and/or Contract Managers.

WEL is legally responsible for the design and construction of the network and therefore any work carried out on the network must be completed by authorised contractors who are approved by WEL. These contractors are requested to undertake Health and Safety assessments as part of WEL's PCBU requirements and Public Safety Management systems. The list of approved contractors other than WEL's Contracting department can be found by contacting Customer Services on 0800 800 935.

There are a number of key considerations, constraints and drivers for the work allocation including overall network planning principles, network design, supplier expertise in delivery, supplier availability, price and quality.

All materials used on the network are sourced and issued through WEL Networks' Distribution Centre irrespective of who undertakes the work, to ensure consistency in products used as well as quality and pricing.

¹ Commerce Commission, *Electricity Distribution Service Input Methodologies Determination 2012*

Classification of related party procurement

WEL Networks splits its operational and capital expenditure into a number of categories. These categories serve as the basis for who may be engaged to undertake the work.

Classification	Category	Description	Supplier
OPEX	Service Interruptions & Emergencies	These are usually first response costs that either fix or make safe lines/equipment that have been damaged due to weather events, human interaction e.g. car v poles and general faults.	WEL's Contracting division undertakes this work.
	Planned Maintenance	These are small, planned jobs to ensure the network and buildings are working efficiently and effectively.	WEL's Contracting division completes the majority of this work unless there is insufficient capacity or a higher skill set is held by an approved contractor.
	Vegetation Management	Tree maintenance plays a vital role in delivering a safe and reliable power supply to our communities.	WEL's Contracting division will undertake the work where critical unless the vegetation owner chooses another approved contractor.
CAPEX	Network projects	Network projects tend to be planned in advance, e.g. substation upgrades.	WEL's Contracting division and other approved external contractors. Contractors are selected based on capacity and skill set.
	Asset replacement	Work under this category is largely improvement projects and planned in advance e.g. pole/crossarm replacements or cable conducting. They also include 2 nd response fault jobs when the jobs require asset replacements rather than just maintenance.	WEL's Contracting division and other approved external contractors. Contractors are selected based on capacity and skill set.
	Customer Initiated Works	These works include subdivisions, new connections, asset relocations etc.	WEL's Contracting division and other approved external contractors. Contractors are selected based on capacity and skill set.

Examples of procurement by category

Example	Practical application of Policy	Supplier used	Reason for supplier used	How cost is determined	Change from Prior year?
<i>Service Interruptions & Emergencies</i>					
<p>Part Power Customer has called as there is flickering lights at their site. Faultman found arcing at the strain point on the pole, line was isolated repaired and relivened.</p>	<p>A work order is automatically created at the time a fault call is made and a faultman is dispatched. Due to the unknown nature of fault work, the work required is assessed on the job. This example was completed by the linecrew and did not require additional planning or design work.</p>	<p>WEL's Contracting division</p>	<p>To utilise the expertise and services of a stand-by team who are available 24/7.</p>	<p>Labour rate is based on average salary costs plus overheads. Average salary costs are based on average productivity/ billability levels.</p>	<p>None</p>
<i>Planned Maintenance</i>					
<p>Earthing testing at Huntly Street substation Performed earth resistance testing on substation equipment which is required to be completed every three years.</p>	<p>Maintenance jobs are divided equally over maintenance cycles. A maintenance plan is produced that includes routine maintenance and automatically creates a work order once the task is due for maintenance. Work included in maintenance plan such as the example given, is pre-approved by the Maintenance manager and is reviewed by the planning team once work order is created before being given to the scheduling team and dispatched for completion.</p>	<p>WEL's Contracting division</p>	<p>To utilise the expertise and services of teams with knowledge of WEL's network.</p>	<p>Labour rate is based on average salary costs plus overheads. Average salary costs are based on average productivity/ billability levels.</p>	<p>None</p>
<i>Vegetation</i>					
<p>Monthly line inspection 100% of the network is required to be inspected for possible vegetation issues. The vegetation costs include line inspection and cuts.</p>	<p>When vegetation poses a danger to the network WEL is obligated to undertake the work to remove the danger. If trees are on private land and within the Growth Limit Zone a notification letter is given to the land owner and at this point the owner has a choice of who they use to trim the trees.</p>	<p>WEL's Contracting division and other contractors</p>	<p>Customers have the ability to choose contractors. WEL's Contracting division is used for critical cuts.</p>	<p>Labour rate is based on average salary costs plus overheads. Average salary costs are based on average productivity/ billability levels.</p>	<p>None</p>

<i>Asset replacement</i>					
Asset Replacement Rural Reliability Project This project related to the LATCCB5/CB2 and involved reconfiguration of daisy chained transformers, installation of air break switch, fuse base, RMU, and new cables.	This was included in the annual Asset Management Plan. The work was designed and costed within WEL Networks and due to the financial value it was approved by the GM Asset Management. The project was then scheduled for completion.	WEL's Contracting division	Supplier has been chosen based on expertise and availability.	Labour rate is based on average salary costs plus overheads. Average salary costs are based on average productivity/ billability levels.	None
<i>Network projects</i>					
LV Upgrade and Distribution Transformers This project relates to correcting the voltage and loading issues of transformers by upgrading LV circuits for transformers, installation of a new 300kVA transformer and 11kV supply to it.	This was included in the annual Asset Management Plan. The work was designed and costed within WEL Networks and due to the financial value it was approved by the Asset Management GM. The project was then scheduled for completion.	WEL's Contracting division	Supplier has been chosen based on expertise and availability.	Labour rate is based on average salary costs plus overheads. Average salary costs are based on average productivity/ billability levels.	None
<i>Customer Initiated Works</i>					
New connection Customer request for four new connections for an infill housing section.	A customer requested the new connections via an initial request form. This request was scoped, designed, costed and approved within WEL. A quote was sent to the customer for their contribution towards the project. Once the customer accepted the quote and a deposit was made, the work was allocated for completion.	WEL's Contracting division	Supplier has been chosen based on expertise and availability.	Labour rate is based on average salary costs plus overheads. Average salary costs are based on average productivity/ billability levels.	None

Market Testing

Category	Type of test	Last tested	Comments
Service Interruptions & Emergencies	Labour and plant rate comparison	2023	Labour rates are calculated as actual cost plus an allocation of overheads. These labour rates are compared against contractors for reasonableness however the related party is solely used and the department is run on a break even basis*
Planned Maintenance	Labour and plant rate comparison	2023	Labour rates are calculated as actual cost plus an allocation of overheads. These labour rates are compared against contractors for reasonableness however the related party is used in the first instance**
Vegetation Management	None	Never tested	Customer can choose the supplier therefore WEL's Contracting division has to be competitive in its pricing to ensure they retain the work.
Network projects	Labour and plant rate comparison	2023	Rates are compared annually between related party and external contractors.
Asset replacement	Labour and plant rate comparison	2023	Rates are compared annually between related party and external contractors.
Customer Initiated Works	Labour and plant rate comparison	2023	Rates are compared annually between related party and external contractors.

*The related party is primarily utilised for this category due to the unknown nature of the work. This work relies on teams being available 24/7 and therefore WEL, through its related party, has a first response team that are on standby to be able to attend faults at short notice. This reduces response time and utilises the knowledge, expertise and intellectual property of the staff in-house.

**The related party is used primarily for this category as it has a team of skilled and qualified personnel to complete the work. It involves having knowledge of the network which is less likely to apply to external contractors.