



Default Price-Quality Path Compliance

Wellington Electricity Lines Limited

Annual Compliance Statement

15 June 2017

Contents

- 1. INTRODUCTION.....3
 - 1.1. *Compliance with 2015 DPP Determination's price – quality requirements*3
 - 1.2. *Disclaimer*4
 - 1.3. *Rounding*4
- 2. PRICE PATH COMPLIANCE5
 - 2.1. *Price path compliance as at 31 March 2017*5
 - 2.2. *Pass-through and Recoverable Costs*7
 - 2.3. *Pass-through Balance*8
 - 2.4. *Price setting for 2016/17*9
 - 2.5. *Price restructures*9
 - 2.6. *Transactions involving non-exempt EDBs*9
 - 2.7. *Transmission assets*.....9
 - 2.8. *New investment contracts*9
- QUALITY STANDARDS.....10
 - 2.9. *Quality standards assessment as at 31 March 2017*10
 - 2.10. *Assessed Values and Reliability Limits*.....10
 - 2.11. *Policies and procedures used for recording SAIDI and SAIFI statistics*11
 - 3.3.1 *Process for outage data capture*11
 - 2.12. *Major event days*13
- ATTACHMENT 1: AUDITOR'S REPORT14
- ATTACHMENT 2: DIRECTOR'S CERTIFICATE.....16
- ATTACHMENT 3: SUMMARY NOTIONAL REVENUE18
- ATTACHMENT 4: SUMMARY ALLOWABLE NOTIONAL REVENUE19
- ATTACHMENT 5: WELLINGTON LINE CHARGES EFFECTIVE 1 APRIL 201620
- ATTACHMENT 6: SUMMARY PASS-THROUGH REVENUE21
- ATTACHMENT 7: ANNUAL RELIABILITY ASSESSMENT FOR EXTANT ASSESSMENT PERIODS23
- ATTACHMENT 8: CALCULATION OF SAIDI AND SAIFI24
- ATTACHMENT 9: CALCULATION OF QUALITY PENALTIES/INCENTIVES.....26
- ATTACHMENT 10: CUSTOMER NUMBERS FOR SAIDI AND SAIFI.....27

1. Introduction

Clause 11.2(a) of the *Electricity Distribution Services Default Price-Quality Path Determination 2015 (2015 DPP Determination)* requires that all non-exempt electricity distribution businesses (**EDB's**) provide a written statement that confirms whether or not they have complied with the following aspects of the 2015 DPP Determination for the relevant assessment period:

- The price path as per clause 8 of the 2015 DPP Determination; and
- The quality standards as per clause 9 of the 2015 DPP Determination.

This statement is Wellington Electricity Lines Limited (**WELL**) Annual Compliance Statement (**the Statement**) for the second assessment period ended 31 March 2017.

Attachment 1 of this Statement provides the Auditor's report relating to this Statement as required by clause 11.3(b) of the 2015 DPP Determination. WELL confirms that the form of the Auditor's report is consistent with the form specified in Schedule 7 of the 2015 DPP Determination.

Attachment 2 of this Statement contains the Director's certificate signed by one director of WELL, as required by clause 11.3(a) of the 2015 DPP Determination. This certificate certifies that the information contained in this Statement is true and accurate. The attached Directors certificate is in the form required by Schedule 6 of the 2015 DPP Determination.

1.1. Compliance with 2015 DPP Determination's price – quality requirements

This Statement is made in accordance with the requirements of clause 11.1 of the 2015 DPP Determination and includes our compliance with the price path in clause 8 and the quality standards in clause 9.

In respect of the Assessment Period ended on the Assessment Date 31 March 2017, WELL confirms it has complied with the price path in clause 8. WELL confirms it has exceeded the quality path in clause 9, refer to section 3 for further information.

This Statement includes information relating to:

Price path compliance

- o the amount of Allowable Notional Revenue, the amount of Notional Revenue, distribution prices, quantities, units of measurement associated with all numeric data, and other relevant data, information, and calculations;
- o the Price and the proportions of that Price that are Pass-through Prices and the portion of that price that are Distribution Prices;
- o The methodology used to calculate Distribution Prices and Pass-through Prices, along with information clearly identifying the portion of Pass-through Prices attributed to –
 - a) Pass-through Costs and Recoverable Costs for the Assessment Period in question, and
 - b) Any under or over-recovery of Pass-through Costs and Recoverable Costs from a prior Assessment Period, as reflected by the Pass-through Balance;
- o the Pass-through Balance, Pass-through Prices, and Quantities for the Assessment Period and the preceding Assessment Period, along with the units of measurement associated with all numeric data, and other relevant data information, and calculations;
- o The amount of Pass-through Costs and Recoverable Costs included in the calculation of the Pass-through Balance for the Assessment period, and supporting data, information, and calculations used to determine those amounts;
- o evidence of the amount of charge relating to any new investment contract entered into the Assessment Period consistent with clause 3.1.3(1)(c) of the *Electricity Distribution Services Input Methodologies Determination 2012 (IM determination)*, which need not be publicly disclosed under 11.1(c);

- o The amount of any Pass-through Costs and Recoverable Costs (actual or forecast) used to set Pass-through Costs and Recoverable Costs;
- o An explanation as to the cause, or likely cause, of any differences between the amounts of Pass-through or Recoverable Costs used to set Prices and actual amounts of those Pass-through or Recoverable Costs; and
- o A reconciliation between the Pass-through Balance for the Assessment period with the Pass-through Balance for the preceding Assessment Period.

Quality standards compliance

- o SAIDI and SAIFI Assessed Values, Limits, Unplanned Boundary Values, Caps, Collars and the Targets for the Assessment period and any supporting calculations (including those in Schedule 4A of the 2015 DPP Determination and annual reliability assessments for the two previous Assessment Periods; and
- o A description of policies and procedures which WELL has used for capturing and recording Interruptions and for calculating SAIDI and SAIFI Assessed Values for the Assessment Period.

1.2. Disclaimer

The information contained in the Statement has been prepared for the express purpose of complying with the requirements of clause 11 of the 2015 DPP Determination. The Statement has not been prepared for any other purpose. WELL expressly disclaims any liability to any other party who may rely on the Statement for any other purpose.

Representations in this Statement made by WELL relate solely to the services offered on the electricity distribution network in the Wellington region.

1.3. Rounding

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

2. Price Path Compliance

This section of the Statement provides information on WELL’s compliance with the price path for the Assessment Period ended 31 March 2017. Clauses 11.1(a) and 11.4 of the 2015 DPP Determination require WELL to:

- Provide a written statement that states whether or not the Non-Exempt EDB has complied with the price path in clause 8; and
- Provide sufficient information to support the compliance or non-compliance.

WELL notes that Tables contained in this Section of the Statement are aggregates of the detail provided in Attachment 3, Attachment 4 and Attachment 6. The table under Attachment 3 and 4 reflects the appropriate distribution price multiplied by the appropriate quantity for each distribution pricing category and the table under Attachment 6 reflects the Pass-through price multiplied by the appropriate quantity for each Pass-through pricing category.

2.1. Price path compliance as at 31 March 2017

In order to demonstrate compliance with the price path, WELL is required to demonstrate that its Notional Revenue for the Assessment Period has not exceeded the Allowable Notional Revenue for the Assessment Period.

As demonstrated by Table 1 below, Notional Revenue (NR₂₀₁₇) is less than Allowable Notional Revenue (ANR₂₀₁₇) by an amount of \$212,309. WELL has therefore complied with the price path calculated in accordance with clause 8.3 of the 2015 DPP Determination for the disclosure year ended 31 March 2017.

Determination Requirement	Notional revenue (NR) should not exceed the Allowable Notional Revenue (ANR)
Compliance Formula	$NR \leq ANR$
WELL Result	96,138,625 ≤ 96,350,934

Table 1: Price path compliance

The summary calculation of NR₂₀₁₇ is provided in

WELL's Notional Revenue, $NR_t = \sum DP_{i,t} Q_{i,t-2}$	
Calculation Components	Amount (\$)
$DP_{i,2017}$ – is the i^{th} Distribution Price during any part of the Assessment Period 1 April 2016 to 31 March 2017	96,138,625
$Q_{i,2015}$ – is the Quantity corresponding to the i^{th} Distribution Price for Pricing Period 1 April 2014 to 31 March 2015	
Total Notional Revenue for assessment period ending 31 March 2017	96,138,625

Table 2: WELL's Notional Revenue NR₂₀₁₇

WELL's Allowable Notional Revenue, $ANR_t = (\sum_i DP_{i,t-1} Q_{i,t-2} + (ANR_{t-1} - NR_{t-1})) (1 + \Delta CPI_t) (1 - X)$	
Calculation Components	Amount (\$)
$DP_{i,2016}$ – is the i^{th} Distribution Price during any part of the Assessment Period 1 April 2015 to 31 March 2016	95,894,708
$Q_{i,2015}$ – is the Quantity corresponding to the i^{th} Distribution Price for Pricing Period 1 April 2014 to 31 March 2015	
$(ANR_{t-1} - NR_{t-1})$ – is the difference between Allowable Notional Revenue and Notional Revenue for the Assessment Period 1 April 2015 to 31 March 2016	14,249
$(1 + \Delta CPI_t)$ – is the derived change in the CPI to be applied during the Assessment Period t, being equal to: $\frac{CPI_{Dec,t-3} + CPI_{Mar,t-2} + CPI_{Jun,t-2} + CPI_{Sep,t-2}}{CPI_{Dec,t-4} + CPI_{Mar,t-3} + CPI_{Jun,t-3} + CPI_{Sep,t-3}} - 1$ CPI _{q, t} is the CPI for the quarter q of year t	1.0046
$(1 - X)$ – is the annual rate of change applicable to WELL	0
Total Allowable Notional Revenue for assessment period ending 31 March 2017	96,350,934

Table 3: WELL's Allowable Notional Revenue ANR₂₀₁₇

2.2. Pass-through and Recoverable Costs

Clause 11.4(j) requires WELL to provide differences between the amounts of Pass-through or Recoverable Costs used to set Prices and the actual amounts of those Pass-through Costs and Recoverable Costs. Table 4 below provides the breakdown of forecast and actual Pass-Through and Recoverable Costs incurred by WELL during the Assessment Period.

Description	Year to 31 March 2017 \$000 Actual	Year to 31 March 2017 \$000 Forecast	Variance \$000
Pass-through Costs			
Council Rates	2,828	2,892	-64
Commerce Commission Levies	207	308	-101
Electricity Authority Levies	467	534	-67
Utilities Disputes Ltd Levies	88	70	18
Total Pass-through Costs	3,590	3,804	-214
Recoverable Costs			
Electricity Lines Service Charge payable to Transpower	63,315	64,465	-1,150
Transpower New Investment Contract Charge	1,186	1,199	-13
Avoided Transmission Charges	2,538	2,514	24
Capex Wash-up Adjustment	434	434	0
Total Recoverable Costs	67,473	68,612	-1,139
Total Pass-through and Recoverable Costs	71,063	72,416	-1,353

Table 4: Comparison of WELL's actual and forecast Pass-through and Recoverable Costs

With the exception for Electricity Lines Service Charge payable to Transpower where WELL incurred a wash up for Central Park and Wilton GXP connection charges, the overall variance between WELL's actual and forecast Pass-through and Recoverable Costs for the current Assessment Period is due to the minor "business as usual" variability, in relation to:

- Council Rates: are the total cost of council rates charged to WELL by local authorities for the year ended 31 March 2017;
- Commerce Commission Levies: are charged to WELL by the Ministry of Business Innovation and Employment under the *Commerce (Levy on Suppliers of Regulated Goods and Services) Regulations 2009* for the year ended 31 March 2017;
- Electricity Authority's Levies: include all applicable components (Common Quality, Registry and Consumer, Transmission, Other Activities and MACQS Reform invoice lines) charged to WELL by the Electricity Authority under the *Electricity Industry (Levy of Industry Participants) Regulations 2010* for the year ended 31 March 2017;
- Utilities Disputes Ltd Levies: are charged to WELL by the Utilities Disputes Ltd for the complaint resolution process.

- Electricity Lines Service Charge and New Investment Charge: reflect the total charges paid by WELL to Transpower for the year ended 31 March 2017. These charges are determined in accordance with the Transmission Pricing Methodology set out in the *Electricity Industry Participation Code 2010*;
- Avoided Transmission Charges: are payments made to generators connected to the distribution system that cause transmission charges to be avoided.

2.3. Pass-through Balance

In each assessment period, WELL must calculate a Pass-through Balance in accordance with the formula -

$$PTB_t = \sum_i PTP_{i,t} Q_{i,t} - K_t - V_t + PTB_{t-1}(1 + r)$$

The summary calculation of PTB_{2017} is provided in Table 5.

$PTB_{2017} = \sum_i PTP_{i,2017} Q_{i,2017} - K_{2017} - V_{2017} + PTB_{2016}(1 + r)$	
Calculation Components	Amount (\$000)
$\sum_i PTP_{i,2017} Q_{i,2017}$ - the sum of the i^{th} Pass-through Price during any part of the Assessment period 1 April 2016 to 31 March 2017 multiplied by the corresponding base quantities for the pricing period 1 April 2016 to 31 March 2017	75,857
K_{2017} - the sum of all Pass-through Costs for pricing period 1 April 2016 to 31 March 2017	3,590
V_{2017} - the sum of all Recoverable Costs for pricing period 1 April 2016 to 31 March 2017	67,473
PTB_{2016} - the Pass-Through Balance for the assessment period 1 April 2015 to 31 March 2016	1,606
$PTB_{2016} r$ - the Pass-Through Balance for the assessment period 1 April 2015 to 31 March 2016 multiplied the cost of debt (6.09%)	97
Pass-through Balance for period ending 31 March 2017	6,497

Table 5: WELL's Pass-through Balance PTB_{2017}

WELL has a cumulative over-recovery of Pass-through Costs of \$6.5m as at 31 March 2017. This includes the balance that was recognised in the 2015/16 year, and additional over-recovery during 2016/17 due to higher than expected volumes and differences between WELL's actual and forecast Pass-through and Recoverable Costs.

2.4. Price setting for 2016/17

As a regulated electricity distributor, WELL is governed by the Commerce Act 1986 and is therefore subjected to a “default price-quality path” set by the Commerce Commission. In 2014 the Commerce Commission reset the default price-quality path applying for the period from 1 April 2015 to 31 March 2020.

WELL network line prices contain distribution and Pass-through Prices. Pass-through Prices comprise approximately 5 per cent Pass-through Costs and 95 per cent Recoverable Costs. These prices are included in Attachment 5.

The methodology used to calculate WELL’s distribution and Pass-through Prices is set out in WELL’s 2016/17 Pricing Methodology Disclosure document section 7 page 23. This document is on WELL’s website - <https://welectricity.co.nz/disclosures/pricing/2016-pricing/>

2.5. Price restructures

WELL confirms that it has not restructured its prices that applied during the Assessment Period that ended on the Assessment Date 31 March 2017.

2.6. Transactions involving non-exempt EDBs

WELL confirms that there have been no transactions resulting in:

- an amalgamation or merger; and
- consumers being supplied by a different EDB.

2.7. Transmission assets

WELL has not received a transfer of transmission assets from Transpower that became System Fixed Assets, or transferred System Fixed Assets to Transpower in the Assessment Period.

2.8. New investment contracts

WELL has not entered into any new investment contracts during the Assessment Period that ended on the Assessment Date 31 March 2017.

Quality Standards

2.9. Quality standards assessment as at 31 March 2017

This section of the Statement provides information on WELL's compliance with the quality standards under clause 9 of the 2015 DPP Determination for the Assessment Period ended 31 March 2017.

2.10. Assessed Values and Reliability Limits

Clause 9.1 of the 2015 DPP Determination requires WELL to demonstrate that for the Assessment Period it:

- Complies with the annual reliability assessment specified in clause 9.2 of the 2015 DPP Determination; or
- Has complied with the annual reliability assessments in each of the two preceding assessment periods.

Table 6 below shows that for the current Assessment Period despite the best efforts and endeavours WELL has exceeded the reliability limits for SAIDI and SAIFI as outlined in clause 9.2 of the 2015 DPP Determination.

WELL has complied with the annual reliability assessments in each of the two preceding assessment periods as outlined in clause 9.1(b) of the 2015 DPP Determination.

Requirement	Assessment	Limit	Assessment/Limit	Variance	Result
SAIDI	49.732	40.630	1.224	9.102	>1
SAIFI	0.711	0.625	1.138	0.086	>1

Table 6: WELL's reliability performance for the current Assessment Period

Further detailed calculations in relation to the assessment in Table 6 are provided in Attachment 8 of this Statement.

WELL has taken a committed approach to monitoring its network reliability however a number of external factors have caused disruption to the network. The most significant contributions to SAIDI and SAIFI for the period have been overhead equipment failures, outages caused by vegetation and other overhead faults.

The network experienced a greater volume of high wind speed days (days with maximum gusts greater than 100 km/hr) and major event days compared to the previous year. This has led to increased vegetation-related and overhead equipment faults arising. There were three Major Event days where the boundary value was exceeded for both SAIDI and SAIFI from two major storm events and the November 2016 Kaikoura earthquake. There were two other major event days where only one measure was exceeded these related to overhead equipment faults and a storm event.

WELL has a dedicated team who continue to manage its assets in accordance with good industry practice, the network has experienced a number of extreme weather events beyond WELL's control with a greater than usual frequency.

A separate explanation paper will be prepared and supplied to the Commerce Commission under separate cover and in confidence about this matter.

WELL has provided excellent customer consultation on outage events and their restoration times through its upgraded website relating to the live reporting on restoration times when power outages occur. This has been further enhanced by the release of WELL's Smart Phone outage application (OutageCheck) that can be downloaded from the App store and gives customers up to date progress reports on restoration and return to supply.

2.11. Policies and procedures used for recording SAIDI and SAIFI statistics

Clause 11.5(e) of the 2015 DPP Determination requires WELL to describe the policies and procedures which it has used to record the SAIDI and SAIFI statistics for the Assessment Period.

WELL submits that the primary control system used to record the SAIDI and SAIFI statistics for the Assessment Period is the Power On Fusion (PoF) SCADA system (the **system**). The system provides information about major devices operating on the network (e.g. circuit breaker status) and can normally be remotely controlled (e.g. open or close the circuit breaker). In addition, other devices on the network including fuses, manual switches and some circuit breakers are represented in the system. Although these devices are operated in the field manually, their status (e.g. open or closed) is updated in the system by the network controller at the time of manual field operation. In particular, the system records:

- All planned and unplanned outages of 11 kV and greater;
- All unplanned outages less than one minute in duration (including successful auto-reclose events), however, the SAIDI and SAIFI details are not counted; and
- Outages using manual logs, system and manual data entered in the Reliability Report Sheet.

The system includes a database that stores the outage information, as well as being a live system. The recording of outage information undergoes a process of manual validation by the Control Room Manager and the Asset Engineer to ensure the correctness of the data before being entered in the Reliability Report Sheet.

The current procedure that is followed to capture network performance information for planned and unplanned outages is shown in Figure 1 below and described in section 3.3.1:

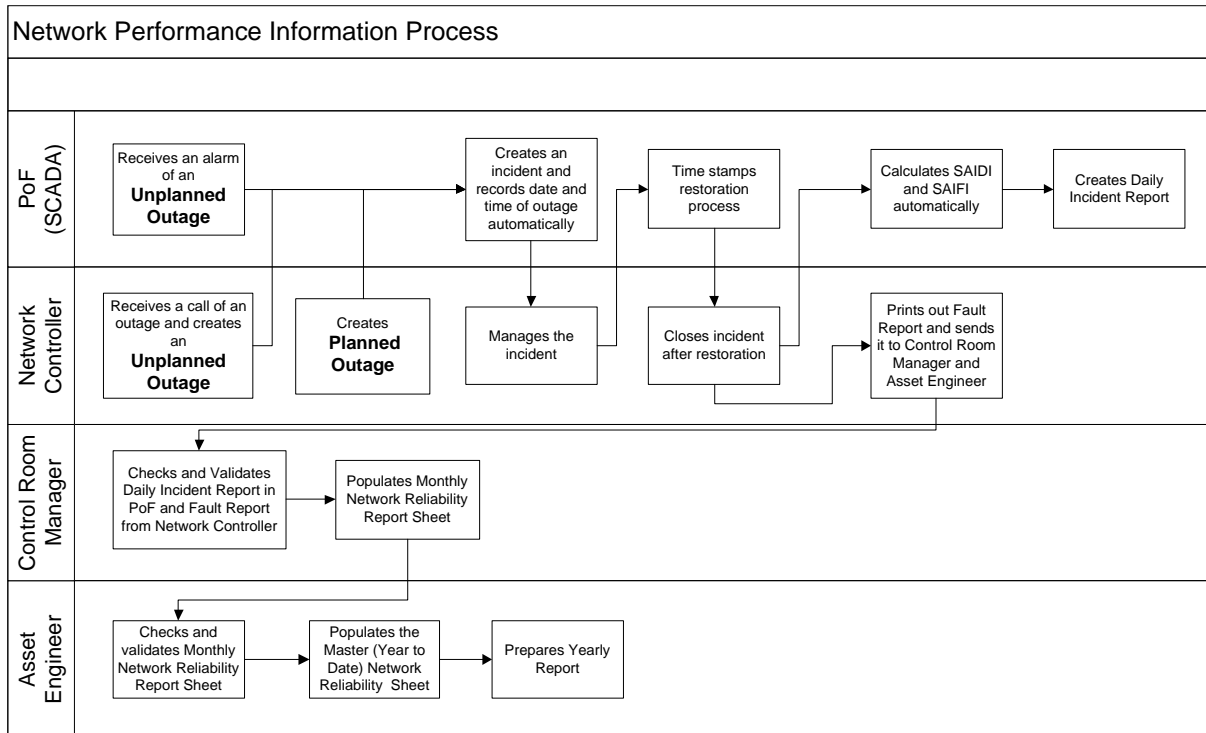


Figure 1: Summary of process for capturing network outage information

3.3.1 Process for outage data capture

For unplanned outages, the initial indication is provided by the system and the fault is time stamped, along with subsequent switching operations. Where the outage relates to a non-system indicating device, such as a drop-out fuse, the outage is recorded from the time the faultman confirms on site that

it is an HV fault, then subsequent switching operations are manually recorded and time stamped in the system. Where the fault is notified by a customer reporting no power, and is then subsequently found to be an HV fault, the start time is taken from the time of the first phone call notification. In some cases, there is no means to confirm the time the fault actually occurred until it is notified to WELL or discovered in the field.

The system automatically creates an incident when a telemetered device is opened due to a fault. The fault is automatically recorded by the system to keep details of the switching procedure which includes the time of switching operations. The total number of customers is included in the system's database and the system calculates the SAIDI and SAIFI statistics automatically.

After an outage is resolved, an outage report is generated by the system which the Control Room Manager validates with the notes of the Network Controllers. The information that is validated is as follows:

- Date outage started and ended;
- Time outage started and ended;
- Duration of outage;
- Number of customers impacted;
- Total customers minutes lost (based on switching operations);
- Total customer number (on network);
- SAIDI for outage;
- SAIFI for outage;
- Fault type; and
- Fault cause.

The data in the system is reviewed for accuracy, particularly for non-system controlled devices where the incident is generated by the Network Controller. There may be a short time delay between the action in the field occurring, and the time the system is updated (e.g. field device manually operated at 3.10pm, system updated at 3.12pm, but with an action entered timestamp of 3.10pm which was recorded in the manual switching log). Accuracy of this data is confirmed by the system timestamp.

The Control Room Manager confirms this by reviewing the system reports (generated automatically) with the fault report kept by the Network Controller to ensure the times are correctly recorded in the system, and where necessary make corrections.

Once confirmed as accurate, the final system individual event reports are compiled into a Monthly Network Reliability Report which is used for the monthly reporting of SAIDI and SAIFI indices. This report is sent to the Asset Engineer for final validation and is entered into a Master (Year to Date) Reliability Spreadsheet and is used for the reporting of yearly performance.

For planned outages, the proposed switching operations are entered into the system by the Network Controller prior to the event. During the event the system creates an incident and the Network Controller enters the time the operation occurred. Some planned works appear as outages, however due to LV back feeds or the use of generators there is no loss of supply. Planned events are validated by the Control Room Manager and Network Controllers who refer to the job specific documents, to determine whether the outage is entered in the monthly reliability report sheet as an outage.

The records of planned and unplanned events occur automatically in the system. All data is provided directly from the system.

2.12. Major event days

WELL confirms that there were 5 Major Event Days occurred during the Assessment Period. Three days where both SAIDI and SAIFI were exceeded and two other days where only one measure was exceeded.

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

Report on the Annual Compliance Statement

We have been engaged by the Board of Directors of Wellington Electricity Lines Limited ('the Company') to conduct a reasonable assurance engagement relating to provide an opinion on Sections 1, 2 and 3 and the related Attachments 3 to 10 of the Annual Compliance Statement for the assessment period ended 31 March 2017 ('the Annual Compliance Statement') of the Company have been prepared, in all material respects, in accordance with the Electricity Distribution Services Default Price-Quality Path Determination 2015 ('the Determination').

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of the Annual Compliance Statement in accordance with the Determination, and for such internal control as the Board of Directors determine is necessary to enable the preparation of the Annual Compliance Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Standard on Assurance Engagements 3100: *Compliance Engagements* issued by the External Reporting Board.

We have performed procedures to obtain evidence about the amounts and disclosures in the Annual Compliance Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Compliance Statement, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Annual Compliance Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

Inherent Limitations

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the assessment period and the procedures performed in respect of the Company's compliance with the Determination are undertaken on a test basis, our engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination.

Our opinion has been formed on the above basis.

Our Independence and Quality Control

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

Other than in our capacity as auditor, we have no relationship with or interests in the Company or any of its subsidiaries.

We have complied with the Independent Auditor provisions specified in the Determination.

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

Use of Report

This report is provided solely for your exclusive use and solely for the purpose of providing you with independent audit assurance whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence in relation to the opinion expressed in this report.

Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Annual Compliance Statement have been kept by the Company;
- As far as appears from an examination of the records, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company's accounting and other records and has been sourced, where appropriate, from the Company's financial and non-financial systems; and
- The Annual Compliance Statement is prepared, in all material respects, in compliance with the Determination.

Deloitte Limited

Chartered Accountants

8 June 2017
Wellington, New Zealand

This reasonable assurance report relates to the Annual Compliance Statement of Wellington Electricity Lines Limited (the 'Company') for the year ended 31 March 2017 included on Wellington Electricity Lines Limited's website. The Board of Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the Annual Compliance Statement since they were initially presented on the website. The reasonable assurance report refers only to the Annual Compliance Statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this Annual Compliance statement. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the Annual Compliance Statement and related reasonable assurance report dated 8 June 2017 to confirm the information included in the Annual Compliance Statement presented on this website.

Attachment 2: Director's certificate

Form of Director's Certificate

We, Richard Pearson and Andrew Hunter, being directors of Wellington Electricity Lines Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Annual Compliance Statement of Wellington Electricity Lines Limited, and related information, prepared for the purposes of the Electricity Distribution Services Default Price-Quality Path Determination 2015 are true and accurate.



Director
R. C. PEARSON
8 June 2017

Director
8 June 2017

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding \$10,000 in the case of an individual or \$30,000 in the case of a body corporate.

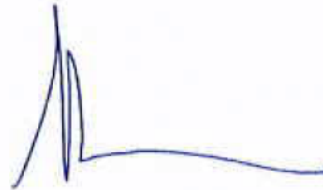
Attachment 2: Director's certificate (Cont'd)

Form of Director's Certificate

We, Richard Pearson and Andrew Hunter, being directors of Wellington Electricity Lines Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Annual Compliance Statement of Wellington Electricity Lines Limited, and related Information, prepared for the purposes of the Electricity Distribution Services Default Price-Quality Path Determination 2015 are true and accurate.

Director

8 June 2017



Director

8 June 2017

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding \$10,000 in the case of an individual or \$30,000 in the case of a body corporate.

Attachment 3: Summary Notional Revenue

- For each price element the base quantity (number of end consumers or annual energy of all consumers) was retrieved from the appropriate information systems for the year ended 31 March 2015.
- Prices applicable for the Assessment Period have been taken from WELL's published price schedules.
- Base quantities were multiplied by the price applicable to determine the Notional Revenue for the Assessment Period.

Pricing schedule	Units	Current code	Previous Code	Base Quantity (2014/15)	Distribution price 2016/17	Notional Revenue 2016/17
Residential						
Low user daily	\$/con/day	RLU-FXD	G100-FXD	6,907,886	0.1500	4,753,345
			G101-FXD	2,291,343		
			G102-FXD	22,411,496		
			G103-FXD	78,239		
			G108-FXD	-		
				Total	31,688,965	
Low user uncontrolled	\$/kWh	RLU-24UC	G100-24UC	95,423,275	0.0464	5,901,519
			G101-24UC	30,222,311		
			G103-24UC	1,542,325		
			G108-24UC	-		
			Total	127,187,912		
Low user all inclusive	\$/kWh	RLU-AICO	G102-AICO	321,642,233	0.0364	11,707,777
Low user controlled	\$/kWh	RLU-CTRL	G101-CTRL	10,558,746	0.0217	229,125
			G108-CTRL	-		
			Total	10,558,746		
Low user night boost	\$/kWh	RLU-NITE	G100-NITE	1,111,157	0.0079	43,590
			G101-NITE	527,657		
			G102-NITE	3,878,937		
			Total	5,517,751		
Low user electric vehicle night only	\$/kWh	RLU-EVNITE	G108-NITE	-	0.0079	-
Low user electric vehicle demand	\$/kWh/month	RLU-EVDMND	-	-	-	-
Standard user daily	\$/con/day	RSU-FXD	G104-FXD	4,276,604	1.1000	24,626,548
			G105-FXD	2,029,891		
			G106-FXD	15,900,774		
			G107-FXD	180,502		
			G109-FXD	-		
				Total	22,387,771	
Standard user uncontrolled	\$/kWh	RSU-24UC	G104-24UC	103,501,466	0.0313	4,723,383
			G105-24UC	40,618,621		
			G107-24UC	6,786,726		
			G109-24UC	-		
				Total	150,906,813	
Standard user all inclusive	\$/kWh	RSU-AICO	G106-AICO	408,920,137	0.0226	9,241,595
Standard user controlled	\$/kWh	RSU-CTRL	G105-CTRL	12,021,148	0.0106	127,424
			G109-CTRL	-		
			Total	12,021,148		
Standard user night boost	\$/kWh	RSU-NITE	G104-NITE	1,233,838	0.0070	54,586
			G105-NITE	642,298		
			G106-NITE	5,921,803		
			Total	7,797,939		
Standard user electric vehicle night only	\$/kWh	RSU-EVNITE	G109-NITE	-	0.0070	-
Standard user electric vehicle demand	\$/kWh/month	RSU-EVDMND	-	-	-	-
General low voltage connection						
General low voltage <=15kVA daily	\$/con/day	GLV15-FXD	GV02-FXD	1,822,832	0.6268	1,142,551
General low voltage <=15kVA uncontrolled	\$/kWh	GLV15-24UC	GV02-24UC	44,838,886	0.0205	919,197
General low voltage >15kVA and <=69kVA daily	\$/con/day	GLV69-FXD	GV07-FXD	3,763,982	1.5504	5,835,678
General low voltage >15kVA and <=69kVA uncontrolled	\$/kWh	GLV69-24UC	GV07-24UC	323,873,083	0.0142	4,598,998
General low voltage >69kVA and <=138kVA daily	\$/con/day	GLV138-FXD	GV14-FXD	142,775	8.7851	1,254,290
General low voltage >69kVA and <=138kVA uncontrolled	\$/kWh	GLV138-24UC	GV14-24UC	53,594,563	0.0168	900,389
General low voltage >138kVA and <=300kVA daily	\$/con/day	GLV300-FXD	GV30-FXD	107,862	12.5144	1,349,831
General low voltage >138kVA and <=300kVA uncontrolled	\$/kWh	GLV300-24UC	GV30-24UC	87,181,839	0.0069	601,555
General low voltage >300kVA and <=1500kVA daily	\$/con/day	GLV1500-FXD	GV99-FXD	96,234	31.5561	3,036,771
General low voltage >300kVA and <=1500kVA uncontrolled	\$/kWh	GLV1500-24UC	GV99-24UC	171,111,568	0.0031	530,446
General low voltage >300kVA and <=1500kVA demand	\$/kVA/month	GLV1500-DAMD	GV99-DAMD	548,708	2.7627	1,515,916
General transformer connection						
General transformer <=15kVA daily	\$/con/day	GTX15-FXD	GX02-FXD	-	0.5690	-
General transformer <=15kVA uncontrolled	\$/kWh	GTX15-24UC	GX02-24UC	-	0.0199	-
General transformer >15kVA and <=69kVA daily	\$/con/day	GTX69-FXD	GX07-FXD	4,299	1.4069	6,048
General transformer >15kVA and <=69kVA uncontrolled	\$/kWh	GTX69-24UC	GX07-24UC	364,840	0.0139	5,071
General transformer >69kVA and <=138kVA daily	\$/con/day	GTX138-FXD	GX14-FXD	38	7.9715	303
General transformer >69kVA and <=138kVA uncontrolled	\$/kWh	GTX138-24UC	GX14-24UC	1,932,476	0.0164	31,693
General transformer >138kVA and <=300kVA daily	\$/con/day	GTX300-FXD	GX30-FXD	31,141	11.3555	353,620
General transformer >138kVA and <=300kVA uncontrolled	\$/kWh	GTX300-24UC	GX30-24UC	46,510,332	0.0068	316,270
General transformer >300kVA and <=1500kVA daily	\$/con/day	GTX1500-FXD	GX99-FXD	91,896	24.5009	2,251,535
General transformer >300kVA and <=1500kVA uncontrolled	\$/kWh	GTX1500-24UC	GX99-24UC	335,581,610	0.0026	872,512
General transformer >300kVA and <=1500kVA capacity	\$/kVA/day	GTX1500-CAPY	GX99-CAPY	65,182,693	0.0063	410,651
General transformer >300kVA and <=1500kVA demand	\$/kVA/month	GTX1500-DAMD	GX99-DAMD	949,262	2.4243	2,301,297
General transformer >1500kVA connection daily	\$/con/day	GTX1501-FXD	GC60-FXD	6,842	0.0545	762
			GL60-FXD	6,417		
			GR60-FXD	730		
				Total	13,989	
General transformer >1500kVA connection uncontrolled	\$/kWh	GTX1501-24UC	GC60-24UC	83,295,889	0.0006	100,676
			GL60-24UC	83,697,624		
			GR60-24UC	799,026		
			Total	167,792,539		
General transformer >1500kVA connection capacity	\$/kVA/day	GTX1501-CAPY	GC60-CAPY	17,606,725	0.0119	403,233
			GL60-CAPY	14,843,962		
			GR60-CAPY	1,434,450		
			Total	33,885,138		
General transformer >1500kVA connection on-peak demand	\$/kWh/month	GTX1501-DOPC	GC60-DOPC	210,939	4.8536	1,971,290
			GL60-DOPC	188,669		
			GR60-DOPC	6,543		
			Total	406,150		
General transformer >1500kVA connection power factor	\$/kVA/month	GTX1501-PWRF	GC60-PWRF	17,503	3.5047	111,576
			GL60-PWRF	14,105		
			GR60-PWRF	228		
			Total	31,836		
Unmetered						
Non-street lighting daily	\$/fitting/day	G001-FXD	G001-FXD	57,836	0.0432	2,499
Non-street lighting uncontrolled	\$/kWh	G001-24UC	G001-24UC	3,782,792	0.0544	205,784
Street lighting daily	\$/fitting/day	G002-FXD	G002-FXD	16,529,598	0.1162	1,920,739
Street lighting uncontrolled	\$/kWh	G002-24UC	G002-24UC	19,786,561	-	-
Distributed generation						
Small scale distributed generation	\$/kWh	DGEN	-	-	-	-
Standard Charges Total (\$)						94,360,070
Non Standard Charges Total (\$)						1,778,555
Notional Revenue Total (\$)						96,138,625

Attachment 4: Summary Allowable Notional Revenue

Pricing schedule	Units	Current code	Previous Code	Base Quantity (2014/15)	Distribution price 2015/16	Notional Revenue 2016/17
Residential						
Low user daily	\$/con/day	RLU-FIXD	G100-FIXD	6,907,886	0.1500	1,036,183
			G101-FIXD	2,291,343	0.1500	343,701
			G102-FIXD	22,411,496	0.1500	3,361,724
			G103-FIXD	78,239	0.1500	11,736
			G108-FIXD	-	0.1500	-
Low user uncontrolled	\$/kWh	RLU-24UC	G100-24UC	95,423,275	0.0453	4,322,674
			G101-24UC	30,222,311	0.0453	1,369,071
			G103-24UC	1,542,325	0.0457	70,484
			G108-24UC	-	0.0453	-
Low user all inclusive	\$/kWh	RLU-AICO	G102-AICO	321,642,233	0.0355	11,418,299
Low user controlled	\$/kWh	RLU-CTRL	G101-CTRL	10,558,746	0.0212	223,845
			G108-CTRL	-	0.0212	-
Low user night boost	\$/kWh	RLU-NITE	G100-NITE	1,111,157	0.0077	8,556
			G101-NITE	527,657	0.0077	4,063
			G102-NITE	3,878,937	0.0077	29,868
Low user electric vehicle night only	\$/kWh	RLU-EV/NITE	G108-NITE	-	0.0073	-
Low user electric vehicle demand	\$/kWh/month	RLU-EV/DMND				
Standard user daily	\$/con/day	RSU-FIXD	G104-FIXD	4,276,604	1.0000	4,276,604
			G105-FIXD	2,029,891	1.0000	2,029,891
			G106-FIXD	15,900,774	1.0000	15,900,774
			G107-FIXD	180,502	1.0000	180,502
			G109-FIXD	-	1.0000	-
Standard user uncontrolled	\$/kWh	RSU-24UC	G104-24UC	103,501,466	0.0326	3,374,148
			G105-24UC	40,618,621	0.0326	1,324,167
			G107-24UC	6,786,726	0.0338	229,391
			G109-24UC	-	0.0326	-
Standard user all inclusive	\$/kWh	RSU-AICO	G106-AICO	408,920,137	0.0236	9,650,515
Standard user controlled	\$/kWh	RSU-CTRL	G105-CTRL	12,021,148	0.0110	132,233
			G109-CTRL	-	0.0110	-
Standard user night boost	\$/kWh	RSU-NITE	G104-NITE	1,233,838	0.0073	9,007
			G105-NITE	642,298	0.0073	4,689
			G106-NITE	5,921,803	0.0073	43,229
Standard user electric vehicle night only	\$/kWh	RSU-EV/NITE	G109-NITE	-	0.0073	-
Standard user electric vehicle demand	\$/kWh/month	RSU-EV/DMND				
General low voltage connection						
General low voltage <=15kVA daily	\$/con/day	GLV15-FIXD	GV02-FIXD	1,822,832	0.5847	1,065,810
General low voltage <=15kVA uncontrolled	\$/kWh	GLV15-24UC	GV02-24UC	44,838,886	0.0250	1,120,972
General low voltage >15kVA and <=69kVA daily	\$/con/day	GLV69-FIXD	GV07-FIXD	3,763,982	1.4463	5,443,847
General low voltage >15kVA and <=69kVA uncontrolled	\$/kWh	GLV69-24UC	GV07-24UC	323,873,083	0.0174	5,635,392
General low voltage >69kVA and <=138kVA daily	\$/con/day	GLV138-FIXD	GV14-FIXD	142,775	8.1951	1,170,053
General low voltage >69kVA and <=138kVA uncontrolled	\$/kWh	GLV138-24UC	GV14-24UC	53,594,563	0.0205	1,098,689
General low voltage >138kVA and <=300kVA daily	\$/con/day	GLV300-FIXD	GV30-FIXD	107,862	11.6739	1,259,172
General low voltage >138kVA and <=300kVA uncontrolled	\$/kWh	GLV300-24UC	GV30-24UC	87,181,839	0.0085	741,046
General low voltage >300kVA and <=1500kVA daily	\$/con/day	GLV1500-FIXD	GV99-FIXD	96,234	29.4367	2,832,812
General low voltage >300kVA and <=1500kVA uncontrolled	\$/kWh	GLV1500-24UC	GV99-24UC	171,111,568	0.0038	650,224
General low voltage >300kVA and <=1500kVA demand	\$/kVA/month	GLV1500-DAMD	GV99-DAMD	548,708	3.3768	1,852,877
General transformer connection						
General transformer <=15kVA daily	\$/con/day	GTX15-FIXD	GX02-FIXD	-	0.5318	-
General transformer <=15kVA uncontrolled	\$/kWh	GTX15-24UC	GX02-24UC	-	0.0228	-
General transformer >15kVA and <=69kVA daily	\$/con/day	GTX69-FIXD	GX07-FIXD	4,299	1.3149	5,653
General transformer >15kVA and <=69kVA uncontrolled	\$/kWh	GTX69-24UC	GX07-24UC	364,840	0.0158	5,764
General transformer >69kVA and <=138kVA daily	\$/con/day	GTX138-FIXD	GX14-FIXD	38	7.4500	283
General transformer >69kVA and <=138kVA uncontrolled	\$/kWh	GTX138-24UC	GX14-24UC	1,932,476	0.0187	36,137
General transformer >138kVA and <=300kVA daily	\$/con/day	GTX300-FIXD	GX30-FIXD	31,141	10.6126	330,485
General transformer >138kVA and <=300kVA uncontrolled	\$/kWh	GTX300-24UC	GX30-24UC	46,510,332	0.0077	358,130
General transformer >300kVA and <=1500kVA daily	\$/con/day	GTX1500-FIXD	GX99-FIXD	91,896	22.8980	2,104,235
General transformer >300kVA and <=1500kVA uncontrolled	\$/kWh	GTX1500-24UC	GX99-24UC	335,581,610	0.0030	1,006,745
General transformer >300kVA and <=1500kVA capacity	\$/kVA/day	GTX1500-CAPY	GX99-CAPY	65,182,693	0.0072	469,315
General transformer >300kVA and <=1500kVA demand	\$/kVA/month	GTX1500-DAMD	GX99-DAMD	949,262	2.7678	2,627,368
General transformer >1500kVA connection daily	\$/con/day	GTX1501-FIXD	GC60-FIXD	6,842	0.0509	348
			GU60-FIXD	6,417	0.0509	327
			GR60-FIXD	730	0.0509	37
General transformer >1500kVA connection uncontrolled	\$/kWh	GTX1501-24UC	GC60-24UC	83,295,889	0.0006	49,978
			GU60-24UC	83,697,624	0.0006	50,219
			GR60-24UC	799,026	0.0006	479
General transformer >1500kVA connection capacity	\$/kVA/day	GTX1501-CAPY	GC60-CAPY	17,606,725	0.0123	216,563
			GU60-CAPY	14,843,962	0.0123	182,581
			GR60-CAPY	1,434,450	0.0123	17,644
General transformer >1500kVA connection on-peak demand	\$/kWh/month	GTX1501-DOPC	GC60-DOPC	210,939	4.8975	1,033,072
			GU60-DOPC	188,669	5.0994	962,097
			GR60-DOPC	6,543	6.1452	40,206
General transformer >1500kVA connection power factor	\$/kVA/month	GTX1501-PWRF	GC60-PWRF	17,503	3.6230	63,413
			GU60-PWRF	14,105	3.6230	51,102
			GR60-PWRF	228	3.6230	826
Unmetered						
Non-street lighting daily	\$/fitting/day	G001-FIXD	G001-FIXD	57,836	0.0411	2,377
Non-street lighting uncontrolled	\$/kWh	G001-24UC	G001-24UC	3,782,792	0.0593	224,320
Street lighting daily	\$/fitting/day	G002-FIXD	G002-FIXD	16,529,598	0.0411	679,366
Street lighting uncontrolled	\$/kWh	G002-24UC	G002-24UC	19,786,561	0.0593	1,173,343
Distributed generation						
Small scale distributed generation	\$/kWh	DGEN				
Standard Charges Total (\$)						93,918,663
Non Standard Charges Total (\$)						1,976,045
Notional Revenue Total (\$)						95,894,708

Attachment 5: Wellington Line Charges Effective 1 April 2016

	2016/17 Code	2015/16 Code	Description	Units	Estimated number of consumers as at 31 January 2016	Effective 1 April 2016		
						Distribution Price	Transmission & Other pass through Price ¹	Delivery Price
RESIDENTIAL	RLU-FIXD	G100-FIXD	Low user daily	\$/con/day	90,499	0.1500	0.0000	0.1500
		G101-FIXD						
		G102-FIXD						
		G103-FIXD						
	RLU-24UC	G100-24UC	Low user uncontrolled	\$/kWh		0.0464	0.0694	0.1158
		G101-24UC						
		G103-24UC						
		G108-24UC						
	RLU-AICO	G102-AICO	Low user all inclusive	\$/kWh		0.0364	0.0565	0.0929
	RLU-CTRL	G101-CTRL	Low user controlled	\$/kWh		0.0217	0.0341	0.0558
		G108-CTRL						
	RLU-NITE	G100-NITE	Low user night only	\$/kWh		0.0079	0.0110	0.0189
		G101-NITE						
		G102-NITE						
RLU-EVNITE	G108-NITE	Low user electric vehicle night only	\$/kWh		0.0079	0.0110	0.0189	
RSU-FIXD	G104-FIXD	Standard user daily	\$/con/day	59,243	1.1000	0.0000	1.1000	
	G105-FIXD							
	G106-FIXD							
	G107-FIXD							
	G109-FIXD							
RSU-24UC	G104-24UC	Standard user uncontrolled	\$/kWh		0.0313	0.0412	0.0725	
	G105-24UC							
	G107-24UC							
	G109-24UC							
RSU-AICO	G108-AICO	Standard user all inclusive	\$/kWh		0.0226	0.0273	0.0499	
RSU-CTRL	G105-CTRL	Standard user controlled	\$/kWh		0.0106	0.0116	0.0222	
	G109-CTRL							
RSU-NITE	G104-NITE	Standard user night only	\$/kWh		0.0070	0.0103	0.0173	
	G105-NITE							
	G106-NITE							
RSU-EVNITE	G109-NITE	Standard user electric vehicle night only	\$/kWh		0.0070	0.0103	0.0173	
GENERAL LOW VOLTAGE CONNECTION	GLV15-FIXD	GV02-FIXD	General low voltage, <=15kVA, daily	\$/con/day	5,037	0.6268	0.0000	0.6268
	GLV15-24UC	GV02-24UC	General low voltage, <=15kVA, uncontrolled	\$/kWh		0.0205	0.0362	0.0567
	GLV69-FIXD	GV07-FIXD	General low voltage, >15kVA and <=69kVA, daily	\$/con/day	10,261	1.5504	0.0000	1.5504
	GLV69-24UC	GV07-24UC	General low voltage, >15kVA and <=69kVA, uncontrolled	\$/kWh		0.0142	0.0251	0.0393
	GLV138-FIXD	GV14-FIXD	General low voltage, >69kVA and <=138kVA, daily	\$/con/day	404	8.7851	0.0000	8.7851
	GLV138-24UC	GV14-24UC	General low voltage, >69kVA and <=138kVA, uncontrolled	\$/kWh		0.0168	0.0297	0.0465
	GLV300-FIXD	GV30-FIXD	General low voltage, >138kVA and <=300kVA, daily	\$/con/day	309	12.5144	0.0000	12.5144
	GLV300-24UC	GV30-24UC	General low voltage, >138kVA and <=300kVA, uncontrolled	\$/kWh		0.0069	0.0124	0.0193
	GLV1500-FIXD	GV99-FIXD	General low voltage, >300kVA and <=1500kVA, daily	\$/con/day	248	31.5561	0.0000	31.5561
	GLV1500-24UC	GV99-24UC	General low voltage, >300kVA and <=1500kVA, uncontrolled	\$/kWh		0.0031	0.0055	0.0086
GLV1500-DAMD	GV99-DAMD	General low voltage, >300kVA and <=1500kVA, demand	\$/kVA/month		2.7627	4.8915	7.6542	
GENERAL TRANSFORMER CONNECTION	GTX15-FIXD	GX02-FIXD	General transformer, <=15kVA, daily	\$/con/day	0	0.5690	0.0000	0.5690
	GTX15-24UC	GX02-24UC	General transformer, <=15kVA, uncontrolled	\$/kWh		0.0199	0.0330	0.0529
	GTX69-FIXD	GX07-FIXD	General transformer, >15kVA and <=69kVA, daily	\$/con/day	18	1.4069	0.0000	1.4069
	GTX69-24UC	GX07-24UC	General transformer, >15kVA and <=69kVA, uncontrolled	\$/kWh		0.0139	0.0230	0.0369
	GTX138-FIXD	GX14-FIXD	General transformer, >69kVA and <=138kVA, daily	\$/con/day	16	7.9715	0.0000	7.9715
	GTX138-24UC	GX14-24UC	General transformer, >69kVA and <=138kVA, uncontrolled	\$/kWh		0.0164	0.0271	0.0435
	GTX300-FIXD	GX30-FIXD	General transformer, >138kVA and <=300kVA, daily	\$/con/day	87	11.3555	0.0000	11.3555
	GTX300-24UC	GX30-24UC	General transformer, >138kVA and <=300kVA, uncontrolled	\$/kWh		0.0068	0.0112	0.0180
	GTX1500-FIXD	GX99-FIXD	General transformer, >300kVA and <=1500kVA, daily	\$/con/day	237	24.5009	0.0000	24.5009
	GTX1500-24UC	GX99-24UC	General transformer, >300kVA and <=1500kVA, uncontrolled	\$/kWh		0.0026	0.0044	0.0070
	GTX1500-CAPY	GX99-CAPY	General transformer, >300kVA and <=1500kVA, capacity	\$/kVA/day		0.0063	0.0104	0.0167
	GTX1500-DAMD	GX99-DAMD	General transformer, >300kVA and <=1500kVA, demand	\$/kVA/month		2.4243	4.0093	6.4336
	GTX1501-FIXD	GC60-FIXD	General transformer, >1500kVA connection, daily	\$/con/day	39	0.0545	0.0000	0.0545
		GU60-FIXD						
GR60-FIXD								
GC60-24UC								
GU60-24UC								
GR60-24UC								
GTX1501-24UC	GC60-24UC	General transformer, >1500kVA connection, uncontrolled	\$/kWh		0.0006	0.0009	0.0015	
	GU60-24UC							
	GR60-24UC							
GTX1501-CAPY	GC60-CAPY	General transformer, >1500kVA connection, capacity	\$/kVA/day		0.0119	0.0177	0.0296	
	GU60-CAPY							
	GR60-CAPY							
GTX1501-DOPC	GC60-DOPC	General transformer, >1500kVA connection, on-peak demand	\$/kWh/month		4.8536	7.2683	12.1219	
	GU60-DOPC							
	GR60-DOPC							
GTX1501-PWRF	GC60-PWRF	General transformer, >1500kVA connection, power factor	\$/kVA/month		3.5047	5.2483	8.7530	
	GU60-PWRF							
	GR60-PWRF							
UNMETERED	G001-FIXD	G001-FIXD	Non-street lighting daily	\$/lighting/day	496	0.0432	0.0000	0.0432
	G001-24UC	G001-24UC	Non-street lighting uncontrolled	\$/kWh		0.0544	0.0859	0.1403
	G002-FIXD	G002-FIXD	Street lighting daily	\$/lighting/day	114	0.1162	0.1022	0.2184
	G002-24UC	G002-24UC	Street lighting uncontrolled	\$/kWh		0.0000	0.0000	0.0000
DGEN	*DGEN*	N/A	Small scale distributed generation	\$/kWh	N/A	0.0000	0.0000	0.0000

Notes:

- Transmission charges makes up 93% of the Transmission and Other pass through Price. Other pass through charges recovered include costs such as Commerce Act Levies, Electricity Authority Levies, Council rates and other recoverable costs.
- WE* has various codes for small scale distributed generation volumes, being RLU-DGEN, RSU-DGEN, GLV15-DGEN, GLV69-DGEN, GLV138-DGEN, GLV300-DGEN, GTX15-DGEN, GTX69-DGEN, GTX138-DGEN, GTX300-DGEN, GTX1500-DGEN and GTX1501-DGEN. The rate for all small scale distributed generation injected into the WE* network is \$0.00/kWh.
- All prices are stated exclusive of GST.

Attachment 6: Summary Pass-through Revenue

- For each price element the base quantity (number of end consumers or annual energy of all consumers) was retrieved from the appropriate information systems for the year ended 31 March 2017.
- Prices applicable for the Assessment Period have been taken from WELL's published price schedules.
- Base quantities were multiplied by the price applicable to determine the Pass-through Revenue for the Assessment Period.

Pricing schedule	Units	Current code	Previous Code	Base Quantity (2016/17)	Pass through price 2016/17	Pass through revenue
Residential						
Low user daily	\$/con/day	RLU-FIXD	G100-FIXD	26,927,744		
			G101-FIXD	473,193		
			G102-FIXD	5,233,622		
			G103-FIXD	22,853		
			G108-FIXD	0		
			Total	32,657,412		
Low user uncontrolled	\$/kWh	RLU-24UC	G100-24UC	201,411,825		
			G101-24UC	3,043,088		
			G103-24UC	292,383	0.0694	14,209,462
			G108-24UC	0		
			Total	204,747,296		
Low user all inclusive	\$/kWh	RLU-AICO	G102-AICO	244,709,834	0.0565	13,826,106
Low user controlled	\$/kWh	RLU-CTRL	G101-CTRL	16,623,736		
			G108-CTRL	0	0.0341	566,869
			Total	16,623,736		
Low user night boost	\$/kWh	RLU-NITE	G100-NITE	4,666,865		
			G101-NITE	160,290	0.0110	63,121
			G102-NITE	911,133		
			Total	5,738,287		
Low user electric vehicle night only	\$/kWh	RLU-EV/NITE	G108-NITE	0	0.0110	-
Low user electric vehicle demand	\$/kWh/month	RLU-EV/DMND		0	-	-
Standard user daily	\$/con/day	RSU-FIXD	G104-FIXD	17,902,713		
			G105-FIXD	490,425		
			G106-FIXD	3,344,232		
			G107-FIXD	42,864		
			G109-FIXD	0		
			Total	21,780,233		
Standard user uncontrolled	\$/kWh	RSU-24UC	G104-24UC	230,490,915		
			G105-24UC	6,032,638		
			G107-24UC	1,310,202	0.0412	9,798,751
			G109-24UC	0		
			Total	237,833,756		
Standard user all inclusive	\$/kWh	RSU-AICO	G106-AICO	291,182,222	0.0273	7,949,275
Standard user controlled	\$/kWh	RSU-CTRL	G105-CTRL	26,077,682		
			G109-CTRL	0	0.0116	302,501
			Total	26,077,682		
Standard user night boost	\$/kWh	RSU-NITE	G104-NITE	7,171,996		
			G105-NITE	270,507	0.0103	91,884
			G106-NITE	1,478,298		
			Total	8,920,801		
Standard user electric vehicle night only	\$/kWh	RSU-EV/NITE	G109-NITE	0	0.0103	-
Standard user electric vehicle demand	\$/kWh/month	RSU-EV/DMND		0	-	-
General low voltage connection						
General low voltage <=15kVA daily	\$/con/day	GLV15-FIXD	GV02-FIXD	1,837,515	-	-
General low voltage <=15kVA uncontrolled	\$/kWh	GLV15-24UC	GV02-24UC	47,411,491	0.0362	1,716,296
General low voltage >15kVA and <=69kVA daily	\$/con/day	GLV69-FIXD	GV07-FIXD	3,767,772		
General low voltage >15kVA and <=69kVA uncontrolled	\$/kWh	GLV69-24UC	GV07-24UC	319,105,742	0.0251	8,009,554
General low voltage >69kVA and <=138kVA daily	\$/con/day	GLV138-FIXD	GV14-FIXD	143,283		
General low voltage >69kVA and <=138kVA uncontrolled	\$/kWh	GLV138-24UC	GV14-24UC	54,838,236	0.0297	1,628,696
General low voltage >138kVA and <=300kVA daily	\$/con/day	GLV300-FIXD	GV30-FIXD	117,093		
General low voltage >138kVA and <=300kVA uncontrolled	\$/kWh	GLV300-24UC	GV30-24UC	92,575,039	0.0124	1,147,930
General low voltage >300kVA and <=1500kVA daily	\$/con/day	GLV1500-FIXD	GV99-FIXD	88,751		
General low voltage >300kVA and <=1500kVA uncontrolled	\$/kWh	GLV1500-24UC	GV99-24UC	156,963,925	0.0055	863,302
General low voltage >300kVA and <=1500kVA demand	\$/kVA/month	GLV1500-DA/MD	GV99-DA/MD	509,141	4.8915	2,490,461
General transformer connection						
General transformer <=15kVA daily	\$/con/day	GTX15-FIXD	GX02-FIXD	(91,471)	-	-
General transformer <=15kVA uncontrolled	\$/kWh	GTX15-24UC	GX02-24UC	0	0.0330	-
General transformer >15kVA and <=69kVA daily	\$/con/day	GTX69-FIXD	GX07-FIXD	5,532		
General transformer >15kVA and <=69kVA uncontrolled	\$/kWh	GTX69-24UC	GX07-24UC	664,522	0.0230	15,284
General transformer >69kVA and <=138kVA daily	\$/con/day	GTX138-FIXD	GX14-FIXD	6,093		
General transformer >69kVA and <=138kVA uncontrolled	\$/kWh	GTX138-24UC	GX14-24UC	2,422,585	0.0271	65,652
General transformer >138kVA and <=300kVA daily	\$/con/day	GTX300-FIXD	GX30-FIXD	32,697		
General transformer >138kVA and <=300kVA uncontrolled	\$/kWh	GTX300-24UC	GX30-24UC	46,292,019	0.0112	518,471
General transformer >300kVA and <=1500kVA daily	\$/con/day	GTX1500-FIXD	GX99-FIXD	84,921		
General transformer >300kVA and <=1500kVA uncontrolled	\$/kWh	GTX1500-24UC	GX99-24UC	340,198,916	0.0044	1,496,875
General transformer >300kVA and <=1500kVA capacity	\$/kVA/day	GTX1500-CAPY	GX99-CAPY	67,511,682	0.0104	702,121
General transformer >300kVA and <=1500kVA demand	\$/kVA/month	GTX1500-DA/MD	GX99-DA/MD	984,812	4.0093	3,948,407
General transformer >1500kVA connection daily	\$/con/day	GTX1501-FIXD	GC60-FIXD	13,330		
			GU60-FIXD	219		
			GR60-FIXD	23		
			Total	13,573		
General transformer >1500kVA connection uncontrolled	\$/kWh	GTX1501-24UC	GC60-24UC	152,746,410		
			GU60-24UC	23,830,809	0.0009	159,175
			GR60-24UC	284,111		
			Total	176,861,330		
General transformer >1500kVA connection capacity	\$/kVA/day	GTX1501-CAPY	GC60-CAPY	32,962,214		
			GU60-CAPY	1,304,493	0.0177	608,552
			GR60-CAPY	114,736		
			Total	34,381,443		
General transformer >1500kVA connection on-peak demand	\$/kWh/month	GTX1501-DOPC	GC60-DOPC	391,544		
			GU60-DOPC	7,138	7.2683	2,899,260
			GR60-DOPC	209		
			Total	398,891		
General transformer >1500kVA connection power factor	\$/kVA/month	GTX1501-PWRF	GC60-PWRF	28,074		
			GU60-PWRF	652	5.2483	147,340
			GR60-PWRF	7		
			Total	28,732		
Unmetered						
Non-street lighting daily	\$/litng/day	G001-FIXD	G001-FIXD	232,139	-	-
Non-street lighting uncontrolled	\$/kWh	G001-24UC	G001-24UC	3,092,266	0.0859	265,626
Street lighting daily	\$/litng/day	G002-FIXD	G002-FIXD	15,678,645	0.1022	1,602,358
Street lighting uncontrolled	\$/kWh	G002-24UC	G002-24UC	21,388,115		
Distributed generation						
Small scale distributed generation	\$/kWh	DGEN			-	-
Standard Charges Total (\$)						75,093,328
Non Standard Charges Total (\$)						764,102
Notional Revenue Total (\$)						75,857,430

- Prices and quantities applicable for the preceding Assessment Period are set out below:

Charge Type	2015 Code	Base Quantity (2015/16)	Base Q Unit	2015/16 Price	Pass through Revenue 2015/16
Fixed	G001-FIXD	1,242	ICPs	0.0000	-
Variable	G001-24UC	3,825,870	kWh	0.0786	300,713
Fixed	G002-FIXD	16,910,833	ICPs	0.0000	-
Variable	G002-24UC	20,930,733	kWh	0.0786	1,645,156
Fixed	G100-FIXD	7,393,186	ICPs	0.0000	-
Variable	G100-24UC	101,321,746	kWh	0.0635	6,433,931
Variable	G100-NITE	948,363	kWh	0.0101	9,578
Fixed	G101-FIXD	2,062,390	ICPs	0.0000	-
Variable	G101-24UC	21,865,469	kWh	0.0635	1,388,457
Variable	G101-CTRL	10,454,907	kWh	0.0312	326,193
Variable	G101-NITE	557,935	kWh	0.0101	5,635
Fixed	G102-FIXD	23,704,808	ICPs	0.0000	-
Variable	G102-AICO	343,321,748	kWh	0.0517	17,749,734
Variable	G102-NITE	3,082,046	kWh	0.0101	31,129
Fixed	G103-FIXD	93,277	ICPs	0.0000	-
Variable	G103-24UC	1,560,761	kWh	0.0644	100,513
Fixed	G104-FIXD	4,306,909	ICPs	0.0000	-
Variable	G104-24UC	107,123,548	kWh	0.0376	4,027,845
Variable	G104-NITE	1,424,718	kWh	0.0094	13,392
Fixed	G105-FIXD	2,112,318	ICPs	0.0000	-
Variable	G105-24UC	40,041,185	kWh	0.0376	1,505,549
Variable	G105-CTRL	16,264,847	kWh	0.0106	172,407
Variable	G105-NITE	894,184	kWh	0.0094	8,405
Fixed	G106-FIXD	14,543,265	ICPs	0.0000	-
Variable	G106-AICO	400,636,410	kWh	0.0250	10,015,910
Variable	G106-NITE	5,199,215	kWh	0.0094	48,873
Fixed	G107-FIXD	184,947	ICPs	0.0000	-
Variable	G107-24UC	6,798,392	kWh	0.0387	263,098
Fixed	G108-FIXD	-	ICPs	0.0000	-
Variable	G108-24UC	-	kWh	0.0635	-
Variable	G108-CTRL	-	kWh	0.0312	-
Variable	G108-NITE	-	kWh	0.0105	-
Fixed	G109-FIXD	-	ICPs	0.0000	-
Variable	G109-24UC	-	kWh	0.0376	-
Variable	G109-CTRL	-	kWh	0.0106	-
Variable	G109-NITE	-	kWh	0.0094	-
Fixed	GV02-FIXD	1,818,300	ICPs	0.0000	-
Variable	GV02-24UC	44,147,834	kWh	0.0331	1,461,293
Fixed	GV07-FIXD	3,571,619	ICPs	0.0000	-
Variable	GV07-24UC	318,805,771	kWh	0.0230	7,332,533
Fixed	GV14-FIXD	145,600	ICPs	0.0000	-
Variable	GV14-24UC	54,463,764	kWh	0.0272	1,481,414
Fixed	GV30-FIXD	110,018	ICPs	0.0000	-
Variable	GV30-24UC	86,919,564	kWh	0.0113	982,191
Fixed	GV99-FIXD	91,790	ICPs	0.0000	-
Variable	GV99-24UC	163,032,326	kWh	0.0050	815,162
Variable	GV99-DAMD	513,472	kVA	4.4733	2,296,913
Fixed	GX02-FIXD	173,688	ICPs	0.0000	-
Variable	GX02-24UC	-	kWh	0.0302	-
Fixed	GX07-FIXD	5,983	ICPs	0.0000	-
Variable	GX07-24UC	542,200	kWh	0.0210	11,386
Fixed	GX14-FIXD	5,688	ICPs	0.0000	-
Variable	GX14-24UC	2,264,254	kWh	0.0248	56,153
Fixed	GX30-FIXD	31,968	ICPs	0.0000	-
Variable	GX30-24UC	47,534,104	kWh	0.0102	484,848
Variable	GX30-AICO	-	kWh	-	-
Fixed	GX99-FIXD	86,165	ICPs	0.0000	-
Variable	GX99-24UC	341,678,515	kWh	0.0040	1,366,714
Variable	GX99-CAPY	65,283,987	kVA	0.0095	620,198
Variable	GX99-DAMD	939,129	kVA	3.6666	3,443,409
Fixed	GC60-FIXD	6,522	ICPs	0.0000	-
Variable	GC60-24UC	82,317,842	kWh	0.0008	65,854
Variable	GC60-CAPY	16,774,050	kVA	0.0162	271,740
Variable	GC60-DOPC	213,488	kW	6.4879	1,385,086
Variable	GC60-PWRF	17,501	kVA	4.7996	83,997
Fixed	GU60-FIXD	6,658	ICPs	0.0000	-
Variable	GU60-24UC	92,367,819	kWh	0.0008	73,894
Variable	GU60-CAPY	15,129,907	kVA	0.0162	245,104
Variable	GU60-DOPC	208,581	kW	6.7554	1,409,047
Variable	GU60-PWRF	12,047	kVA	4.7996	57,819
Fixed	GR60-FIXD	732	ICPs	0.0000	-
Variable	GR60-24UC	1,007,767	kWh	0.0008	806
Variable	GR60-CAPY	1,427,956	kVA	0.0162	23,133
Variable	GR60-DOPC	6,689	kW	8.1408	54,457
Variable	GR60-PWRF	222	kVA	4.7996	1,068
Standard Charges Total (\$)					68,070,740
Non Standard Charges Total (\$)					817,855
Pass through Revenue Total (\$)					68,888,596

Attachment 7: Annual reliability assessment for extant Assessment Periods

The tables below show the reliability assessments for the first and second Assessment periods of the current Regulatory Period (1 April 2015 to 31 March 2020) and the last two Assessment periods of the previous Regulatory Period (1 April 2010 to 31 March 2015).

Fourth Assessment Period (2013/14)

Requirement	Assessment	Limit	Assessment/Limit	Result
SAIDI	78.876	40.744	1.936	>1
SAIFI	1.107	0.602	1.839	>1

Fifth Assessment Period (2014/15)

Requirement	Assessment	Limit	Assessment/Limit	Result
SAIDI	38.757	40.744	0.951	<1
SAIFI	0.586	0.602	0.973	<1

First Assessment Period (2015/16)

Requirement	Assessment	Limit	Assessment/Limit	Result
SAIDI	30.097	40.630	0.741	<1
SAIFI	0.525	0.625	0.840	<1

Second Assessment Period (2016/17)

Requirement	Assessment	Limit	Assessment/Limit	Result
SAIDI	49.732	40.630	1.224	>1
SAIFI	0.711	0.625	1.138	>1

Attachment 8: Calculation of SAIDI and SAIFI

WELL's SAIDI Target	
Calculation Components	Amount
μ_{SAIDI}	35.436
Total SAIDI Value as at 31 March 2017	35.436

WELL's SAIFI Target	
Calculation Components	Amount
μ_{SAIFI}	0.547
Total SAIFI as at 31 March 2017	0.547

WELL's SAIDI Boundary Value	
Calculation Components	Amount
<i>SAIDI</i>	2.103
Total SAIDI Boundary Value as at 31 March 2017	2.103

WELL's SAIFI Boundary Value	
Calculation Components	Amount
<i>SAIFI</i>	0.031
Total SAIFI Boundary Value as at 31 March 2017	0.031

WELL's SAIDI Reliability Cap (Limit), $SAIDI_{CAP} = \mu_{SAIDI} + \sigma_{SAIDI}$	
Calculation Components	Amount
μ_{SAIDI}	35.436
σ_{SAIDI}	5.194
Total SAIDI Reliability Cap as at 31 March 2017	40.630

WELL's SAIFI Reliability Cap (Limit), $SAIFI_{CAP} = \mu_{SAIFI} + \sigma_{SAIFI}$	
Calculation Components	Amount
μ_{SAIFI}	0.547
σ_{SAIFI}	0.078
Total SAIFI Reliability Cap as at 31 March 2017	0.625

Attachment 8: Calculation of SAIDI and SAIFI (cont'd)

WELL's SAIDI Reliability Collar, $SAIDI_{COLLAR} = \mu_{SAIDI} - \sigma_{SAIDI}$	
Calculation Components	Amount
μ_{SAIDI}	35.436
σ_{SAIDI}	5.194
Total SAIDI Reliability Collar as at 31 March 2017	30.242

WELL's SAIFI Reliability Collar, $SAIFI_{COLLAR} = \mu_{SAIFI} - \sigma_{SAIFI}$	
Calculation Components	Amount
μ_{SAIFI}	0.547
σ_{SAIFI}	0.078
Total SAIFI Reliability Collar as at 31 March 2017	0.469

Attachment 9: Calculation of Quality Penalties/Incentives

WELL's Quality Penalty $S_{TOTAL} = S_{SAIDI} + S_{SAIFI}$	
Calculation Components	Amount
S_{SAIDI}	(493,940)
S_{SAIFI}	(493,940)
Total Quality Penalty as at 31 March 2017	(987,880)

WELL's Quality Penalty $SSAIDI = SAIDI_{IR} \times (SAIDI_{target} - SAIDI_{assess})$	
Calculation Components	Amount
$SAIDI_{IR}$	95,091
$SAIDI_{target}$	35.436
$SAIDI_{assess}$	40.630
Total SAIDI Quality Penalty as at 31 March 2017	(493,940)

WELL's Quality Penalty $SSAIFI = SAIFI_{IR} \times (SAIFI_{target} - SAIFI_{assess})$	
Calculation Components	Amount
$SAIFI_{IR}$	6,308,301
$SAIFI_{target}$	0.547
$SAIFI_{assess}$	0.625
Total SAIFI Quality Penalty as at 31 March 2017	(493,940)

Note: The financial scheme is that the revenue at risk is limited to 1% of Maximum Allowable Revenue (MAR) in total with 0.5% on SAIDI and 0.5% on SAIFI. Therefore, the incentive/penalty for both SAIDI and SAIFI is capped at \$493,940.

Attachment 10: Customer numbers for SAIDI and SAIFI

Year	Total Customers	Customers Impacted*	Customer Minutes Lost
04/05	157,410	60,717	6,288,957
05/06	158,555	80,086	4,980,787
06/07	159,625	103,168	5,583,921
07/08	161,476	83,057	5,111,293
08/09	162,625	86,274	5,745,190
09/10	163,591	111,077	8,626,989
10/11	164,081	88,112	5,699,846
11/12	164,602	111,645	7,551,791
12/13	164,705	92,851	7,129,945
13/14	164,797	180,928**	31,437,753**
14/15	165,113	96,140	6,399,229
15/16	165,342	89,799	4,975,433
16/17	166,344	152,989**	21,698,831**

WELL purchased the Wellington network on 24 July 2008 from Vector. Vector maintained operational control until July 2009 for SAIDI and SAIFI. Necessary information for the period up to July 2009 was sourced from Vector.

* The number represents the total number of customers affected by the outages. It may be that a customer was affected by an outage more than once.

* *These numbers are based on the total outages (including the outages during the Major Event Days) for the regulatory year.