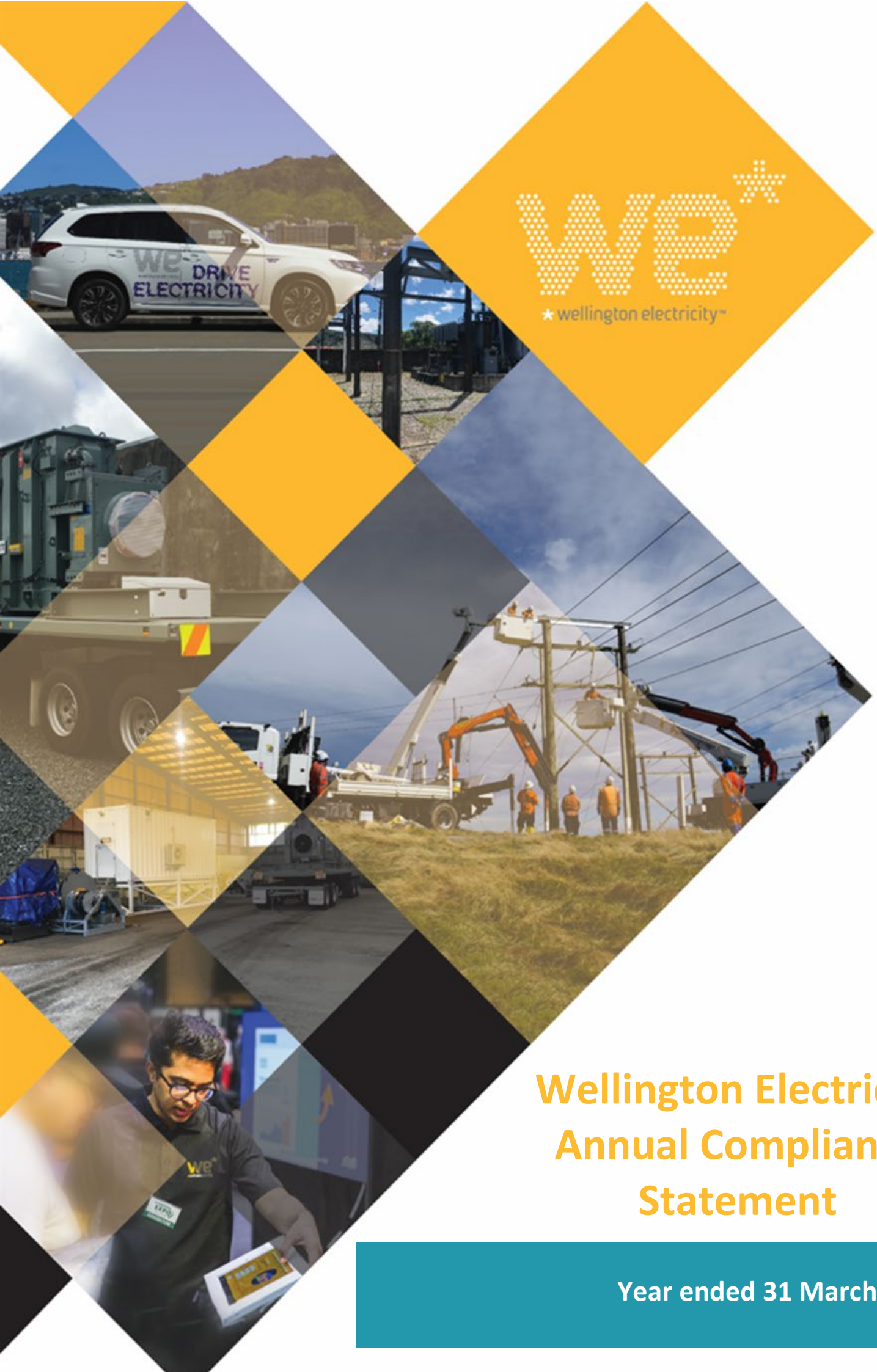

wellington electricity

Wellington Electricity Annual Compliance Statement

Year ended 31 March 2025

Table of contents

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

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

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Wellington Electricity Lines Limited

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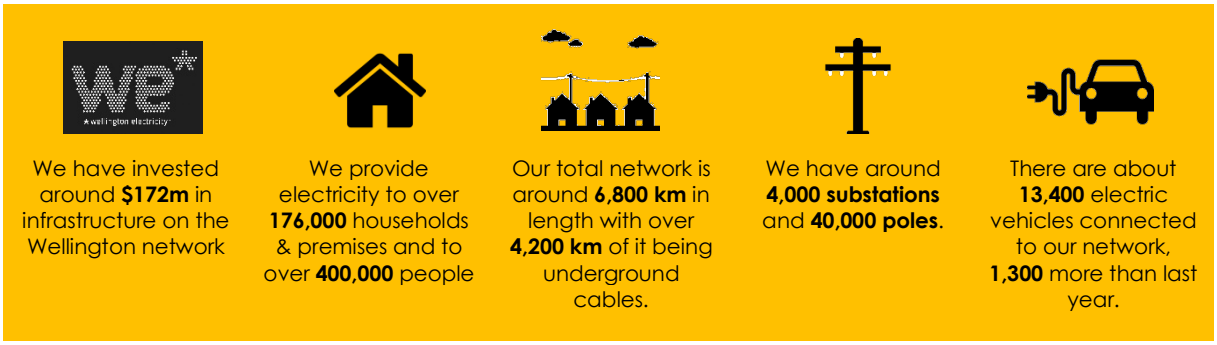
1 Introduction

Wellington Electricity Lines Limited (**WELL**) owns and operates the electricity distribution network in the Wellington region. We manage the poles, wires and equipment that provide electricity to approximately 400,000 consumers in the Wellington, Porirua, Lower Hutt and Upper Hutt areas. We have invested around $172m between April 2021 to March 2025 (the DPP3 regulatory period) to maintain a modern network and to build new capacity to meet Wellington's growing electricity use.



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

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

The *Annual Price-Setting Compliance Statement* confirmed that WELL's forecast prices for the 12-month period ended 31 March 2025 were set at a level to collect the allowances determined by the price-quality path set by the Commission. The Annual Price-Setting Compliance Statement for the year ended 31 March 2025 was submitted to the Commission and provided on WELL's website in March 2024[1].

This document is the *Annual Compliance Statement* (**Compliance Statement**). The Compliance Statement confirms that WELL has met its revenue and quality expectations determined by the price-quality path set by the Commission. The price-quality path compliance targets and the contents of the Annual Compliance Statement are provided in *Electricity Distribution Services Default Price-Quality Path (Wellington Electricity transition) Amendments Determination 2020* (**2020 DPP Determination or DPP**) as well as the *Electricity Distribution Services Default Price-Quality Path (Wellington Electricity Lines Limited Unforeseeable Major Capex Projects) Amendment Determination 2024* (**2024 Amendment Determination**).

[1] https://www.welectricity.co.nz/disclosures/price-quality-path-annual-compliance-statements/

This statement is WELL's Annual Compliance Statement for the fifth DPP assessment period ended 31 March 2025 (**fifth assessment period**).

1.1 2020 DPP Determination requirements

This Compliance Statement is made in accordance with the requirements of clause 11.5 of the 2020 DPP Determination. The statement includes WELL's compliance with the requirement to calculate the wash-up amount in clause 8.6, WELL's compliance with the quality standards in clause 9 and WELL's compliance to provide the transaction notifications in clause 10.

This Compliance Statement provides supporting information to demonstrate WELL has complied with clauses 8.6, 9, 10.1-10.18 and Schedule 4. The supporting information meets the minimal specifications detailed in clause 11.6 of the 2020 DPP Determination.

1.2 Disclaimer

The information contained in the Compliance Statement has been prepared for the express purpose of complying with the requirements of clause 11 of the 2020 DPP Determination. The Compliance Statement has not been prepared for any other purpose. WELL expressly disclaims any liability to any other party who may rely on the Compliance Statement for any other purpose.

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

1.3 Rounding

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

2 Compliance statements

The following statements are made in accordance with the requirements of clause 11.4 and 11.5 of the 2020 DPP Determination.

2.1 Presentation of the Annual Compliance Statement

The Compliance Statement has been presented in accordance with clause 11.4:

Presentation requirement	Confirmation
Clause 11.4 (a) provide to the Commission 5 months after the end of the assessment period	To be emailed to the Commission before 31 August 2025.
Clause 11.4 (b) makes public available on its website at the same time it provides it to the Commission	To be made publicly available on WELL's website at the same time as its emailed to the Commission.
Clause 11.4 (c) provide prices and actual quantities used to calculate the wash-up amount in Excel to the Commission	To be emailed to the Commission before 31 August 2025.

2.2 Wash-up calculation statement

As per clause 11.5 (a)(i) of the 2020 DPP Determination, WELL confirms that it has complied with the requirement to calculate the wash-up amount in clause 8.6 for the fifth assessment period.

The wash-up amount, as provided by clause 8.6, has been calculated as:

Wash-up amount calculation	Amount $000
Actual allowable revenue	$157,857
less actual revenue	$157,808
less revenue foregone	$0
Wash-up amount	**$49**

The detailed calculation and supporting information are provided in section 3, '*Wash-up amount calculation and supporting information*'.

2.3 Quality standard statement

As per clause 11.5 (a)(ii) of the 2020 DPP Determination, WELL confirms that it has complied with the quality standards provided in clause 9 for the fifth assessment period.

2.3.1 Compliance with the annual reliability assessment

WELL confirms that it has complied with the annual reliability assessment provided in clause 9.7 and 9.9 for the fifth assessment period.

Compliance with clause 9.1 will be assessed at the end of the fifth assessment period in line with the requirements of clause 9.2. WELL's accumulated assessed value at the end of the fifth assessment period is less than the adjusted planned accumulated limit provided below.

Quality standard	Accumulated assessed value	Adjusted planned accumulated limit[2]	Variance
Planned SAIDI	40.28	55.76	(15.48)
Planned SAIFI	0.2685	0.4429	(0.1744)

For the fifth assessment period, the unplanned SAIDI and SAIFI assessed values did not exceed the limits specified in Schedule 3.2 of 2020 DPP Determination:

Quality standard	Assessed value	Limit	Variance
Unplanned SAIDI	30.10	39.81	(9.71)
Unplanned SAIFI	0.3358	0.6135	(0.2777)

WELL did not have an extreme event during the assessment period and therefore complied with the extreme event standard.

The detailed calculation and supporting information are provided in section 4, '*Quality standard calculations and supporting information*'.

2.4 Statement preparation date

As per clause 11.5 (b) of the 2020 DPP Determination, WELL states that this Compliance Statement was prepared and approved on 29 July 2025.

2.5 Transaction statement

As per clause 11.5 (c) of the 2020 DPP Determination, WELL states that it has not entered into any agreement with another EDB or Transpower for an amalgamation, merger, major transaction or transfer for the fifth assessment period.

2.6 Assurance report

As per clause 11.5 (e) of the 2020 DPP Determination and Schedule 8, WELL has provided an assurance report by an independent auditor. The auditor's assurance report is provided in Appendix A. The assurance report confirms that the Annual Compliance Statement has been prepared in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000

[2] The adjusted accumulated limits for WELL's four-year DPP regulatory period have been calculated in line with clause 9.6 of the 2020 DPP Determination.

(Revised)') and the Standard on Assurance Engagements (SAE) 3100 (Revised): *Compliance Engagements* ('SAE 3100 (Revised)') issued by the External Reporting Board.

2.7 Director's certification

As per clause 11.5 (d) of the 2020 DPP Determination, WELL has provided a signed director's certificate. The director's certificate is provided in Appendix B. This certificate certifies that the information contained in this Compliance Statement is true and accurate. The attached director's certificate is in the form required by Schedule 7 of the 2020 DPP Determination.

3 Wash-up amount calculation and supporting information

As per clause 11.5 (a)(i) of the 2020 DPP Determination, WELL has calculated the wash-up amount using the methodology provided in clause 8.6 (which refers to schedule 1.6) for the fifth assessment period. The calculations have been based on schedule 1.6 which was amended in the 2024 Amendment Determination to adjust WELL's allowable revenue providing for two approved unforeseeable major capex projects. Upon review of the 2024 Amendment Determination, WELL identified an issue with the formulaic calculations of Actual Net Allowable Revenue (**ANAR**). This was raised with the Commerce Commission, who intend to resolve the issue. This results in WELL reporting an ANAR for the fifth period of $97.0m. The resulting ANAR impacts the calculation of the wash-up amount for the fifth period.

The calculations include the supporting information reasonably necessary to demonstrate whether WELL has complied with clause 8.6. At a minimum the supporting information includes the information requested in clause 11.6 (a). The wash-up amount has been calculated as:

Wash-up amount calculation	Definition	Amount $000	Reference to supporting calculation/ information
Actual allowable revenue	Actual net allowable revenue *plus* actual pass-through costs and recoverable costs *plus* revenue wash-up draw-down amount	$157,857	Supporting calculation provided in section 3.1
less actual revenue	This means the sum of actual revenue from prices plus other regulated income for the assessment period 1 April 2024 to 31 March 2025	$157,808	Supporting calculation provided in section 3.2
less revenue foregone	Where the ***revenue reduction percentage*** is greater than 20%, the 'revenue foregone' must be calculated in accordance with the formula: **actual net allowable revenue** X (**revenue reduction percentage** – 20%);	$0	The calculation method is provided in clause 4.2 of the 2020 DPP Determination. Actual revenue from prices is provided in section 3.2.

	where the revenue reduction percentage is not greater than 20%, the 'revenue foregone' is nil. The revenue reduction percentage is 0.4% which is less than 20%. Therefore, revenue foregone is nil. _____ ***The revenue reduction percentage*** is 1 minus (actual revenue from prices ÷ forecast revenue from prices); 1 – ($156,689 ÷ $157,242) = 0.4%		Forecast revenue from prices is provided in section 2.1 of WELL's 2024-25 Annual Price Setting Compliance Statement[3].
Wash-up amount		**$49**	

3.1 Actual allowable revenue calculation

Actual allowable revenue has been calculated using the methodology provided in schedule 1.6 (4).

For the fifth assessment period, actual allowable revenue is calculated as:

Actual allowable revenue calculation	Definition	Amount $000	Reference to supporting calculation/ information
Actual net allowable revenue	For the fifth assessment period, the amount was calculated in accordance with paragraph 8A of Schedule 1.6 .	$97,023	Supporting calculation is provided in section 3.3.
plus actual pass-through costs and recoverable costs	For the fifth assessment period, the sum of all pass-through costs and recoverable costs that were incurred in the assessment period, excluding any recoverable cost that is a revenue wash-up draw-down amount.	$58,499	Supporting calculation is provided in section 3.4.
plus revenue wash-up draw-down amount	The fifth assessment period means the 'opening wash-up account balance' calculated in accordance with Schedule 1.6, including the voluntary undercharging amount foregone.	$2,335	Supporting calculation is provided in section 3.5.
Actual allowable revenue		$157,857	

3.2 Actual revenue calculation

WELL's actual revenue is equal to the actual revenue from prices plus other regulated income. Actual revenue from prices is equal to the total of each of its prices multiplied by the actual quantities used.

[3] This can be found at: https://www.welectricity.co.nz/disclosures/price-quality-path-annual-compliance-statements/

A detailed description of WELL's prices and how they are calculated are provided on its website: https://www.welectricity.co.nz/disclosures/pricing/.

Published prices for the fifth assessment period are provided in Appendix C.

Other regulated income comprises of income associated with the supply of electricity distribution services, including gains and losses on disposed assets, but excluding income through prices, investment-related income, capital contributions or vested assets.

A summary of actual revenue is provided in the table below.

Actual revenue calculation	Amount $000
Actual revenue from prices	
Residential (includes low user and standard user)	$99,569
General Low Voltage	$33,338
General Transformer	$18,127
Unmetered	$3,640
Non-standard consumers (individual contracts) & prior year wash-ups	$2,014
Total actual revenue from prices	**$156,689**
Total other regulated income - as defined in the *Electricity Distribution Services Input Methodologies Determination 2012* consolidated 20 May 2020 **(IMs)**	$1,120
Total actual revenue	**$157,808**

As per clause 11.6, WELL has provided detailed revenue calculations for each price category in Appendix D.

3.3 Actual net allowable revenue calculation

For the fifth assessment period, actual net allowable revenue is calculated as the actual net allowable revenue of the previous assessment period inflated by the derived change in CPI. The table below provides the calculation prescribed in paragraph 8A of Schedule 1.6.

Actual net allowable revenue calculation	Definition	Amount $000[4]	Reference to supporting calculation/ information
Actual net allowable revenue of the previous assessment period	For the fourth assessment period, the actual net allowable revenue for the previous assessment period.	$94,606	The actual net allowable revenue for the fourth assessment period, as specified in paragraph 8A of Schedule 1.6 of the 2024 Amendment Determination.
multiplied by (1 + derived change in the CPI)	For the fifth assessment period, the derived change in the CPI is 0.0255. This is calculated in accordance with the below formula: ΔCPI is the derived change in the **CPI** to be applied for the **assessment period**, calculated in accordance with the formula— $\Delta CPI = \frac{CPI_{Jun,t-1} + CPI_{Sep,t-1} + CPI_{Dec,t-1} + CPI_{Mar,t}}{CPI_{Jun,t-2} + CPI_{Sep,t-2} + CPI_{Dec,t-2} + CPI_{Mar,t-1}} - 1$ where— $CPI_{q,t-n}$ is the **CPI** for the quarter year ending q in the 12-month period *n* years prior to year *t*; and *t* is the year in which the **assessment period** ends. $\Delta CPI = \left(\frac{1272+1280+1287+1299}{1231+1253+1259+1267} \right) - 1$ $= 0.0255$	1.0255	Calculation method as specified in paragraph 8A of Schedule 1.6 of the 2024 Amendment Determination. CPI quarterly information sourced from Statistics NZ 'All Groups Index SE9A' as specified in clause 1.1.4 (2) of the IMs.
multiplied by (1 - the annual rate of change)	For the fourth assessment period, the annual rate of change is 0%. (1 - 0%) = 1	1	As specified in clause 8.2 of the 2020 DPP Determination.
Actual net allowable revenue		**$97,023**	

[4] Only applies to the "Actual net allowable revenue of the previous assessment period" and the total "Actual net allowable revenue". The other numbers in this table are whole numbers.

3.4 Actual pass-through costs and recoverable costs calculation

For the fifth assessment period, actual pass-through costs and recoverable costs are calculated as the sum of all pass-through costs and recoverable costs that were incurred or, in the case of drawn down amounts from the innovation project allowance, approved by the Commission in the assessment period, excluding any recoverable cost that is a revenue wash-up draw down amount. Pass-through and recoverable costs are defined in the IMs.

Description	IM reference[5]	Amount $000	Reference to supporting calculation/information
Council rates	3.1.2 (2) (a)	$3,772	As invoiced/incurred during the assessment year.
Commerce Act levies	3.1.2 (2) (b) (i)	$480	As invoiced/incurred during the assessment year.
Industry levies	3.1.2 (2) (b) (ii)	$673	As invoiced/incurred during the assessment year.
Utilities Dispute Limited levies	3.1.2 (2) (b) (iii)	$121	As invoiced/incurred during the assessment year.
Pass-through costs		**$5,047**	
Electricity lines service charge payable to Transpower	3.1.3 (1) (b)	$49,953	As invoiced/incurred during the assessment year.
Transpower new investment contract charges	3.1.3 (1) (c)	$802	As invoiced/incurred during the assessment year.
Fire and Emergency New Zealand levies	3.1.3 (1) (w)	$75	As invoiced/incurred during the assessment year.
Quality incentive adjustment	3.1.3 (1) (o)	($142)	Supporting calculation is provided in section 3.4.1.
Capex wash-up adjustment	3.1.3 (1) (p)	($261)	Supporting calculation is provided in section 3.4.2.
IRIS incentive adjustment	3.1.3 (1) (a) (i)	$3,025	Supporting calculation is provided in section 3.4.3.
Innovation project allowance	3.1.3 (1) (x)	$0	As allowed for during the assessment year.
Recoverable costs		**$53,452**	
Pass-through and recoverable costs		**$58,499**	

3.4.1 Quality incentive adjustment calculation

As per Schedule 4 (1) of the 2020 DPP Determination, the quality incentive adjustment is calculated following the expiration of the assessment period and is a recoverable cost in the assessment period

[5] Reference to Electricity distribution services input methodologies determination 2012 consolidated 20 May 2020

following the year in which it was calculated. Therefore, for this Compliance Statement, the quality incentive adjustment is based on the quality performance from the regulatory year finishing 31 March 2023 – a two-year lag after the assessment period. WELL calculated the quality incentive adjustment following the end of the 31 March 2023 assessment period (which was the first Assessment Period of the 2020 DPP Determination) using the methodology provided in Schedule 4 of the 2020 DPP Determination. Details of that quality incentive adjustment are presented below:

Quality incentive adjustment calculation	Definition	Amount $000	Reference to supporting calculation/information
S_{SAIDI}	SAIDI quality incentive in the third assessment period of the DPP.	($130)	Appendix E
S_{TOTAL}		($130)	
S_{TOTAL} (adjusted for the time value of money)	Adjusted for the time value of money, as per Schedule 4 (5) (b) of the 2020 DPP Determination. S_{TOTAL} x (1+67th percentile estimate of post-tax WACC)^2. Post-tax WACC for the 67th percentile is 4.23%, the WACC that applied to the third assessment period of the 2020 DPP Determination.	**($142)**	Refer to Section 3.5.1 for the post-tax WACC.

3.4.2 Capex washup calculation

As per clause 3.1.3 (8) of the IMs, a non-exempt EDB must calculate a capex washup adjustment which is the difference between the revenues for a DPP regulatory period using the actual values of commissioned assets for a prior regulatory period, and the revenues using forecast commissioned assets applied by the Commission when setting prices. As per clause 3.1.3 (p) of the IMs, the non-exempt EDB must include the capex washup adjustment as a recoverable cost by spreading it over the DPP3 regulatory period.

Capex Washup Calculation	Definition	Amount ($000)	Reference to supporting calculation/information
Capex washup adjustment	Calculated as the difference between (using the Commerce Commissions DPP3 Financial model): (1) PV of BBAR before tax over the DPP3 regulatory period assuming actual 20/21 ($38,068) commissioned assets, ***less*** (2) PV of BBAR before tax over the DPP3 regulatory period assuming a forecast of 20/21 ($41,823) commissioned assets =$341,366 - $342,073	($707)	IM 3.1.3 (8)

Capex Washup Calculation	Definition	Amount ($000)	Reference to supporting calculation/information
	= -$707 Note: All figures within this cell are reported in $000's		
2025 Capex Washup Adjustment	$\left(\frac{\text{capex wash-up adjustment}}{l-1}\right) \times (1+r)^{y+0.5}$ where– *l* is the number of **disclosure years** in the **DPP regulatory period** or **CPP regulatory period**; *r* is the **cost of debt** applying to the **DPP regulatory period** or **CPP regulatory period**; and y is the number of **disclosure years** preceding the **disclosure year** in question in the **DPP regulatory period** or **CPP regulatory period**; l = 4 r = 2.92% (from the *Cost of capital determination for electricity distribution businesses' 2020-2025 default price-quality paths and Transpower New Zealand Limited's individual price-quality path [2019] NZCC 12 (Cost of Capital Determination 2019*[6]) y = 3	($261)	IM 3.1.3 (p)
Capex washup adjustment		**($261)**	

3.4.3 IRIS incentive adjustment calculation

As per clause 3.3.1 of the IMs, a non-exempt EDB must calculate the IRIS incentive adjustment for each disclosure year of each regulatory period. The IRIS incentive adjustment is made up of the opex incentive amount and the capex incentive amount. The IRIS incentive adjustment has been calculated as:

IRIS incentive adjustment calculation	Definition	Amount $000	Reference to supporting calculation/information
Opex incentive amount	Annual opex IRIS adjustment.	$2,910	Supporting calculation is provided in Appendix G.
plus Capex incentive amount	Annual capex IRIS adjustment.	$115	Supporting calculation is provided in Appendix H.
Total IRIS incentive adjustment		**$3,025**	

3.5 Revenue wash-up draw down amount calculation

From Schedule 1.7 (2)(a) of the 2020 DPP Determination, the opening wash-up account balance means for the fifth assessment period, the closing wash-up account balance of the previous assessment

6 https://comcom.govt.nz/__data/assets/pdf_file/0022/177034/2019-NZCC-12-Cost-of-capital-determination-EDBs-and-Transpower-25-September-2019.PDF

period. The calculation of the closing wash-up account balance as prescribed in Schedule 1.7 (3) and is presented in the table below.

Closing wash-up account balance of the previous assessment period calculation	Definition	Amount $000[7]	Reference to supporting calculation/information
Wash-up amount for the previous assessment period	For the fifth assessment period, the wash-up amount calculated for the 2023 regulatory year.	$2,149	As calculated in section 2.2 of the 2023 Wellington Electricity Annual Compliance Statement.
less voluntary undercharging amount foregone for the previous assessment period	For the fifth assessment period, this is the voluntary undercharging amount foregone calculated for the 2023 regulatory year.	$0	As calculated in section 3.1 of the 2023 Wellington Electricity Annual Compliance Statement.
multiplied by (1 + 67th percentile estimate of post-tax WACC)[2]	67th percentile estimate of post-tax WACC is 4.23%.	1.0864	Refer to section 3.5.1 of the Compliance Statement.
Closing wash-up account balance of the previous assessment period		**$2,335**	

3.5.1 67th percentile estimate of post-tax WACC

The WACC calculation for Price-Quality Determinations is provided in clause 4.4.1 of the IMs. As per clause 5.3.22 of the IMs, WACC is set as part of the DPP price-setting process and aligns with the DPP timeframes.

Post-tax WACC for DPP3 is provided by the '*Cost of capital determination for electricity distribution businesses' 2020-2025 default price-quality paths and Transpower New Zealand Limited's individual price-quality path [2019] NZCC 12 (Cost of Capital Determination 2019)*'[8]. The 67th percentile estimate of post-tax WACC applying from 1 April 2020 is **4.23%.**

4 Quality standard calculations and supporting information

This section of the Compliance Statement provides supporting information and calculations on WELL's compliance with the quality standards under clause 9 of the 2020 DPP Determination for the fifth assessment period. At a minimum the supporting information includes the information requested in clause 11.6 (b) to (h).

To comply with the quality standards, WELL must comply with:

- The planned interruption quality standards;
- The unplanned interruptions quality standards; and

[7] Does not apply to the WACC component of this calculation, which is a whole number.

[8] https://comcom.govt.nz/__data/assets/pdf_file/0022/177034/2019-NZCC-12-Cost-of-capital-determination-EDBs-and-Transpower-25-September-2019.PDF

- The extreme event standard.

WELL's quality performance was below the quality limits for the fifth assessment period of the DPP[9]. The performance was a result of the continued refinements to WELL's quality improvement programme. At a high level, the quality improvement programme for the fifth assessment period included:

- Continued work on improving feeder performance by undertaking refurbishment projects on 11 kV feeders.
- Reviewed and added new outage trend analysis.
- Continued automation of the notified outage process.

WELL will continue to investigate ways to improve the reliability of the network. Section 6.2 and Section 7 of WELL's 2025 AMP provide an analysis of critical trends and an annual update to the reliability performance improvement programme (the AMP can be found at: https://www.welectricity.co.nz/disclosures/asset-management-plan).

The 2020 DPP Determination specifies two reliability measures:

1. SAIDI (system average interruption duration index) which measures the average duration of interruptions on WELL's network during the assessment period
2. SAIFI (system average interruption frequency index) which measures the average number of interruptions on WELL's network during the assessment period

4.1 Capturing reliability information

Clause 11.6 (f) requires WELL to provide a description of the policies and procedures used to capture and record Class B and C interruptions, and to calculate planned and unplanned SAIDI and SAIFI assessed values for the assessment period.

4.1.1 Recording interruptions

The control system WELL uses to record SAIDI and SAIFI information is the Power On Advantage (PoA) SCADA network management system (**the system**). The system is used for the real-time management and monitoring of the high voltage network. Specifically, the system provides information about the status of the network, including customer connection points and devices like circuit breakers and fuses. The system automatically records interruption information (including SAIDI and SAIFI details) in a database, including:

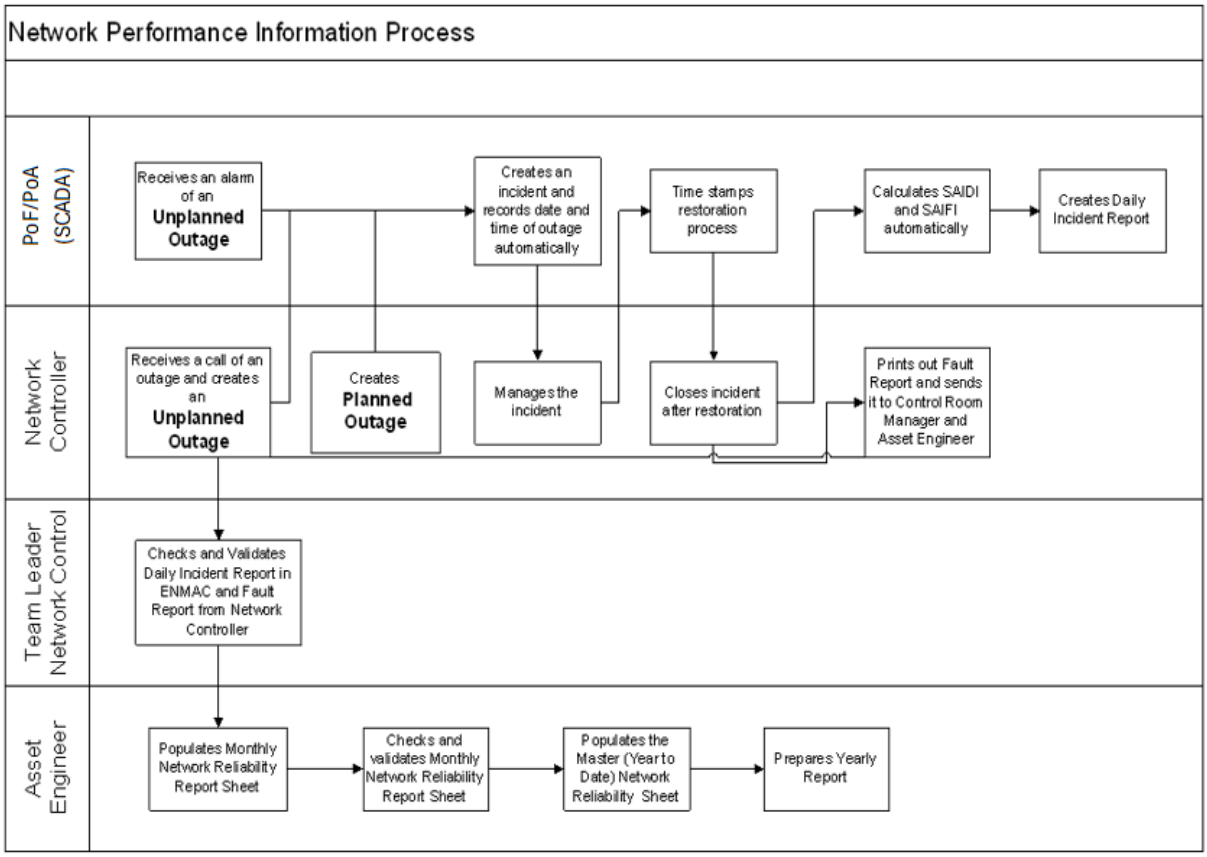
- All planned and unplanned interruptions on the high voltage network (11kV and higher), including details about the length of the interruption and how many customers were impacted; and
- All unplanned faults less than one minute in duration, including successful auto-reclose events. Faults less than a minute interruption are not included in the SAIDI and SAIFI counts.

All the interruption information is then error checked and validated daily by the Control Room Manager and the Asset Engineer to ensure it is correct. The reviewed data is recorded in the Reliability

[9] The assessed unplanned SAIDI and SAIFI was below the quality limits set by the 2020 DPP Determination.

Report Sheet. The procedure to capture and validate network performance information for planned and unplanned interruptions is shown in Figure 1 below.

Figure 1: Summary of the procedure for capturing and validating network interruption information.



For unplanned interruptions, the system identifies there has been an interruption, automatically logs the incident and time stamps when it occurred. Any subsequent switching operations are also recorded and time stamped.

For interruptions on devices that are not directly monitored by the system and there is no definitive customer report, the interruption is recorded from the time the on-site faultman confirms there has been a high voltage interruption. Subsequent switching operations are manually recorded, and time stamped within the system. If an interruption has been reported by a customer and it is confirmed that there is an interruption on the high voltage network, the start time for the interruption is taken from the time of the first phone call.

Successive interruptions have been consistently treated across regulatory periods - where an interruption to the supply of electricity distribution services is followed by restoration, and then by a successive interruption within the same event, WELL records this as a single interruption.

4.1.2 Data validation and review

After an interruption is resolved, an interruption report is generated which includes notes from the Network Controllers on duty. The information is then validated for the following:

1 Date interruption started and ended;
2 Time interruption started and ended;
3 Duration of interruption;
4 Number of customers impacted;
5 Total customers minutes lost (based on time stamped switching operations);
6 Total customer number (on network);
7 SAIDI for interruption;
8 SAIFI for interruption;
9 Interruption type; and
10 Interruption cause.

The data is reviewed for accuracy. Particular attention is given to non-system interruptions where the information is manually entered by the Network Controller. System interruptions are automatically generated and rarely have errors. The Control Room Team Leader reviews all interruptions and approves the daily interruption reports as accurate.

The Asset Engineer then compiles the reviewed individual event reports into a Monthly Network Reliability Report which is used for monthly reporting of SAIDI and SAIFI indices. The monthly reports are then aggregated into the master database from which WELL's regulatory quality reporting is based on.

For planned interruptions, 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. Planned events are validated by the Network Controllers and the Network Control Team Leader by referring to the specific job documents. The validation process considers whether LV back feeds or portable generation has been used to ensure there was no loss of supply.

4.1.3 Calculating the assessed values

WELL calculates SAIDI and SAIFI by summing the duration and frequency of interruptions recorded in the master database. WELL also analyses the database for trends and common types of interruptions. This information is used to inform the quality improvement programme.

WELL's AMP provides a detailed overview of its reliability programme, including a detailed analysis of the reliability performance. WELL's AMP can be found at: https://www.welectricity.co.nz/disclosures/asset-management-plan.

4.1.4 Keeping customers informed

WELL provides up-to-date customer information on interruption events and their restoration times through its website and interruption mobile device application. The website and application provide live updates on restoration times when power interruptions occur. WELL also surveys those customers who have recently had an interruption to understand whether the price-quality service they receive

is appropriately balanced. The results suggest that customers are broadly satisfied with their current level of reliability and the price for delivering that service.

4.1.5 Notified planned interruptions

WELL utilises the notified planned interruptions mechanism to reduce the SAIDI value on specific interruptions. To achieve this, these interruptions follow a notification process where retailers are notified and the details of the interruption are uploaded onto WELL's website for consumers to review. Notifications are provided with at least 10 working days' notice. Planned interruptions follow our planned interruptions policies and procedures.

From 1 April 2024, WELL started using EIEP5A planned outage notifications via the electricity registry to notify retailers. This replaced the previous use of emails for retailer notification.

4.2 Planned interruptions quality standard

As per clause 9.2 of the 2020 DPP Determination, the reliability standard for planned interruptions is assessed at the end of the fifth assessment period based on accumulated SAIDI and SAIFI results.

As WELL was on a CPP for the first assessment period of the DPP regulatory period, WELL's planned accumulated SAIDI and SAIFI limits for the DPP have been adjusted in accordance with clause 9.6 of the 2020 DPP Determination.

To provide a progress update on WELL's planned interruptions, the table below compares the accumulated planned SAIDI and SAIFI assessed values to the adjusted planned accumulated SAIDI and SAIFI limits for the DPP regulatory period.

The accumulated assessed values at the end of the fifth assessment period, is less than the adjusted planned accumulated limit.

Quality standard	Assessment period 2 (from previous Annual Compliance Statements)	Assessment period 3 (from previous Annual Compliance Statements)	Assessment period 4 (from previous Annual Compliance Statements)	Assessment period 5 (from this Annual Compliance Statement)	Accumulated assessed value	Adjusted planned accumulated limit[10]	Variance
Planned SAIDI	8.60	8.43	10.69	12.56	40.28	55.76	(15.48)
Planned SAIFI	0.0635	0.0689	0.0658	0.0702	0.2685	0.4429	(0.1744)

Further information supporting the calculation of the planned SAIDI and SAIFI assessed values is provided in Appendix I.

[10] The adjusted accumulated limits for WELL's four-year DPP regulatory period have been calculated in line with clause 9.6 of the 2020 DPP Determination.

The information outlined in clause 12.1 and 12.2 of the 2020 DPP Determination be provided if it's required as part of the fifth assessment period when the planned interruption reliability standard is assessed.

4.3 Unplanned interruptions quality standard

As per clause 9.7 of the 2020 DPP Determination, WELL must comply with the annual unplanned interruption's reliability assessment in respect of each assessment period.

To comply with the annual unplanned interruption's reliability assessment, WELL's unplanned SAIDI and SAIFI assessed values must not exceed the unplanned SAIDI and SAIFI limits as specified in Schedule 3.2 (1) of the 2020 DPP Determination.

For the fifth assessment period, WELL has complied with the annual unplanned interruption's reliability assessment.

Quality standard	Assessed value	Limit	Variance
Unplanned SAIDI	30.10	39.81	(9.71)
Unplanned SAIFI	0.3358	0.6135	(0.2777)

Further information supporting the calculation of the unplanned SAIDI and SAFI assessed values is provided in Appendix J.

The information outlined in clause 12.3 and 12.4 of the 2020 DPP Determination is not required to be provided as WELL has complied with the unplanned interruption quality standards.

4.4 Extreme event standard

As per clause 9.9 of the 2020 DPP Determination, WELL must comply with the extreme event standard in respect of each assessment period.

To comply with the extreme event standard is the assessment period, WELL must not have an extreme event where the unplanned interruptions exceed the extreme event standard limits.

As per Schedule 3.3 the extreme event standard limits for unplanned interruptions are:

1. unplanned SAIDI value greater than 120 minutes during any 24-hour period, excluding unplanned interruptions from major external factors; or

2. customer interruption minutes greater than six million during any 24-hour period, excluding unplanned interruptions from major external factors.

For the fifth assessment period, WELL has complied with the extreme event standard as there were no interruptions that exceeded the extreme event standard limits.

The information outlined in clause 12.5 and 12.6 of the 2020 DPP Determination is not required to be provided as WELL has complied with the extreme event quality standards.

5 Appendix A: Audit assurance report

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INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF WELLINGTON ELECTRICITY LINES LIMITED

Report on Wellington Electricity Lines Limited Electricity Distribution Default Price-Quality Path Compliance Statement 2025

We have conducted a reasonable assurance engagement on whether the information disclosed by Wellington Electricity Lines Limited (the 'Company') on pages 3 to 21 and related Appendices B to K of the Company's Electricity Distribution Default Price-Quality Path Compliance Statement (the 'Annual Compliance Statement') for the period 1 April 2024 to 31 March 2025 has been prepared, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2020 as amended by the Electricity Distribution Services Default Price-Quality Path (Wellington Electricity transition) Amendments issued 26 November 2020 and subsequent amendments (the 'Determination').

In our opinion, for the period 1 April 2024 to 31 March 2025:

- the Company has complied, in all material aspects, with the Determination in preparing the Annual Compliance Statement; and
- as far as appears from an examination of the records, the information used in the preparation of the Disclosure Information has been properly extracted from the Company's accounting and other records and has been sourced, where appropriate, from the Company's financial and non-financial systems.

Basis for Opinion

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

We have obtained sufficient recorded evidence and all the explanations we required to provide a basis for our opinion.

Board of Directors' Responsibilities

The Board of Directors is responsible on behalf of the Company for the preparation of the Annual Compliance Statement in accordance with the Determination. This responsibility includes the identification of risks that threaten the compliance requirements identified above being met as well as the design, implementation and maintenance of internal control relevant to the Company's compliance with the Determination.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* ('PES-1') 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, the provision of other assurance services, and the provision of taxation services, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor.

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The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the specified period. ISAE (NZ) 3000 (Revised) and SAE 3100 (Revised) require that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the specified period.

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

In making those risk assessments, we consider 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. A reasonable assurance engagement also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the Annual Compliance Statement.

Our procedures included:

- evaluating the methodologies used in preparing the Annual Compliance Statement and confirming that they are in accordance with the requirements set out in the Determination;
- identifying key inputs to the information;
- ensuring that the information used in preparing the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems;
- assessing significant estimates and judgements, if any, made by the Company in the preparation of the Annual Compliance Statement;
- ensuring that the calculations are mathematically correct;
- in relation to the price path set out in clause 8 of the Determination, we have, on a sample basis, examined evidence relating to the relevant amounts and disclosures; and
- in relation to the annual quality assessment formula set out in clause 9 of the Determination, we have, on a sample basis, examine evidenced relating to the relevant amounts and disclosures.

These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the period 1 April 2024 to 31 March 2025.

Inherent Limitations

Because of the inherent limitations of 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 period 1 April 2024 to 31 March 2025 and the procedures performed in respect of the Company's compliance with Determination are undertaken on a test basis, our assurance engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. We did not examine every transaction, adjustment or event underlying the Compliance Statement nor do we guarantee complete accuracy of the Annual Compliance Statement. The opinion expressed in this report has been formed on the above basis.

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Use of Report

This report is provided solely for your exclusive use and solely for the purpose of complying with Clause 11.5(e) of the Determination. However, we understand that a copy of this report has been requested by the Commerce Commission solely for the purpose above. We agree that a copy of our report may be provided to the Commerce Commission. This report is not to be used for any other purpose. We accept or assume no duty, responsibility or liability to any party, other than you, in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in our report.

Deloitte Limited

Wellington, New Zealand
26 August 2025

This reasonable assurance report relates to the Annual Compliance Statement of Wellington Electricity Lines Limited (the 'Company') for the period ended 31 March 2025 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 26 August 2025 to confirm the information included in the Annual Compliance Statement presented on this website.

6 Appendix B: Director's certification

Directors' Certification

We, Richard Pearson and Charles Tsai being directors of Wellington Electricity Lines Limited certify that, having made all reasonable enquiry, to the best of my 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 2020* has been prepared in accordance with all the relevant requirements.

Richard Pearson, director

26 August 2025

Charles Tsai, director

26 August 2025

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

7 Appendix C: Published prices for the fifth assessment period

			1 April 2024			
Code	Description	Units	Distribution price	Recoverable and pass-through price	Transmission price	Delivery price
Residential Time of Use						
RLUTOU-FIXD	Residential low user time of use daily	$/con/day	0.3600	0.0067	0.2333	0.6000
RLUTOU-UC	Residential low user time of use uncontrolled	$/kWh	0.0462	0.0048	0.0163	0.0673
RLUTOU-AICO	Residential low user time of use all inclusive	$/kWh	0.0393	0.0041	0.0135	0.0569
RLUTOU-P-UC	Residential low user time of use peak[2]	$/kWh	0.0750	0.0111	0.0345	0.1206
RLUTOU-OP-UC	Residential low user time of use off-peak[3]	$/kWh	0.0300	0.0022	0.0084	0.0406
RLUTOU-P-AI	Residential low user time of use all inclusive peak[2]	$/kWh	0.0670	0.0092	0.0276	0.1038
RLUTOU-OP-AI	Residential low user time of use all inclusive off-peak[3]	$/kWh	0.0259	0.0022	0.0077	0.0358
RLUTOU-CTRL	Residential low user time of use controlled	$/kWh	0.0321	0.0036	0.0087	0.0444
RLUTOU-NITE	Residential low user time of use night boost	$/kWh	0.0141	0.0013	0.0036	0.0190
RLUTOU-DGEN	Residential low user time of use small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
RSUTOU-FIXD	Residential standard user time of use daily	$/con/day	0.5314	0.0686	0.6543	1.2543
RSUTOU-UC	Residential standard user time of use uncontrolled	$/kWh	0.0341	0.0035	0.0000	0.0376
RSUTOU-AICO	Residential standard user time of use all inclusive	$/kWh	0.0257	0.0025	0.0000	0.0282
RSUTOU-P-UC	Residential standard user time of use peak[2]	$/kWh	0.0792	0.0116	0.0000	0.0908
RSUTOU-OP-UC	Residential standard user time of use off-peak[3]	$/kWh	0.0101	0.0007	0.0000	0.0108
RSUTOU-P-AI	Residential standard user time of use all inclusive peak[2]	$/kWh	0.0657	0.0092	0.0000	0.0749
RSUTOU-OP-AI	Residential standard user time of use all inclusive off-peak[3]	$/kWh	0.0064	0.0005	0.0000	0.0069
RSUTOU-CTRL	Residential standard user time of use controlled	$/kWh	0.0146	0.0015	0.0000	0.0161
RSUTOU-NITE	Residential standard user time of use night boost	$/kWh	0.0084	0.0006	0.0000	0.0090
RSUTOU-DGEN	Residential standard user time of use small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
Residential						
RLU-FIXD	Residential low user daily	$/con/day	0.3600	0.0067	0.2333	0.6000
RLU-24UC	Residential low user uncontrolled	$/kWh	0.0462	0.0048	0.0163	0.0673
RLU-AICO	Residential low user all inclusive	$/kWh	0.0393	0.0041	0.0135	0.0569
RLU-CTRL	Residential low user controlled	$/kWh	0.0321	0.0036	0.0087	0.0444
RLU-NITE	Residential low user night boost	$/kWh	0.0141	0.0013	0.0036	0.0190
RLU-DGEN	Residential low user small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
RSU-FIXD	Residential standard user daily	$/con/day	0.5314	0.0686	0.6543	1.2543
RSU-24UC	Residential standard user uncontrolled	$/kWh	0.0341	0.0035	0.0000	0.0376
RSU-AICO	Residential standard user all inclusive	$/kWh	0.0257	0.0025	0.0000	0.0282
RSU-CTRL	Residential standard user controlled	$/kWh	0.0146	0.0015	0.0000	0.0161
RSU-NITE	Residential standard user night boost	$/kWh	0.0084	0.0006	0.0000	0.0090
RSU-DGEN	Residential standard user small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
Residential Electric Vehicle and Battery Storage[4]						
RLUEVB-FIXD	Residential low user EV & battery storage daily	$/con/day	0.0000	0.0000	0.0000	0.0000
RLUEVB-PEAK	Residential low user EV & battery storage peak	$/kWh	0.0000	0.0000	0.0000	0.0000
RLUEVB-OFFPEAK	Residential low user EV & battery storage off-peak	$/kWh	0.0000	0.0000	0.0000	0.0000
RLUEVB-CTRL	Residential low user EV & battery storage controlled	$/kWh	0.0000	0.0000	0.0000	0.0000
RLUEVB-DGEN	Residential low user EV & battery storage small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
RSUEVB-FIXD	Residential standard user EV & battery storage daily	$/con/day	0.0000	0.0000	0.0000	0.0000
RSUEVB-PEAK	Residential standard user EV & battery storage peak	$/kWh	0.0000	0.0000	0.0000	0.0000
RSUEVB-OFFPEAK	Residential standard user EV & battery storage off-peak	$/kWh	0.0000	0.0000	0.0000	0.0000
RSUEVB-CTRL	Residential standard user EV & battery storage controlled	$/kWh	0.0000	0.0000	0.0000	0.0000
RSUEVB-DGEN	Residential standard user EV & battery storage small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000

Notes to prices

1. Estimated numbers of consumers are based on the number of connections on our network.
2. The residential ToU plan peak hours are: Monday to Friday (including public holidays) 7:00am – 11:00am, 5:00pm – 9:00pm.
3. The residential ToU plan off-peak hours are: Monday to Friday (including public holidays) 9:00pm – 7:00am, 11:00am – 5:00pm and all weekend.
4. All EVB users have been switched into the equivalent ToU plan (following the cessation of all EVB tariffs from 1 April 2024).

			1 April 2024			
Code	Description	Units	Distribution price	Recoverable and pass-through price	Transmission price	Delivery price
General Low Voltage Connection						
GLV15-FIXD	General low voltage <=15kVA daily	$/con/day	0.3381	0.0352	0.6868	1.0601
GLV15-24UC	General low voltage <=15kVA uncontrolled	$/kWh	0.0306	0.0029	0.0000	0.0335
GLV15-DGEN	General low voltage <=15kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GLV69-FIXD	General low voltage >15kVA and <=69kVA daily	$/con/day	0.8363	0.0879	1.9482	2.8724
GLV69-24UC	General low voltage >15kVA and <=69kVA uncontrolled	$/kWh	0.0212	0.0023	0.0000	0.0235
GLV69-DGEN	General low voltage >15kVA and <=69kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GLV138-FIXD	General low voltage >69kVA and <=138kVA daily	$/con/day	4.7392	0.4972	5.6992	10.9356
GLV138-24UC	General low voltage >69kVA and <=138kVA uncontrolled	$/kWh	0.0250	0.0029	0.0000	0.0279
GLV138-DGEN	General low voltage >69kVA and <=138kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GLV300-FIXD	General low voltage >138kVA and <=300kVA daily	$/con/day	6.7509	0.7083	10.6268	18.0860
GLV300-24UC	General low voltage >138kVA and <=300kVA uncontrolled	$/kWh	0.0105	0.0012	0.0000	0.0117
GLV300-DGEN	General low voltage >138kVA and <=300kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GLV1500-FIXD	General low voltage >300kVA and <=1500kVA daily	$/con/day	17.0233	1.7859	35.0648	53.8740
GLV1500-24UC	General low voltage >300kVA and <=1500kVA uncontrolled	$/kWh	0.0047	0.0006	0.0000	0.0053
GLV1500-DAMD	General low voltage >300kVA and <=1500kVA demand	$/kVA/month	4.1291	0.4333	0.0000	4.5624
GLV1500-DGEN	General low voltage >300kVA and <=1500kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
General Transformer Connection[5]						
GTX15-FIXD	General transformer <=15kVA daily	$/con/day	0.0000	0.0000	0.0000	0.0000
GTX15-24UC	General transformer <=15kVA uncontrolled	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX15-DGEN	General transformer <=15kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX69-FIXD	General transformer >15kVA and <=69kVA daily	$/con/day	0.0000	0.0000	0.0000	0.0000
GTX69-24UC	General transformer >15kVA and <=69kVA uncontrolled	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX69-DGEN	General transformer >15kVA and <=69kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX138-FIXD	General transformer >69kVA and <=138kVA daily	$/con/day	0.0000	0.0000	0.0000	0.0000
GTX138-24UC	General transformer >69kVA and <=138kVA uncontrolled	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX138-DGEN	General transformer >69kVA and <=138kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX300-FIXD	General transformer >138kVA and <=300kVA daily	$/con/day	6.1259	0.6426	11.9637	18.7322
GTX300-24UC	General transformer >138kVA and <=300kVA uncontrolled	$/kWh	0.0098	0.0012	0.0000	0.0110
GTX300-DGEN	General transformer >138kVA and <=300kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX1500-FIXD	General transformer >300kVA and <=1500kVA daily	$/con/day	13.2173	1.3866	0.0000	14.6039
GTX1500-24UC	General transformer >300kVA and <=1500kVA uncontrolled	$/kWh	0.0038	0.0006	0.0000	0.0044
GTX1500-CAPY	General transformer >300kVA and <=1500kVA capacity	$/kVA/day	0.0090	0.0012	0.0446	0.0548
GTX1500-DAMD	General transformer >300kVA and <=1500kVA demand	$/kVA/month	3.4707	0.3641	0.0000	3.8348
GTX1500-DGEN	General transformer >300kVA and <=1500kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
GTX1501-FIXD	General transformer >1500kVA connection daily	$/con/day	0.0294	0.0029	0.0000	0.0323
GTX1501-24UC	General transformer >1500kVA connection uncontrolled	$/kWh	0.0008	0.0000	0.0000	0.0008
GTX1501-CAPY	General transformer >1500kVA connection capacity	$/kVA/day	0.0159	0.0018	0.0445	0.0622
GTX1501-DOPC	General transformer >1500kVA connection on-peak demand[6]	$/kW/month	6.5393	0.6860	0.0000	7.2253
GTX1501-PWRF	General transformer >1500kVA connection power factor[7]	$/kVAr/month	4.7218	0.4954	0.0000	5.2172
GTX1501-DGEN	General transformer >1500kVA small scale distributed generation	$/kWh	0.0000	0.0000	0.0000	0.0000
Unmetered						
G001-FIXD	Non-street lighting daily	$/fitting/day	0.0192	0.0023	0.0950	0.1165
G001-24UC	Non-street lighting uncontrolled	$/kWh	0.0622	0.0082	0.0000	0.0704
G002-FIXD	Street lighting daily[8]	$/fitting/day	0.1801	0.0148	0.0200	0.2149
G002-24UC	Street lighting uncontrolled	$/kWh	0.0000	0.0000	0.0000	0.0000

Notes to prices

5. All GTX15, GTX69, and GTX138 customers have been switched into GLV15, GLV69, and GLV138 respectively (following the cessation of all GTX15, GTX69, and GTX138 tariffs from 1 April 2024).
6. On-peak demand charge is applicable to demand measured from 7:30am – 9:30am, 5:30pm – 7:30pm on weekdays (including public holidays).
7. Power factor charge is applicable for power factor <0.95 from 7:00am - 8:00pm on weekdays where the kVAr charge amount represents twice the largest difference between the recorded kVArh and one third of the recorded kWh in any one half-hour period.
8. Streetlight charges are provided to retailers who in turn bill the councils and other parties for providing streetlight services. Streetlights are charged per fitting rather than on energy usage to better reflect the costs of maintaining the streetlight network

8 Appendix D: Detailed revenue calculation

Price Code	Units	Description	Quantity 1 April 2024 to 31 March 2025	Distribution Price 1 April 2024 to 31 March 2025	Pass-through & Recoverable Price 1 April 2024 to 31 March 2025	Revenue 1 April 2024 to 31 March 2025
Residential						
RLU-FIXD	$/con/day	Residential low user daily	1,685,441	0.3600	0.2400	1,011,265
RLU-24UC	$/kWh	Residential low user uncontrolled	14,145,696	0.0462	0.0211	952,005
RLU-AICO	$/kWh	Residential low user all inclusive	7,602,050	0.0393	0.0176	432,557
RLU-CTRL	$/kWh	Residential low user controlled	620,834	0.0321	0.0123	27,565
RLU-NITE	$/kWh	Residential low user night only	110,071	0.0141	0.0049	2,091
RSU-FIXD	$/con/day	Residential standard user daily	1,399,364	0.5314	0.7229	1,755,222
RSU-24UC	$/kWh	Residential standard user uncontrolled	22,432,411	0.0341	0.0035	843,459
RSU-AICO	$/kWh	Residential standard user all inclusive	12,788,650	0.0257	0.0025	360,640
RSU-CTRL	$/kWh	Residential standard user controlled	1,135,644	0.0146	0.0015	18,284
RSU-NITE	$/kWh	Residential standard user night only	275,614	0.0084	0.0006	2,481
RLUTOU-FIXD	$/con/day	Residential low user time of use daily	31,874,055	0.3600	0.2400	19,124,433
RLUTOU-UC	$/kWh	Residential low user time of use uncontrolled	12,805,514	0.0462	0.0211	861,811
RLUTOU-AICO	$/kWh	Residential low user time of use all inclusive	8,061,408	0.0393	0.0176	458,694
RLUTOU-P-UC	$/kWh	Residential low user time of use peak uncontrolled	71,714,715	0.0750	0.0456	8,648,795
RLUTOU-OP-UC	$/kWh	Residential low user time of use off-peak uncontrolled	164,885,729	0.0300	0.0106	6,694,361
RLUTOU-P-AI	$/kWh	Residential low user time of use peak all inclusive	55,862,265	0.0670	0.0368	5,798,503
RLUTOU-OP-AI	$/kWh	Residential low user time of use off-peak all inclusive	126,812,716	0.0259	0.0099	4,539,895
RLUTOU-CTRL	$/kWh	Residential low user time of use controlled	14,262,316	0.0321	0.0123	633,247
RLUTOU-NITE	$/kWh	Residential low user time of use night boost	1,502,047	0.0141	0.0049	28,539
RSUTOU-FIXD	$/con/day	Residential standard user time of use daily	23,076,024	0.5314	0.7229	28,944,257
RSUTOU-UC	$/kWh	Residential standard user time of use uncontrolled	17,529,323	0.0341	0.0035	659,103
RSUTOU-AICO	$/kWh	Residential standard user time of use all inclusive	13,497,796	0.0257	0.0025	380,638
RSUTOU-P-UC	$/kWh	Residential standard user time of use peak uncontrolled	86,876,612	0.0792	0.0116	7,888,396
RSUTOU-OP-UC	$/kWh	Residential standard user time of use off-peak uncontrolled	205,901,607	0.0101	0.0007	2,223,737
RSUTOU-P-AI	$/kWh	Residential standard user time of use peak all inclusive	76,117,545	0.0657	0.0092	5,701,204
RSUTOU-OP-AI	$/kWh	Residential standard user time of use off-peak all inclusive	175,697,011	0.0064	0.0005	1,212,309
RSUTOU-CTRL	$/kWh	Residential standard user time of use controlled	20,878,361	0.0146	0.0015	336,142
RSUTOU-NITE	$/kWh	Residential standard user time of use night boost	3,305,944	0.0084	0.0006	29,753
					subtotal	99,569,385
General low voltage connection						
GLV15-FIXD	$/con/day	General low voltage <=15kVA daily	1,826,498	0.3381	0.7220	1,936,270
GLV15-24UC	$/kWh	General low voltage <=15kVA uncontrolled	41,527,011	0.0306	0.0029	1,391,155
GLV69-FIXD	$/con/day	General low voltage >15kVA and <=69kVA daily	3,618,566	0.8363	2.0361	10,393,970
GLV69-24UC	$/kWh	General low voltage >15kVA and <=69kVA uncontrolled	266,741,608	0.0212	0.0023	6,268,428
GLV138-FIXD	$/con/day	General low voltage >69kVA and <=138kVA daily	172,232	4.7392	6.1964	1,883,460
GLV138-24UC	$/kWh	General low voltage >69kVA and <=138kVA uncontrolled	50,570,383	0.0250	0.0029	1,410,914
GLV300-FIXD	$/con/day	General low voltage >138kVA and <=300kVA daily	145,031	6.7509	11.3351	2,623,038
GLV300-24UC	$/kWh	General low voltage >138kVA and <=300kVA uncontrolled	91,326,425	0.0105	0.0012	1,068,519
GLV1500-FIXD	$/con/day	General low voltage >300kVA and <=1500kVA daily	75,917	17.0233	36.8507	4,089,969
GLV1500-24UC	$/kWh	General low voltage >300kVA and <=1500kVA uncontrolled	117,787,326	0.0047	0.0006	624,273
GLV1500-DAMD	$/kVA/month	General low voltage >300kVA and <=1500kVA demand	361,226	4.1291	0.4333	1,648,059
					subtotal	33,338,054
General transformer connection						
GTX300-FIXD	$/con/day	General transformer >138kVA and <=300kVA daily	44,715	6.1259	12.6063	837,610
GTX300-24UC	$/kWh	General transformer >138kVA and <=300kVA uncontrolled	49,110,152	0.0098	0.0012	540,212
GTX1500-FIXD	$/con/day	General transformer >300kVA and <=1500kVA daily	111,123	13.2173	1.3866	1,622,825
GTX1500-24UC	$/kWh	General transformer >300kVA and <=1500kVA uncontrolled	331,458,703	0.0038	0.0006	1,458,418
GTX1500-CAPY	$/kVA/day	General transformer >300kVA and <=1500kVA capacity	85,721,355	0.0090	0.0458	4,697,530
GTX1500-DAMD	$/kVA/month	General transformer >300kVA and <=1500kVA demand	971,214	3.4707	0.3641	3,724,411
GTX1501-FIXD	$/con/day	General transformer >1500kVA connection daily	14,541	0.0294	0.0029	470
GTX1501-24UC	$/kWh	General transformer >1500kVA connection uncontrolled	160,327,179	0.0008	-	128,262
GTX1501-CAPY	$/kVA/day	General transformer >1500kVA connection capacity	34,747,627	0.0159	0.0463	2,161,302
GTX1501-DOPC	$/kW/month	General transformer >1500kVA connection on-peak demand	388,901	6.5393	0.6860	2,809,923
GTX1501-PWRF	$/kVAr/month	General transformer >1500kVA connection power factor	27,961	4.7218	0.4954	145,880
					subtotal	18,126,844
Unmetered						
G001-FIXD	$/fitting/day	Non-street lighting daily	503,504	0.0192	0.0973	58,658
G001-24UC	$/kWh	Non-street lighting uncontrolled	4,871,478	0.0622	0.0082	342,952
G002-FIXD	$/fitting/day	Street lighting daily	15,069,073	0.1801	0.0348	3,238,344
G002-24UC	$/kWh	Street lighting uncontrolled	15,644,739	-	-	-
					subtotal	3,639,954
Non standard charges						
Special	Unit	Non-standard contracts	1			2,014,330
					TOTAL	156,688,567

9 Appendix E: Quality incentive calculation 2023

As per Schedule 4 (1) of the 2020 DPP Determination, the quality incentive applicable for this Compliance Statement is based on the quality performance from the regulatory year finishing 31 March 2023 – a two-year lag after the assessment period.

9.1 Quality incentive adjustment calculation

The quality incentive adjustment calculation is provided in Schedule 4 (5)(a) of the 2020 DPP Determination and is adjusted for the time value of money (provided by Schedule 4 (5)(b) of the 2020 DPP Determination).

Quality incentive adjustment calculation	Definition	Amount[11] $000	Reference to supporting calculation/information
Lessor amount of revenue at risk and the SAIDI quality incentive	The lessor amount as outlined in Schedule 4 (5)(a) of the 2020 DPP Determination	($130)	Refer to the calculations in section 9.2 and section 9.3
multiplied by (1 + 67th percentile estimate of post-tax WACC)^2	As specified in Schedule 4 (5)(b) of the 2020 DPP Determination. (1 + 67th percentile estimate of post-tax WACC)^2 = (1 + 4.23%)^2 = 1.09	1.09	The 67th percentile estimate of post-tax WACC per clause 4.2 of the 2020 DPP Determination is 4.23% (as provided in section 3.5.1.
Quality incentive adjustment		**($142)**	

9.2 Revenue at risk calculation

Schedule 4 (6)(h) of the 2020 DPP Determination provides the 'revenue at risk' calculation as:

Revenue at risk calculation	Definition	Amount[12] $000	Reference to supporting calculation/information
0.02	0.02 as prescribed in the formula of Schedule 4 (6)(h) of the 2020 DPP Determination	0.02	As prescribed in Schedule 4 (6)(h) of the 2020 DPP Determination
multiplied by ANAR	Is the actual net allowable revenue for the third assessment period	$97,576	Provided in section 3.1 of the 2022/23 Annual Compliance Statement for the third assessment period[13].
Revenue at risk		**$1,952**	

[11] Does not apply to the WACC component of this calculation, which is a whole number.

[12] Does not apply to the 0.02 component of this calculation, which is a whole number.

[13] https://www.welectricity.co.nz/disclosures/price-quality-path-annual-compliance-statements/document/364

9.3 SAIDI quality incentive value calculation

The SAIDI quality incentive value calculation is outlined in Schedule 4 (5)(a) of the DPP Determination.

Quality calculation	Definition	Amount $000	Reference to supporting calculation/information
$SAIDI_{unplanned}$	SAIDI unplanned quality incentive	($86)	As calculated in section 9.4
$SAIDI_{planned}$	SAIDI planned quality incentive	($44)	As calculated in section 9.5
SAIDI quality incentive		**($130)**	

9.4 Calculating the SAIDI unplanned quality incentive value

Calculated as specified in Schedule 4 (5)(a)(i) A. of the 2020 DPP Determination.

Quality calculation	Definition	Amount[14] $000	Reference to supporting calculation/information
$(SAIDI_{unplanned,target} - SAIDI_{unplanned,assess})$	$SAIDI_{unplanned,assess}$ (34.92) is less than the $SAIDI_{unplanned,cap}$ (39.81). Therefore, $SAIDI_{unplanned,assess}$ equals the SAIDI assessed value. = (31.2 – 34.92)	(-3.72)	As specified in Schedule 4 (6)(c)
multiplied by incentive rate	The incentive rate for the 31 March 2023 regulatory year	$23	As per Schedule 4 (4) of the 2020 DPP Determination
SAIDI unplanned quality incentive		**($86)**	

[14] Does not apply to the SAIDI unplanned quality differential component of this calculation, which is a whole number.

9.5 Calculating the SAIDI planned quality incentive

Calculated as specified in Schedule 4 (5)(a)(i) B. of the 2020 DPP Determination.

Quality calculation	Definition	Amount[15] $000	Reference to supporting calculation/information
$(SAIDI_{planned,target} - SAIDI_{planned,assess})$	$SAIDI_{planned,assess}$ (8.43) is less than the $SAIDI_{planned,cap}$ (13.94). Therefore, $SAIDI_{planned,assess}$ equals the SAIDI assessed value. = (4.65 - 8.43)	(-3.78)	As specified in Schedule 4 (6)(g)
multiplied by 0.5	0.5 as prescribed in the formula of Schedule 4 (5)(a)(i) B. of the 2020 DPP Determination	0.5	As prescribed in Schedule 4 (5)(a)(i) B. of the 2020 DPP Determination
multiplied by incentive rate	The incentive rate for the 31 March 2023 regulatory year	$23	As per Schedule 4 (4) of the 2020 DPP Determination
SAIDI planned quality incentive		**($44)**	

9.6 Reliability components for year ended 31 March 2023

Reliability components	Component value	Reference to supporting calculation/information
Unplanned SAIDI		
Assessed value	34.92	From WELL's Compliance Statement for period ended 31 March 2023.
Cap	39.81	From WELL's Compliance Statement for period ended 31 March 2023.
Target	31.20	From WELL's Compliance Statement for period ended 31 March 2023.
Planned SAIDI		
Assessed value	8.43	From WELL's Compliance Statement for period ended 31 March 2023.
Cap	13.94	From WELL's Compliance Statement for period ended 31 March 2023.
Target	4.65	From WELL's Compliance Statement for period ended 31 March 2023.

[15] Does not apply to the SAIDI planned quality differential component of this calculation, which is a whole number.

10 Appendix F: Quality incentive adjustment 2025

As per Schedule 4 (1) of the 2020 DPP Determination, the quality incentive adjustment for the fifth assessment period (for the year ended 31 March 2025), will be included in the Compliance Statement for the regulatory year finishing 31 March 2027 – a two-year lag after the assessment period.

10.1 Quality incentive adjustment calculation

The quality incentive adjustment calculation is provided in Schedule 4 (5)(a) of the 2020 DPP Determination and is adjusted for the time value of money (provided by Schedule 4 (5)(b) of the 2020 DPP Determination).

Quality incentive adjustment calculation	Definition	Amount[16] $000	Reference to supporting calculation/information
Lessor amount of revenue at risk and the SAIDI quality incentive	The lessor amount as outlined in Schedule 4 (5)(a) of the 2020 DPP Determination	($66)	Refer to the calculations in section 10.3
multiplied by (1 + 67th percentile estimate of post-tax WACC)^2	As specified in Schedule 4 (5)(b) of the 2020 DPP Determination. (1 + 67th percentile estimate of post-tax WACC)^2 = (1 + 4.23%)^2 = 1.09	1.09	The 67th percentile estimate of post-tax WACC per clause 4.2 of the 2020 DPP Determination is 4.23% (as provided in section 3.5.1.
Quality incentive adjustment		**($72)**	

10.2 Revenue at risk calculation

Schedule 4 (6)(h) of the 2020 DPP Determination provides the 'revenue at risk' calculation as:

Revenue at risk calculation	Definition	Amount[17] $000	Reference to supporting calculation/information
0.02	0.02 as prescribed in the formula of Schedule 4 (6)(h) of the 2020 DPP Determination	0.02	As prescribed in Schedule 4 (6)(h) of the 2020 DPP Determination
multiplied by ANAR	Is the actual net allowable revenue for the fifth assessment period	$97,023	As calculated in section 3.3
Revenue at risk		**$1,940**	

[16] Does not apply to the WACC component of this calculation, which is a whole number.

[17] Does not apply to the 0.02 component of this calculation, which is a whole number.

10.3 SAIDI quality incentive value calculation

The SAIDI quality incentive value calculation is outlined in Schedule 4 (5)(a) of the DPP Determination.

Quality calculation	Definition	Amount $000	Reference to supporting calculation/information
$SAIDI_{unplanned}$	SAIDI unplanned quality incentive	$26	As calculated in section 10.4
$SAIDI_{planned}$	SAIDI planned quality incentive	($92)	As calculated in section 10.5
SAIDI quality incentive		**($66)**	

10.4 Calculating the SAIDI unplanned quality incentive value

Calculated as specified in Schedule 4 (5)(a)(i) A. of the 2020 DPP Determination.

Quality calculation	Definition	Amount[18] $000	Reference to supporting calculation/information
$(SAIDI_{unplanned,target} - SAIDI_{unplanned,assess})$	$SAIDI_{unplanned,assess}$ (30.10) is less than the $SAIDI_{unplanned,cap}$ (39.81). Therefore, $SAIDI_{unplanned,assess}$ equals the SAIDI assessed value. = (31.20 – 30.10)	1.10	As specified in Schedule 4 (6)(c)
multiplied by incentive rate	The incentive rate for the 31 March 2025 regulatory year	$23	As per Schedule 4 (4) of the 2020 DPP Determination
SAIDI unplanned quality incentive		**$26**	

[18] Does not apply to the SAIDI unplanned quality differential component of this calculation, which is a whole number.

10.5 Calculating the SAIDI planned quality incentive

Calculated as specified in Schedule 4 (5)(a)(i) B. of the 2020 DPP Determination.

Quality calculation	Definition	Amount[19] $000	Reference to supporting calculation/information
$(SAIDI_{planned,target} - SAIDI_{planned,assess})$	$SAIDI_{planned,assess}$ (12.56) is less than the $SAIDI_{planned,cap}$ (13.94). Therefore, $SAIDI_{planned,assess}$ equals the SAIDI assessed value. = (4.65 – 12.56)	(7.91)	As specified in Schedule 4 (6)(g)
multiplied by 0.5	0.5 as prescribed in the formula of Schedule 4 (5)(a)(i) B. of the 2020 DPP Determination	0.50	As prescribed in Schedule 4 (5)(a)(i) B. of the 2020 DPP Determination
multiplied by incentive rate	The incentive rate for the 31 March 2025 regulatory year	$23	As per Schedule 4 (4) of the 2020 DPP Determination
SAIDI planned quality incentive		**($92)**	

10.6 Reliability components for year ended 31 March 2025

Reliability components	Component value	Reference to supporting calculation/information
Unplanned SAIDI		
Assessed value	30.10	Supporting calculation provided in Appendix J
Cap	39.81	As specified in Schedule 4 (2) of the 2020 DPP Determination
Target	31.20	As specified in Schedule 4 (2) of the 2020 DPP Determination
Planned SAIDI		
Assessed value	12.56	Supporting calculation provided in Appendix I
Cap	13.94	As specified in Schedule 4 (3) of the 2020 DPP Determination
Target	4.65	As specified in Schedule 4 (3) of the 2020 DPP Determination

[19] Does not apply to the SAIDI planned quality differential component of this calculation, which is a whole number.

11 Appendix G: Opex incentive amount calculation

11.1 Calculating the opex incentive amount

WELL has calculated the opex incentive amount using the methodology provided in clause 3.3.2 of the IMs. The opex incentive amount is made up of amounts carried forward into that disclosure year from a disclosure year in a preceding regulatory period and, where applicable, an adjustment to the opex incentive for that disclosure year.

Opex incentive amount calculation	Definition	Amount $000	Reference to supporting calculation/information
Amount carried forward	All amounts carried forward into that disclosure year from a disclosure year in a preceding regulatory period	2,245	Supporting calculation provided in section 11.2
plus an adjustment to the opex incentive, where applicable	Where applicable under clause 3.3.4(1) of the IMs, an adjustment to the opex incentive for that disclosure year	666	An adjustment to the opex incentive is not required in the starting price year (first year of a regulatory period).
Opex incentive amount		**2,910**	

11.2 Amount carried forward

The amount carried forward is calculated as per clause 3.3.3 of the IMs.

Amount carried forward calculation	Definition	Amount $000	Reference to supporting calculation/ information
Amount carried forward for the year ended 31 March 2020	For a disclosure year which is not the first or last disclosure year of a regulatory period, 'amount carried forward' is calculated as: (forecast opex$_t$ - actual opex$_t$) - (forecast opex$_{t-1}$ - actual opex$_{t-1}$) Where: t means the disclosure year in question, and t-1 means the disclosure preceding the disclosure year in question (35,184 - 32,826) - (34,131 - 34,017)	$2,245	Calculation method provided in clause 3.3.3 (3) of the IMs. Forecast and actual opex provided in section 11.5.
Amount carried forward for the year ended 31 March 2021	The 'amount carried forward' for the last disclosure year of a regulatory period is nil.	$0	As specified in clause 3.3.3 (4) of the IMs.
Amount carried forward for the year ended 31 March 2022	This year is within the current regulatory period (DPP3 period), therefore no amount is carried forward for the DPP2/CPP regulatory period, and instead this will be carried forward to the next regulatory period (DPP4).	$0	As described in clause 3.3.2 (2) (a) of the IMs.
Amount carried forward for the year ended 31 March 2023	This year is within the current regulatory period (DPP3 period), therefore no amount is carried forward for the DPP2/CPP regulatory period, and instead this will be carried forward to the next regulatory period (DPP4).	$0	As described in clause 3.3.2 (2) (a) of the IMs.
Amount carried forward for the year ended 31 March 2024	This year is within the current regulatory period (DPP3 period), therefore no amount is carried forward for the DPP2/CPP regulatory period, and instead this will be carried forward to the next regulatory period (DPP4).	$0	As described in clause 3.3.2 (2) (a) of the IMs.
Amount carried forward		**$2,245**	

11.3 Adjustment to the opex incentive

As per clause 3.3.4 of the IMs, the adjustment to the opex incentive is calculated in the disclosure year immediately following a starting price year (unless the disclosure year in question is also a starting price year) and is recovered over the remaining years of the regulatory period. The Adjustment to the opex incentive is calculated in accordance to 3.3.2 (2) (b) of the IMs.

Adjustment to the opex incentive calculation	Definition	Amount $000[20]	Reference to supporting calculation/information
Adjustment to the opex incentive	An adjustment to the opex incentive must be calculated in the disclosure year immediately following a starting price year unless the disclosure year in question is also a starting price year.	1,885	Section 11.4
divided by l-1	Where: l is the number of disclosure years in the regulatory period = 4 - 1	3	3.3.2 (2) (b) of the IMs.
multiplied by $(1 + r)^{y-1}$	Where: r is the cost of debt applying to the DPP or CPP in question y is the number of disclosure years preceding the disclosure year in question in the regulatory period = $(1 + 0.0292)^{3-1}$	1.0593	3.3.2 (2) (b) of the IMs. The cost of debt used in this calculation is 2.92% as per the Cost of Capital Determination 2019.
Total adjustment to the opex incentive		**$666**	

[20] Only applies to the "Adjustment to the opex incentive" and the total "Adjustment to the opex incentive". The other numbers in this table are whole numbers.

11.4 Adjustment to the opex incentive amount

Adjustment to the opex incentive amount calculation	Definition	Amount $000	Reference to supporting calculation/information
Base year adjustment term	A 'base year adjustment term' is calculated in accordance with the formula $-\left(\frac{(\text{forecast opex}_{t-1} - \text{actual opex}_{t-1}) - (\text{forecast opex}_{t-2} - \text{actual opex}_{t-2})}{(1+WACC)^4}\right)$ where– *WACC* means- (i) in the case of a **DPP**, the **WACC** as determined by the **Commission** and applicable to the **DPP**; or (ii) in the case of a **CPP**, the **DPP WACC** as determined by the **Commission** and as applicable to the **CPP** at the start of the **EDB's** current **CPP regulatory period** in accordance with clause 5.3.22; *t-1* means the **disclosure year** immediately prior to the current **regulatory period**; and *t-2* means the **disclosure year** commencing two years prior to the current **regulatory period**. = - ([34,039 - 33,934] - [35,184 - 32,826]) / (1 + 0.0457)^4	$1,885	The calculation components are provided in clause 3.3.4 (2) and the calculation method is provided in clause 3.3.5 of the IMs. Forecast and actual opex provided in section 11.5. The WACC used in this calculation is 4.57% as per the Cost of Capital Determination 2019.
Total adjustment to the opex incentive		**$1,885**	

11.5 Forecast and actual opex

	31 March 2019 $000	31 March 2020 $000	31 March 2021 $000	31 March 2022 $000	31 March 2023 $000	Reference to supporting calculation/information
Forecast opex						
DDP2 allowance						As per 2015 DPP Determination
plus CPP allowance	34,131	35,184	34,039			As per 2018 CPP Determination
DPP3 allowance				35,217	36,324	As per 2020 DPP Determination
Forecast opex	**34,131**	**35,184**	**34,039**	**35,217**	**36,324**	
Actual opex						
Operating costs	34,017	32,190	33,409	35,404	36,335	As per Schedule 6b of Wellington Electricity's Information Disclosures for the relevant year
plus lease payments		635	526	659	525	As per the definition under GAAP
Actual opex	**34,017**	**32,826**	**33,934**	**36,063**	**36,860**	

12 Appendix H: Capex incentive amount calculation

WELL has calculated the capex incentive amount using the methodology provided in clause 3.3.10 of the IMs. The capex incentive amount is made up of a capex wash-up amount and a retention adjustment.

Calculation	Definition	Amount $000	Reference to supporting calculation/information
capex wash-up amount	clause 3.3.11(1) of the IMs –the differences in the building blocks allowable revenue (before tax), between actual commissioned assets and forecast commissioned asset.	(1,963)	Supporting calculation provided in section 12.1
plus retention adjustment	clause 3.3.12(1) of the IMs – the application of the retention factor to differences between forecast commissioned assets and actual commission assets.	2,369	Supporting calculation provided in section 12.2
Total capex incentive amount	Calculated in accordance with the formula outlined in Section 3.3.10 (2) of the IMs $\left(\frac{capex\ wash\text{-}up + retention\ adjustment}{l-1}\right) \times (1+r)^{y+0.5}$ where– *l* is the number of **disclosure years** in the **DPP regulatory period**; *r* is the **cost of debt** applying to the **DPP** or **CPP** in question; and *y* is the number of **disclosure years** preceding the **disclosure year** in question in the **DPP regulatory period**; and $= \left(\frac{-1{,}963 + 2{,}369}{5-1}\right)$ x (1 + 2.92%)^(4 + 0.5)	**115**	

12.1 Calculating the Capex wash-up

The capex wash-up calculation is outlined in clause 3.3.11 of the IMs. The discount rate applied is the DDP2 WACC which is 7.19%.

Calculation	Definition	DPP2 regulatory period $000	Reference to supporting calculation/information
1 April 2015 PV of differences in the series of building blocks allowable revenue before tax based on the forecast assets commissioned	As per 2018 CPP financial model as published in PV 1 April 2015 terms.	433,266	As prescribed in clause 3.3.11 (1)(b) and (c) of the IMs.
1 April 2015 PV of differences in the series of building blocks allowable revenue before tax based on the actual assets commissioned	As per 2018 CPP financial model updated for actual commissioned assets in PV 1 April 2015 terms.	431,879	As prescribed in clause 3.3.11 (1)(a) of the IMs.
1 April 2015 PV of differences in the series of building blocks allowable revenue before tax		(1,387)	As prescribed in clause 3.3.11 (1) of the IMs.
Capex wash-up (PV 1 April 2020)		**(1,963)**	The 1 April 2020 present value of the capex wash-up amount is calculated as ($1,387) x (1+7.19%)[5]

12.2 Calculating the retention adjustment

The retention adjustment calculation is outlined in clause 3.3.12 of the IMs. The discount rate applied is the DDP2 WACC, which is 7.19%. The retention factor applied to the PV of differences in assets commissioned is 15%, as per the 2015 DPP2 Determination.

	31 March 2016 $000	31 March 2017 $000	31 March 2018 $000	31 March 2019 $000	31 March 2020 $000	DPP2 regulatory period $000	Reference to supporting calculation/information
Forecast value of commissioned assets							
DDP2 allowance	27,257	28,408	34,853				As per 2015 DPP Determination
plus CPP allowance				39,516	42,355		As per 2018 CPP Determination
Forecast value of commissioned assets	27,257	28,408	34,853	39,516	42,355		
PV of forecast value of commissioned assets	37,255	36,223	41,460	43,854	43,851		Calculated based on the DPP2 WACC of 7.19%
Value of commissioned assets							
Actual / revised forecast assets commissioned	26,282	24,695	31,469	37,191	43,322		As per Schedule 4 of Wellington Electricity's Information Disclosures for the relevant year
less right-of-use-assets					-3,978		As per the definition under GAAP
Value of commissioned assets	26,282	24,695	31,469	37,191	39,344		
PV of value of commissioned assets	35,921	31,488	37,434	41,273	40,734		Calculated based on the DPP2 WACC of 7.19%
PV of differences in assets commissioned	1,334	4,735	4,026	2,580	3,117		
Retention adjustment	**200**	**710**	**604**	**387**	**468**	**2,369**	

13 Appendix I: Planned SAIDI and SAIFI assessed value calculation

WELL has calculated the planned SAIDI and SAIFI assessed values using the methodology provided in Schedule 3.1 of the 2020 DPP Determination for the fifth assessment period. In this section, WELL has also provided information necessary to demonstrate whether WELL has complied with clause 9.2.

13.1 Calculating the planned SAIDI assessed value

WELL has calculated the SAIDI assessed value using the methodology provided in Schedule 3.1 (2) of the 2020 DPP Determination. Specifically, the planned SAIDI assessed value is calculated as:

$SAIDI_{planned,assess}$ Calculation	Amount	Reference to supporting calculation/information
$SAIDI_B$	3.07	Refer Section 13.3
plus $SAIDI_N/2$	9.50	Refer Section 13.3
$SAIDI_{planned,assess}$	**12.56**	

13.2 Calculating the planned SAIFI assessed value

WELL has calculated the planned SAIFI assessed value using the methodology provided in schedule 3.1 (3) of 2020 DPP Determination. Specifically, the SAIFI assessed value is calculated as:

Calculation	Definition	Amount	Reference to supporting calculation/information
Planned interruptions (Class B)	Total number of planned customers interruption (Class B)	12,397	Method of data collection and validation described in section 4.1
divided by Average number of customers	From the Gentrack billing system. A report is run monthly, and an average is calculated for the regulatory year.	176,488	Provided by Appendix K
$SAIFI_{planned,assess}$		**0.0702**	

13.3 Calculating $SAIDI_B$ and $SAIDI_N$

Calculation Components	Definition	Amount	Reference to supporting calculation/information
$SAIDI_B$			
Class B interruptions that are not notified interruptions	Total customer interruption minutes accrued for each interruption	450,294	Method of data collection and validation described in section 4.1
and Class B notified interruptions falling outside the Notified Interruption Window	Total customer interruption minutes accrued for each interruption outside the notified interruption window	91,089	Method of data collection and validation described in section 4.1
Total Class B non-notified interruption minutes		541,383	
divided by Average number of customers	From the Gentrack billing system. A report is run monthly, and an average is calculated for the regulatory year.	176,488	Provided in Appendix K
$SAIDI_B$		**3.07**	
$SAIDI_N$			
Class B notified interruptions falling inside the Notified Interruption Window	Total customer interruption minutes accrued for each interruption inside the notified window	3,162,523	Method of data collection and validation described in section 4.1
and Class B intended interruptions cancelled without notice	Total customer interruption minutes accrued for each interruption cancelled without notice	189,120	Method of data collection and validation described in section 4.2
and Class B intended interruptions cancelled with notice	Total customer interruption minutes accrued for each interruption cancelled with notice	0	Method of data collection and validation described in section 4.1
Total notified interruption minutes		3,351,643	
divided by Average number of customers	From the Gentrack billing system. A report is run monthly, and an average is calculated for the regulatory year.	176,488	Provided in Appendix K
$SAIDI_N$		**18.99**	

14 Appendix J: Unplanned SAIDI and SAIFI assessed value calculation

WELL has calculated the unplanned SAIDI and SAIFI assessed values using the methodology provided in Schedule 3.2 of the 2020 DPP Determination for the fifth assessment period. In this section, WELL has also provided information necessary to demonstrate whether WELL has complied with clause 9.8.

14.1 Calculating the unplanned SAIDI assessed value

WELL has calculated the unplanned SAIDI assessed value using the methodology provided in Schedule 3.2 (2) of the 2020 DPP Determination. Specifically, the unplanned SAIDI assessed value is calculated as:

$SAIDI_{unplanned,assess}$ calculation	Definition	Amount	Reference to supporting calculation/information
Unplanned customer interruption minutes (Class C)	The sum of the total duration in minutes accumulated for each ICP for each unplanned interruption.	5,312,418	Method of data collection and validation described in section 4.1
divided by Total number of ICPs	From the Gentrack billing system. A report is run monthly, and an average is calculated for the regulatory year.	176,488	Provided in Appendix K
Unplanned SAIDI value	(Total unplanned customer interruption minutes / Total number of ICPs).	30.10	As specified in clause 4.2 of the 2020 DPP Determination
less major event boundary value adjustment	Within an unplanned SAIDI major event, any 30-minute period where the unplanned interruption SAIDI value is greater than 1/48th of the SAIDI unplanned boundary value (2.16), this period equals 1/48th of the SAIDI unplanned boundary value.	0.00	There were no SAIDI major events in the 2024/25 year. Refer to Section 14.3 for details.
$SAIDI_{unplanned,assess}$		**30.10**	

14.2 Calculating the unplanned SAIFI assessed value

WELL has calculated the unplanned SAIFI assessed value using the methodology provided in Schedule 3.2 (3) of the 2020 DPP Determination. Specifically, the unplanned SAIFI assessed value is calculated as:

$SAIFI_{unplanned,assess}$ calculation	Definition	Amount	Reference to supporting calculation/information
Unplanned customer interruption minutes (Class C)	The total number of unplanned customers interruptions for each unplanned interruption.	59,262	Method of data collection and validation described in section 4.1
divided by Total number of ICPs	From the Gentrack billing system. A report is run monthly, and an average is calculated for the regulatory year.	176,488	Provided in Appendix K
Unplanned SAIFI value	(Total number of unplanned customer interruptions / Total number of ICPs).	0.3358	As specified in clause 4.2 of the 2020 DPP Determination
less major event boundary value adjustment	Within an unplanned SAIFI major event, any 30-minute period where the unplanned interruption SAIFI value is greater than 1/48th of the SAIFI unplanned boundary value (0.0313), this period equals 1/48th of the SAIFI unplanned boundary value.	0.0000	There were no SAIFI major events in the 2024/25 year. Refer to Section 14.3 for details.
$SAIFI_{unplanned,assess}$		**0.3358**	

14.3 SAIDI and SAIFI major events

A SAIDI/SAIFI major event is defined in clause 4.2 of the 2020 DDP Determination as any period of 24 hours that starts on the hour or half past the hour where the sum of SAIDI/SAIFI values over that period for unplanned interruptions exceeds the applicable SAIDI/SAIFI unplanned boundary value.

WELL had no SAIDI or SAIFI major events during the fifth assessment period.

15 Appendix K: Average customer number calculation

The monthly number of customers is provided by the Gentrack billing system.

Month	ICP numbers
Apr-24	175,980
May-24	176,179
Jun-24	176,372
Jul-24	176,420
Aug-24	176,498
Sep-24	176,549
Oct-24	176,556
Nov-24	176,750
Dec-24	176,832
Jan-25	176,626
Feb-25	176,651
Mar-25	176,440
Average	**176,488**