EDB Information Disclosure Requirements

Information Templates

for

Schedules 1–10

Company Name	WEL Networks Limited
Disclosure Date	31 October 2020
Disclosure Year (year ended)	31 March 2020

Templates for Schedules 1–10 excluding 5f–5g

Template Version 4.1. Prepared 21 December 2017

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Disclosure Template Instructions

These templates have been prepared for use by EDBs when making disclosures under clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, and 2.5.2 of the Electricity Distribution Information Disclosure Determination 2012.

Company Name and Dates

To prepare the templates for disclosure, the supplier's company name should be entered in cell C8, the date of the last day of the current (disclosure) year should be entered in cell C12, and the date on which the information is disclosed should be entered in cell C10 of the CoverSheet worksheet.
The cell C12 entry (current year) is used to calculate disclosure years in the column headings that show above some of the tables and in labels adjacent to some entry cells. It is also used to calculate the 'For year ended' date in the template title blocks (the title blocks are the light green shaded areas at the top of each template).
The cell C8 entry (company name) is used in the template title blocks.
Dates should be entered in day/month/year order (Example -"1 April 2013").

Data Entry Cells and Calculated Cells

Data entered into this workbook may be entered only into the data entry cells. Data entry cells are the bordered, unshaded areas (white cells) in each template. Under no circumstances should data be entered into the workbook outside a data entry cell.
In some cases, where the information for disclosure is able to be ascertained from disclosures elsewhere in the workbook, such information is disclosed in a calculated cell.

Validation Settings on Data Entry Cells

To maintain a consistency of format and to help guard against errors in data entry, some data entry cells test keyboard entries for validity and accept only a limited range of values. For example, entries may be limited to a list of category names, to values between 0% and 100%, or either a numeric entry or the text entry "N/A". Where this occurs, a validation message will appear when data is being entered. These checks are applied to keyboard entries only and not, for example, to entries made using Excel's copy and paste facility.

Conditional Formatting Settings on Data Entry Cells

Schedule 2 cells G79 and I79:L79 will change colour if the total cashflows do not equal the corresponding values in table 2(ii).
Schedule 4 cells P99:P105 and P107 will change colour if the RAB values do not equal the corresponding values in table 4(ii).
Schedule 9b columns AA to AE (2013 to 2017) contain conditional formatting. The data entry cells for future years are hidden (are changed from white to yellow).
Schedule 9b cells AG10 to AG60 will change colour if the total assets at year end for each asset class does not equal the corresponding values in column I in Schedule 9a.
Schedule 9c cell G30 will change colour if G30 (overhead circuit length by terrain) does not equal G18 (overhead circuit length by operating voltage).

Inserting Additional Rows and Columns

The templates for schedules 4, 5b, 5c, 5d, 5e, 6a, 8, 9d, and 9e may require additional rows to be inserted in tables marked 'include additional rows if needed' or similar. Column A schedule references should not be entered in additional rows, and should be deleted from additional rows that are created by copying and pasting rows that have schedule references.
Additional rows in schedules 5c, 6a, and 9e must not be inserted directly above the first row or below the last row of a table. This is to ensure that entries made in the new row are included in the totals.
Schedules 5d and 5e may require new cost or asset category rows to be inserted in allocation change tables 5d(iii) and 5e(ii). Accordingly, cell protection has been removed from rows 77 and 78 of the respective templates to allow blocks of rows to be copied. The four steps to add new cost category rows to table 5d(iii) are: Select Excel rows 69:77, copy, select Excel row 78, insert copied cells. Similarly, for table 5e(ii): Select Excel rows 70:78, copy, select Excel row 79, then insert copied cells.
The template for schedule 8 may require additional columns to be inserted between column P and U. To avoid interfering with the title block entries, these should be inserted to the left of column S. If inserting additional columns, the formulas for standard consumers total, non-standard consumers totals and total for all consumers will need to be copied into the cells of the added columns. The formulas can be found in the equivalent cells of the existing columns.

Disclosures by Sub-Network

If the supplier has sub-networks, schedules 8, 9a, 9b, 9c, 9e, and 10 must be completed for the network and for each sub-network. A copy of the schedule worksheet(s) must be made for each sub-network and named accordingly.

Schedule References

The references labelled 'sch ref' in the leftmost column of each template are consistent with the row references in the Electricity Distribution ID Determination 2012 (as issued on 21 December 2017). They provide a common reference between the rows in the determination and the template.

Description of Calculation References

Calculation cell formulas contain links to other cells within the same template or elsewhere in the workbook. Key cell references are described in a column to the right of each template. These descriptions are provided to assist data entry. Cell references refer to the row of the template and not the schedule reference.

Worksheet Completion Sequence

Calculation cells may show an incorrect value until precedent cell entries have been completed. Data entry may be assisted by completing the schedules in the following order:

1. Coversheet
2. Schedules 5a–5e
3. Schedules 6a–6b
4. Schedule 8
5. Schedule 3
6. Schedule 4
7. Schedule 2
8. Schedule 7
9. Schedules 9a–9e
10. Schedule 10

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

SCHEDULE 1: ANALYTICAL RATIOS

This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination.
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

1(i): Expenditure metrics

	Expenditure per GWh energy delivered to ICPs ($/GWh)	Expenditure per average no. of ICPs ($/ICP)	Expenditure per MW maximum coincident system demand ($/MW)	Expenditure per km circuit length ($/km)	Expenditure per MVA of capacity from EDB-owned distribution transformers ($/MVA)
Operational expenditure	19,783	272	93,589	4,606	26,799
Network	6,408	88	30,317	1,492	8,681
Non-network	13,375	184	63,272	3,114	18,118
Expenditure on assets	36,765	505	173,926	8,559	49,803
Network	34,791	478	164,586	8,099	47,129
Non-network	1,974	27	9,340	460	2,675

1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs ($/GWh)	Revenue per average no. of ICPs ($/ICP)
Total consumer line charge revenue	92,383	1,269
Standard consumer line charge revenue	93,504	1,253
Non-standard consumer line charge revenue	46,425	354,973

1(iii): Service intensity measures

Demand density	49	*Maximum coincident system demand per km of circuit length (for supply) (kW/km)*
Volume density	233	*Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)*
Connection point density	17	*Average number of ICPs per km of circuit length (for supply) (ICPs/km)*
Energy intensity	13,732	*Total energy delivered to ICPs per average number of ICPs (kWh/ICP)*

1(iv): Composition of regulatory income

	($000)	% of revenue
Operational expenditure	25,401	20.73%
Pass-through and recoverable costs excluding financial incentives and wash-ups	30,055	24.53%
Total depreciation	20,476	16.71%
Total revaluations	14,295	11.67%
Regulatory tax allowance	13,373	10.92%
Regulatory profit/(loss) including financial incentives and wash-ups	47,501	38.77%
Total regulatory income	122,511	

1(v): Reliability

Interruption rate	22.07	*Interruptions per 100 circuit km*

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

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

This schedule requires information on the Return on Investment (ROI) for the EDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. EDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If an EDB makes this election, information supporting this calculation must be provided in 2(iii).
EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref		CY-2	CY-1	Current Year CY
7	**2(i): Return on Investment**			
8		31 Mar 18	31 Mar 19	31 Mar 20
9	**ROI – comparable to a post tax WACC**	%	%	%
10	Reflecting all revenue earned	5.75%	8.43%	8.44%
11	Excluding revenue earned from financial incentives	5.75%	8.43%	8.44%
12	Excluding revenue earned from financial incentives and wash-ups	5.75%	8.43%	8.44%
13				
14	**Mid-point estimate of post tax WACC**	5.04%	4.75%	4.27%
15	25th percentile estimate	4.36%	4.07%	3.59%
16	75th percentile estimate	5.72%	5.43%	4.95%
17				
18				
19	**ROI – comparable to a vanilla WACC**			
20	Reflecting all revenue earned	6.34%	8.94%	8.86%
21	Excluding revenue earned from financial incentives	6.34%	8.94%	8.86%
22	Excluding revenue earned from financial incentives and wash-ups	6.34%	8.94%	8.86%
23				
24	**WACC rate used to set regulatory price path**	–	–	–
25				
26	**Mid-point estimate of vanilla WACC**	5.60%	5.26%	4.69%
27	25th percentile estimate	4.92%	4.58%	4.01%
28	75th percentile estimate	6.29%	5.94%	5.37%
29				

30	**2(ii): Information Supporting the ROI**		($000)	
31				
32	Total opening RAB value	569,300		
33	*plus* Opening deferred tax	(42,358)		
34	**Opening RIV**		526,941	
35				
36	**Line charge revenue**		118,615	
37				
38	Expenses cash outflow	55,455		
39	*add* Assets commissioned	43,116		
40	*less* Asset disposals	55		
41	*add* Tax payments	20,272		
42	*less* Other regulated income	3,896		
43	**Mid-year net cash outflows**		114,893	
44				
45	**Term credit spread differential allowance**		–	
46				
47	Total closing RAB value	599,939		
48	*less* Adjustment resulting from asset allocation	0		
49	*less* Lost and found assets adjustment	(6,241)		
50	*plus* Closing deferred tax	(35,459)		
51	**Closing RIV**		570,721	
52				
53	**ROI – comparable to a vanilla WACC**			8.86%
54				
55	Leverage (%)			42%
56	Cost of debt assumption (%)			3.61%
57	Corporate tax rate (%)			28%
58				
59	**ROI – comparable to a post tax WACC**			8.44%
60				

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

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

2(iii): Information Supporting the Monthly ROI

Opening RIV — N/A

	Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
April						–
May						–
June						–
July						–
August						–
September						–
October						–
November						–
December						–
January						–
February						–
March						–
Total	–	–	–	–	–	–

Tax payments — N/A

Term credit spread differential allowance — N/A

Closing RIV — N/A

Monthly ROI – comparable to a vanilla WACC — N/A

Monthly ROI – comparable to a post tax WACC — N/A

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

Year-end ROI – comparable to a vanilla WACC — 8.66%

Year-end ROI – comparable to a post tax WACC — 8.24%

** these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by EDBs and do not represent the Commission's current view on ROI.*

2(v): Financial Incentives and Wash-Ups

Net recoverable costs allowed under incremental rolling incentive scheme	–	
Purchased assets – avoided transmission charge		
Energy efficiency and demand incentive allowance		
Quality incentive adjustment		
Other financial incentives		
Financial incentives		–
Impact of financial incentives on ROI		–
Input methodology claw-back		
CPP application recoverable costs		
Catastrophic event allowance		
Capex wash-up adjustment		
Transmission asset wash-up adjustment		
2013–15 NPV wash-up allowance		
Reconsideration event allowance		
Other wash-ups		
Wash-up costs		–
Impact of wash-up costs on ROI		–

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

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref			
7	**3(i): Regulatory Profit**		**($000)**
8		**Income**	
9		Line charge revenue	118,615
10	*plus*	Gains / (losses) on asset disposals	(26)
11	*plus*	Other regulated income (other than gains / (losses) on asset disposals)	3,921
12			
13		**Total regulatory income**	122,511
14		**Expenses**	
15	*less*	Operational expenditure	25,401
16			
17	*less*	Pass-through and recoverable costs excluding financial incentives and wash-ups	30,055
18			
19		**Operating surplus / (deficit)**	67,055
20			
21	*less*	Total depreciation	20,476
22			
23	*plus*	Total revaluations	14,295
24			
25		**Regulatory profit / (loss) before tax**	60,874
26			
27	*less*	Term credit spread differential allowance	–
28			
29	*less*	Regulatory tax allowance	13,373
30			
31		**Regulatory profit/(loss) including financial incentives and wash-ups**	47,501
32			

33	**3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups**		**($000)**	
34		**Pass through costs**		
35		Rates	882	
36		Commerce Act levies	73	
37		Industry levies	241	
38		CPP specified pass through costs		
39		**Recoverable costs excluding financial incentives and wash-ups**		
40		Electricity lines service charge payable to Transpower	21,906	
41		Transpower new investment contract charges	2,348	
42		System operator services		
43		Distributed generation allowance	4,605	
44		Extended reserves allowance		
45		Other recoverable costs excluding financial incentives and wash-ups		
46		**Pass-through and recoverable costs excluding financial incentives and wash-ups**		30,055
47				

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

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

3(iii): Incremental Rolling Incentive Scheme

($000)

		CY-1 31 Mar 19	CY 31 Mar 20
51	Allowed controllable opex		
52	Actual controllable opex		
53			
54	Incremental change in year		

			Previous years' incremental change	Previous years' incremental change adjusted for inflation
57	CY-5	31 Mar 15		
58	CY-4	31 Mar 16		
59	CY-3	31 Mar 17		
60	CY-2	31 Mar 18		
61	CY-1	31 Mar 19		
62	**Net incremental rolling incentive scheme**			–
64	**Net recoverable costs allowed under incremental rolling incentive scheme**			–

3(iv): Merger and Acquisition Expenditure

($000)

66	Merger and acquisition expenditure	

Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)

3(v): Other Disclosures

($000)

71	Self-insurance allowance	

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

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

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

sch ref

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

		for year ended	RAB 31 Mar 16 ($000)	RAB 31 Mar 17 ($000)	RAB 31 Mar 18 ($000)	RAB 31 Mar 19 ($000)	RAB 31 Mar 20 ($000)
	Total opening RAB value		486,846	508,016	529,712	559,424	569,300
less	**Total depreciation**		20,388	20,412	18,992	19,895	20,476
plus	**Total revaluations**		2,844	10,929	5,823	8,278	14,295
plus	**Assets commissioned**		38,981	31,350	42,963	29,931	43,116
less	**Asset disposals**		268	171	82	654	55
plus	**Lost and found assets adjustment**		–	–	–	–	(6,241)
plus	**Adjustment resulting from asset allocation**		–	1	(0)	(7,784)	0
	Total closing RAB value		508,016	529,712	559,424	569,300	599,939

4(ii): Unallocated Regulatory Asset Base

		Unallocated RAB * ($000)	($000)	RAB ($000)	($000)
	Total opening RAB value		577,640		569,300
less					
	Total depreciation		21,032		20,476
plus					
	Total revaluations		14,499		14,295
plus					
	Assets commissioned (other than below)	26,714		25,951	
	Assets acquired from a regulated supplier				
	Assets acquired from a related party	17,165		17,165	
	Assets commissioned		43,879		43,116
less					
	Asset disposals (other than below)	55		55	
	Asset disposals to a regulated supplier				
	Asset disposals to a related party				
	Asset disposals		55		55
plus	**Lost and found assets adjustment**		(6,631)		(6,241)
plus	**Adjustment resulting from asset allocation**				0
	Total closing RAB value		608,301		599,939

** The 'unallocated RAB' is the total value of those assets used wholly or partially to provide electricity distribution services without any allowance being made for the allocation of costs to services provided by the supplier that are not electricity distribution services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.*

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

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

		Unallocated RAB * ($000)	($000)	RAB ($000)	($000)
	Total opening RAB value	577,640		569,300	
less	Opening value of fully depreciated, disposed and lost assets	5,492		5,210	
	Total opening RAB value subject to revaluation	572,148		564,090	
	Total revaluations		14,499		14,295

4(iv): Roll Forward of Works Under Construction

		Unallocated works under construction		Allocated works under construction	
	Works under construction—preceding disclosure year		27,048		27,604
plus	Capital expenditure	36,357		35,595	
less	Assets commissioned	43,879		43,116	
plus	Adjustment resulting from asset allocation				
	Works under construction - current disclosure year		19,525		20,083
	Highest rate of capitalised finance applied				

4(v): Regulatory Depreciation

		Unallocated RAB * ($000)	($000)	RAB ($000)	($000)
	Depreciation - standard	16,257		16,187	
	Depreciation - no standard life assets	4,775		4,289	
	Depreciation - modified life assets				
	Depreciation - alternative depreciation in accordance with CPP				
	Total depreciation		21,032		20,476

4(vi): Disclosure of Changes to Depreciation Profiles

($000 unless otherwise specified)

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

** include additional rows if needed*

4(vii): Disclosure by Asset Category

($000 unless otherwise specified)

		Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
	Total opening RAB value	21,570	57,914	81,432	109,958	158,603	59,411	34,087	12,937	33,388	569,300
less	Total depreciation	597	1,446	2,706	3,349	4,362	1,919	1,112	696	4,289	20,476
plus	Total revaluations	546	1,464	2,049	2,770	3,998	1,494	853	321	800	14,295
plus	Assets commissioned	314	1,072	2,328	8,985	14,873	4,711	5,040	1,146	4,647	43,116
less	Asset disposals	–	–	–	–	–	45	–	–	10	55
plus	Lost and found assets adjustment	(19)	(134)	(575)	(631)	(809)	(385)	(421)	(285)	(2,982)	(6,241)
plus	Adjustment resulting from asset allocation	–	–	–	–	–	–	–	–	–	–
plus	Asset category transfers	–	–	–	–	–	–	–	–	–	–
	Total closing RAB value	21,814	58,870	82,528	117,733	172,303	63,267	38,447	13,423	31,554	599,939
	Asset Life										
	Weighted average remaining asset life	41.0	41.2	32.3	40.6	41.5	35.2	33.2	6.4	11.8	(years)
	Weighted average expected total asset life	59.1	53.2	43.5	58.8	54.2	49.6	40.3	13.6	18.0	(years)

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

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref					
7	**5a(i): Regulatory Tax Allowance**				**($000)**
8		**Regulatory profit / (loss) before tax**			60,874
9					
10	*plus*	Income not included in regulatory profit / (loss) before tax but taxable	–	*	
11		Expenditure or loss in regulatory profit / (loss) before tax but not deductible	11	*	
12		Amortisation of initial differences in asset values	7,095		
13		Amortisation of revaluations	1,923		
14					9,029
15					
16	*less*	Total revaluations	14,295		
17		Income included in regulatory profit / (loss) before tax but not taxable	–	*	
18		Discretionary discounts and customer rebates	–		
19		Expenditure or loss deductible but not in regulatory profit / (loss) before tax	–	*	
20		Notional deductible interest	7,849		
21					22,144
22					
23		**Regulatory taxable income**			47,760
24					
25	*less*	Utilised tax losses	–		
26		Regulatory net taxable income			47,760
27					
28		Corporate tax rate (%)	28%		
29		**Regulatory tax allowance**			13,373
30					
31	* Workings to be provided in Schedule 14				
32	**5a(ii): Disclosure of Permanent Differences**				
33		In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).			
34	**5a(iii): Amortisation of Initial Difference in Asset Values**				**($000)**
35					
36		Opening unamortised initial differences in asset values	99,333		
37	*less*	Amortisation of initial differences in asset values	7,095		
38	*plus*	Adjustment for unamortised initial differences in assets acquired			
39	*less*	Adjustment for unamortised initial differences in assets disposed			
40		Closing unamortised initial differences in asset values			92,238
41					
42		Opening weighted average remaining useful life of relevant assets (years)			14
43					

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

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref				
44	**5a(iv): Amortisation of Revaluations**			**($000)**
45				
46		Opening sum of RAB values without revaluations	512,939	
47				
48		Adjusted depreciation	18,553	
49		Total depreciation	20,476	
50		Amortisation of revaluations		1,923
51				
52	**5a(v): Reconciliation of Tax Losses**			**($000)**
53				
54		**Opening tax losses**	–	
55	*plus*	Current period tax losses	–	
56	*less*	Utilised tax losses	–	
57		**Closing tax losses**		–
58	**5a(vi): Calculation of Deferred Tax Balance**			**($000)**
59				
60		**Opening deferred tax**	(42,358)	
61				
62	*plus*	Tax effect of adjusted depreciation	5,195	
63				
64	*less*	Tax effect of tax depreciation	10,376	
65				
66	*plus*	Tax effect of other temporary differences*	12,896	
67				
68	*less*	Tax effect of amortisation of initial differences in asset values	1,987	
69				
70	*plus*	Deferred tax balance relating to assets acquired in the disclosure year	1,167	
71				
72	*less*	Deferred tax balance relating to assets disposed in the disclosure year	(5)	
73				
74	*plus*	Deferred tax cost allocation adjustment	(0)	
75				
76		**Closing deferred tax**		(35,459)
77				
78	**5a(vii): Disclosure of Temporary Differences**			
79		*In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).*		
80				
81	**5a(viii): Regulatory Tax Asset Base Roll-Forward**			
82				**($000)**
83		**Opening sum of regulatory tax asset values**	258,977	
84	*less*	Tax depreciation	37,058	
85	*plus*	Regulatory tax asset value of assets commissioned	58,894	
86	*less*	Regulatory tax asset value of asset disposals	37	
87	*plus*	Lost and found assets adjustment		
88	*plus*	Adjustment resulting from asset allocation		
89	*plus*	Other adjustments to the RAB tax value	64,630	
90		**Closing sum of regulatory tax asset values**		345,407

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

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

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

sch ref

5b(i): Summary—Related Party Transactions

	($000)	($000)
Total regulatory income		828
Market value of asset disposals		–
Service interruptions and emergencies	3,162	
Vegetation management	1,270	
Routine and corrective maintenance and inspection	1,459	
Asset replacement and renewal (opex)	1,755	
Network opex		7,647
Business support	–	
System operations and network support	165	
Operational expenditure		7,811
Consumer connection	6,580	
System growth	20	
Asset replacement and renewal (capex)	8,242	
Asset relocations	1,894	
Quality of supply	47	
Legislative and regulatory	272	
Other reliability, safety and environment	109	
Expenditure on non-network assets		–
Expenditure on assets		17,165
Cost of financing		–
Value of capital contributions		–
Value of vested assets		–
Capital Expenditure		17,165
Total expenditure		24,976
Other related party transactions		–

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

Name of related party	Nature of opex or capex service provided	Total value of transactions ($000)
WEL Contracting Division	Service interruptions and emergencies	3,162
WEL Contracting Division	Vegetation management	1,270
WEL Contracting Division	Routine and corrective maintenance and inspection	1,459
WEL Contracting Division	Asset replacement and renewal (opex)	1,755
WEL Contracting Division	System operations and network support	165
WEL Contracting Division	Asset replacement and renewal (capex)	8,242
WEL Contracting Division	Consumer connection	6,580
WEL Contracting Division	System growth	20
WEL Contracting Division	Asset relocations	1,894
WEL Contracting Division	Quality of supply	47
WEL Contracting Division	Legislative and regulatory	272
WEL Contracting Division	Other reliability, safety and environment	109
Total value of related party transactions		24,976

** include additional rows if needed*

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

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

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

sch ref

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

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

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

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

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

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

5d(i): Operating Cost Allocations

		Value allocated ($000s)			
	Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase ($000s)
Service interruptions and emergencies					
Directly attributable		3,425			
Not directly attributable				–	
Total attributable to regulated service		3,425			
Vegetation management					
Directly attributable		1,270			
Not directly attributable				–	
Total attributable to regulated service		1,270			
Routine and corrective maintenance and inspection					
Directly attributable		1,609			
Not directly attributable				–	
Total attributable to regulated service		1,609			
Asset replacement and renewal					
Directly attributable		1,925			
Not directly attributable				–	
Total attributable to regulated service		1,925			
System operations and network support					
Directly attributable		6,353			
Not directly attributable				–	
Total attributable to regulated service		6,353			
Business support					
Directly attributable					
Not directly attributable		10,820	3,364	14,183	
Total attributable to regulated service		10,820			
Operating costs directly attributable		14,581			
Operating costs not directly attributable	–	10,820	3,364	14,183	–
Operational expenditure		25,401			

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

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

5d(ii): Other Cost Allocations

	($000)
Pass through and recoverable costs	
Pass through costs	
Directly attributable	1,196
Not directly attributable	
Total attributable to regulated service	1,196
Recoverable costs	
Directly attributable	28,859
Not directly attributable	
Total attributable to regulated service	28,859

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

Change in cost allocation 1

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

Rationale for change

Change in cost allocation 2

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

Rationale for change

Change in cost allocation 3

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

Rationale for change

** a change in cost allocation must be completed for each cost allocator change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.*

† include additional rows if needed

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

SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

This schedule requires information on the allocation of asset values. This information supports the calculation of the RAB value in Schedule 4.
EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any changes in asset allocations. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

5e(i): Regulated Service Asset Values

	Value allocated ($000s) Electricity distribution services
Subtransmission lines	
Directly attributable	21,814
Not directly attributable	–
Total attributable to regulated service	21,814
Subtransmission cables	
Directly attributable	58,870
Not directly attributable	–
Total attributable to regulated service	58,870
Zone substations	
Directly attributable	82,528
Not directly attributable	–
Total attributable to regulated service	82,528
Distribution and LV lines	
Directly attributable	115,574
Not directly attributable	2,159
Total attributable to regulated service	117,733
Distribution and LV cables	
Directly attributable	172,303
Not directly attributable	–
Total attributable to regulated service	172,303
Distribution substations and transformers	
Directly attributable	63,267
Not directly attributable	–
Total attributable to regulated service	63,267
Distribution switchgear	
Directly attributable	38,447
Not directly attributable	–
Total attributable to regulated service	38,447
Other network assets	
Directly attributable	13,423
Not directly attributable	–
Total attributable to regulated service	13,423
Non-network assets	
Directly attributable	24,453
Not directly attributable	7,101
Total attributable to regulated service	31,554
Regulated service asset value directly attributable	590,679
Regulated service asset value not directly attributable	9,260
Total closing RAB value	599,939

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

($000)

Change in asset value allocation 1			**CY-1**	**Current Year (CY)**
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–
Rationale for change				

($000)

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

($000)

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

** a change in asset allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or compone*
† include additional rows if needed

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

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

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

sch ref

6a(i): Expenditure on Assets

			($000)	($000)
8		Consumer connection		18,233
9		System growth		2,606
10		Asset replacement and renewal		16,521
11		Asset relocations		5,034
12		Reliability, safety and environment:		
13		Quality of supply	1,315	
14		Legislative and regulatory	396	
15		Other reliability, safety and environment	563	
16		**Total reliability, safety and environment**		2,275
17		**Expenditure on network assets**		44,669
18		Expenditure on non-network assets		2,535
19				
20		**Expenditure on assets**		47,204
21	*plus*	Cost of financing		–
22	*less*	Value of capital contributions		11,609
23	*plus*	Value of vested assets		–
24				
25		**Capital expenditure**		35,595

6a(ii): Subcomponents of Expenditure on Assets (where known)

			($000)
27		Energy efficiency and demand side management, reduction of energy losses	–
28		Overhead to underground conversion	–
29		Research and development	–

6a(iii): Consumer Connection

		*Consumer types defined by EDB**	($000)	($000)
32		Residential Low User	8,494	
33		Residential Standard User	5,798	
34		General	1,894	
35		Small Scale DG Low User	103	
		Small Scale DG Standard User	84	
		Streetlighting	14	
		Medium Voltage (11kV)	33	
		High Voltage (33kV)	0	
		Low Voltage (400V)	128	
		Unmetered	53	
		Commercial Asset Specific	0	
		Residential Low User Conditional	556	
		Residential Standard User Conditional	537	
		General Conditional	505	
		Small Scale DG Low User Conditional	16	
		Small Scale DG Standard User Conditional	16	
36				
37		** include additional rows if needed*		
38		**Consumer connection expenditure**		18,233
39				
40	*less*	Capital contributions funding consumer connection expenditure	6,457	
41		**Consumer connection less capital contributions**		11,775

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

			System Growth ($000)	Asset Replacement and Renewal ($000)
45		Subtransmission	2,017	16
46		Zone substations	10	1,143
47		Distribution and LV lines	29	12,598
48		Distribution and LV cables	521	267
49		Distribution substations and transformers	28	588
50		Distribution switchgear	–	1,827
51		Other network assets	–	83
52		**System growth and asset replacement and renewal expenditure**	2,606	16,521
53	*less*	Capital contributions funding system growth and asset replacement and renewal	9	610
54		**System growth and asset replacement and renewal less capital contributions**	2,597	15,911
55				

6a(v): Asset Relocations

		*Project or programme**	($000)	($000)
58		Relocations	5,034	
59				

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

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

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

sch ref				
60				
61				
62				
63		** include additional rows if needed*		
64		All other projects or programmes - asset relocations	–	
65		**Asset relocations expenditure**		5,034
66	*less*	Capital contributions funding asset relocations	4,519	
67		**Asset relocations less capital contributions**		515

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

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

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

sch ref

6a(vi): Quality of Supply

	*Project or programme**	($000)	($000)
	Power Quality - Works required to correct customer complaints	60	
	Distribution Transformer and LV Feeder Upgrade projects Identified vis Smart Meters (Part 1 & 2 combined)	1,129	
	Battery Energy Storage System	126	
	* include additional rows if needed		
	All other projects programmes - quality of supply	–	
	Quality of supply expenditure		1,315
less	Capital contributions funding quality of supply	13	
	Quality of supply less capital contributions		1,302

6a(vii): Legislative and Regulatory

	*Project or programme**	($000)	($000)
	Seismic upgrades of substations	396	
	* include additional rows if needed		
	All other projects or programmes - legislative and regulatory	–	
	Legislative and regulatory expenditure		396
less	Capital contributions funding legislative and regulatory	–	
	Legislative and regulatory less capital contributions		396

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

	*Project or programme**	($000)	($000)
	Substation Site Security Access Project	51	
	Access & Monitoring - Video IP Camera	125	
	NETWORK mesh critical street light ctrl	18	
	Aircondition for substations (Site Condensation Mitigation)	32	
	Reliability projects (mainly Rural Areas)	38	
	RT Network Replacement	299	
	* include additional rows if needed		
	All other projects or programmes - other reliability, safety and environment	–	
	Other reliability, safety and environment expenditure		563
less	Capital contributions funding other reliability, safety and environment	–	
	Other reliability, safety and environment less capital contributions		563

6a(ix): Non-Network Assets

Routine expenditure

	*Project or programme**	($000)	($000)
	Computer Equipment	402	
	Comp Software	243	
	Plant and Equipment	187	
	Motor Vehicles	19	
	Land and Buildings Leases	1,269	
	Plant & Equipment Leases	415	
	* include additional rows if needed		
	All other projects or programmes - routine expenditure	–	
	Routine expenditure		2,535

Atypical expenditure

	*Project or programme**	($000)	($000)
	* include additional rows if needed		
	All other projects or programmes - atypical expenditure		
	Atypical expenditure		–
	Expenditure on non-network assets		2,535

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

SCHEDULE 6b: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a breakdown of operational expenditure incurred in the disclosure year.
EDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operational expenditure and assets replaced or renewed as part of asset replacement and renewal operational expenditure, and additional information on insurance.
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref		($000)	($000)
7	**6b(i): Operational Expenditure**		
8	Service interruptions and emergencies	3,425	
9	Vegetation management	1,270	
10	Routine and corrective maintenance and inspection	1,609	
11	Asset replacement and renewal	1,925	
12	**Network opex**		8,228
13	System operations and network support	6,353	
14	Business support	10,820	
15	**Non-network opex**		17,172
16			
17	**Operational expenditure**		25,401
18	**6b(ii): Subcomponents of Operational Expenditure (where known)**		
19	Energy efficiency and demand side management, reduction of energy losses		244
20	Direct billing*		–
21	Research and development		24
22	Insurance		450
23	** Direct billing expenditure by suppliers that directly bill the majority of their consumers*		

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

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

sch ref

		Target ($000) [1]	Actual ($000)	% variance
7	**7(i): Revenue**			
8	Line charge revenue	119,720	118,615	(1%)
		Forecast ($000) [2]	**Actual ($000)**	**% variance**
9	**7(ii): Expenditure on Assets**			
10	Consumer connection	14,760	18,233	24%
11	System growth	5,718	2,606	(54%)
12	Asset replacement and renewal	13,705	16,521	21%
13	Asset relocations	4,572	5,034	10%
14	Reliability, safety and environment:			
15	Quality of supply	1,203	1,315	9%
16	Legislative and regulatory	447	396	(11%)
17	Other reliability, safety and environment	925	563	(39%)
18	**Total reliability, safety and environment**	2,575	2,275	(12%)
19	**Expenditure on network assets**	41,330	44,669	8%
20	Expenditure on non-network assets	1,316	2,535	93%
21	Expenditure on assets	42,646	47,204	11%
22	**7(iii): Operational Expenditure**			
23	Service interruptions and emergencies	2,567	3,425	33%
24	Vegetation management	1,352	1,270	(6%)
25	Routine and corrective maintenance and inspection	3,811	1,609	(58%)
26	Asset replacement and renewal	813	1,925	137%
27	**Network opex**	8,543	8,228	(4%)
28	System operations and network support	8,961	6,353	(29%)
29	Business support	7,954	10,820	36%
30	**Non-network opex**	16,915	17,172	2%
31	**Operational expenditure**	25,458	25,401	(0%)
32	**7(iv): Subcomponents of Expenditure on Assets (where known)**			
33	Energy efficiency and demand side management, reduction of energy losses	370	–	(100%)
34	Overhead to underground conversion	4,448	–	(100%)
35	Research and development	–	–	–
36				
37	**7(v): Subcomponents of Operational Expenditure (where known)**			
38	Energy efficiency and demand side management, reduction of energy losses	198	244	23%
39	Direct billing	–	–	–
40	Research and development	50	24	(53%)
41	Insurance	530	450	(15%)
42				

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

44 *2 From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the disclosure year (the second to last disclosure of Schedules 11a and 11b)*

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
Network / Sub-Network Name	

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

sch ref

8(i): Billed Quantities by Price Component

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	in disclosure year (MWh)
1153	Residential Low User	Standard	43,559	225,431
1154	Residential Standard User	Standard	29,731	263,217
1200	General	Standard	9,713	185,185
1250	Small Scale DG Low User	Standard	530	3,957
1251	Small Scale DG Standard User	Standard	429	5,924
1293	Streetlighting	Standard	72	6,659
1354	Medium Voltage (11kV)	Standard	171	248,461
1357	High Voltage (33kV)	Standard	2	9,526
1360	Low Voltage (400V)	Standard	657	231,508
1450	Unmetered	Standard	274	205
1557	Commercial Asset Specific	Non-standard	2	16,885
1630	Commercial Asset Specific	Non-standard	1	2,531
1700	Commercial Asset Specific	Non-standard	1	11,169
1153C	Residential Low User	Standard	2,853	14,355
1154C	Residential Standard User	Standard	2,752	21,851
1200C	General Conditional	Standard	2,590	35,056
1250C	Small Scale DG Low User	Standard	82	518
1251C	Small Scale DG Standard User	Standard	83	1,509
Add extra rows for additional consumer groups or price category codes as necessary				
		Standard consumer totals	93,498	1,253,363
		Non-standard consumer totals	4	30,585
		Total for all consumers	93,502	1,283,948

Billed quantities by price component

Price component	Fixed	Fixed	Fixed	Variable Energy	Variable Reactive Energy	Peak Demand	Transformer Rebate	Capacity Charge	Excess Capacity Charge	Prior Periods Adjustment Fixed	Prior Periods Adjustment Fixed	Prior Periods Adjustment Fixed	Prior Periods Adjustment Variable Energy	Prior Periods Adjustment Variable Reactive Energy	Prior Periods Adjustment Peak Demand	Prior Periods Adjustment Transformer Rebate	Prior Periods Adjustment Capacity Charge	Prior Periods Adjustment Excess Capacity Charge	*Add extra columns for additional billed quantities by price component as necessary*
Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)	Days	Month	Lamps	MWh	MVARh	MVA	MVA	MVA	MVA	Days	Month	Lamps	MWh	MVARh	MVA	MVA Rebate	MVA	MVA	
	16,316,477	–	–	225,431	–	–	–	–	–	9,009	–	–	(535)	–	–	–	–	–	
	10,550,802	–	–	263,217	–	–	–	–	–	3,544	–	–	(333)	–	–	–	–	–	
	3,558,240	–	–	185,185	–	–	–	–	–	2,711	–	–	78	–	–	–	–	–	
	195,504	–	–	3,957	–	–	–	–	–	944	–	–	(6)	–	–	–	–	–	
	161,042	–	–	5,924	–	–	–	–	–	319	–	–	51	–	–	–	–	–	
		–	9,053,048	6,659	–	–	–	–	–	–	–	55,100	41	–	–	–	–	–	
	63,935	–	–	248,461	10,822	692	107	1,135	8	(3)	–	–	(279)	(10)	(1)	(0)	0	(0)	
	732	–	–	9,526	0	18	18	23	0	–	–	–	–	–	–	–	–	–	
	245,570	–	–	231,508	10,175	718	–	1,215	10	62	–	–	(91)	(23)	0	–	(1)	(0)	
	100,753	–	–	205	–	–	–	–	–	(77)	–	–	(3)	–	–	–	–	–	
	732	–	–	16,885	–	39	–	52	4	–	–	–	–	–	–	–	–	–	
	–	12	–	2,531	1,191	35	–	86	–	–	–	–	–	–	–	–	–	–	
	366	12	–	11,169	–	17	–	23	–	–	–	–	–	–	–	–	–	–	
	1,034,359	–	–	14,355	–	–	–	–	–	3,193	–	–	(294)	–	–	–	–	–	
	992,490	–	–	21,851	–	–	–	–	–	(776)	–	–	(303)	–	–	–	–	–	
	948,860	–	–	35,056	–	–	–	–	–	1,465	–	–	8	–	–	–	–	–	
	29,434	–	–	518	–	–	–	–	–	38	–	–	(1)	–	–	–	–	–	
	30,534	–	–	1,509	–	–	–	–	–	(229)	–	–	(50)	–	–	–	–	–	
	34,228,737	–	9,053,048	1,253,363	20,997	1,428	125	2,371	18	20,200	–	55,100	(1,715)	(33)	(0)	(0)	(1)	(0)	
	1,098	24	–	30,585	1,191	92	–	139	4	–	–	–	–	–	–	–	–	–	
	34,229,835	24	9,053,048	1,283,948	22,188	1,520	125	2,510	22	20,200	–	55,100	(1,715)	(33)	(0)	(0)	(1)	(0)	

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
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SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

8(ii): Line Charge Revenues ($000) by Price Component

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Line charge revenues ($000) by price component Price component Rate (eg, $ per day, $ per kWh, etc.)	Fixed Days	Fixed Month	Fixed Lamps	Variable Energy MWh	Variable Reactive Energy MVARh	Peak Demand MVA	Transformer Rebate MVA Rebate	Capacity Charge MVA	Excess Capacity Charge MVA	Prior Periods Adjustment Fixed Days	Prior Periods Adjustment Fixed Month	Prior Periods Adjustment Fixed Lamps	Prior Periods Adjustment Variable Energy MWh	Prior Periods Adjustment Variable Reactive Energy MVARh	Prior Periods Adjustment Peak Demand MVA	Prior Periods Adjustment Transformer Rebate MVA Rebate	Prior Periods Adjustment Capacity Charge MVA	Prior Periods Adjustment Excess Capacity Charge MVA	*Add extra columns for additional line charge revenues by price component as necessary*
1153	Residential Low User	Standard	$25,959		$25,959			$2,448	–	–	$23,554	–	–	–	–	–	($0)	–	–	($42)	–	–	–	–	–	
1154	Residential Standard User	Standard	$27,367		$27,367			$12,662	–	–	$14,696	–	–	–	–	–	$3	–	–	$7	–	$3	–	–	–	
1250	General	Standard	$21,204		$21,204			$4,270	–	–	$16,915	–	–	–	–	–	$1	–	–	$18	–	–	–	–	–	
1250	Small Scale DG Low User	Standard	$360		$360			$29	–	–	$332	–	–	–	–	–	$0	–	–	($1)	–	–	–	–	–	
1251	Small Scale DG Standard User	Standard	$514		$514			$193	–	–	$317	–	–	–	–	–	$0	–	–	$4	–	–	–	–	–	
1293	Streetlighting	Standard	$1,379		$1,379			–	–	$1,371	–	–	–	–	–	–	–	–	$8	–	–	–	–	–	–	
1354	Medium Voltage (11kV)	Standard	$14,288		$14,288			$276	–	–	$2,783	$216	$8,849	($23)	$2,117	$72	$0	–	–	($4)	($0)	$1	($0)	$6	($0)	
1357	High Voltage (33kV)	Standard	$346		$346			$3	–	–	$95	$0	$207	($4)	$40	$4	–	–	–	–	–	–	–	–	–	
1360	Low Voltage (400V)	Standard	$17,211		$17,211			$1,059	–	–	$3,218	$203	$10,380	–	$2,260	$92	$0	–	–	($2)	($0)	$0	–	$1	($0)	
1450	Unmetered	Standard	$37		$37			$31	–	–	$5	–	–	–	–	–	$1	–	–	($0)	–	–	–	–	–	
1557	Commercial Asset Specific	Non-standard	$746		$746			$3	–	–	$169	–	$444	–	$96	$34	–	–	–	–	–	–	–	–	–	
1830	Commercial Asset Specific	Non-standard	–		–			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
1700	Commercial Asset Specific	Non-standard	$674		$674			$2	$229	–	$155	–	$248	–	$40	–	–	–	–	–	–	–	–	–	–	
1153C	Residential Low User	Standard	$1,626		$1,626			$151	–	–	$1,503	–	–	–	–	–	$0	–	–	($33)	–	–	–	–	–	
1154C	Residential Standard User	Standard	$2,392		$2,392			$1,191	–	–	$1,221	–	–	–	–	–	($1)	–	–	($19)	–	–	–	–	–	
1200C	General Conditional	Standard	$4,345		$4,345			$1,139	–	–	$3,186	–	–	–	–	–	$2	–	–	$19	–	–	–	–	–	
1250C	Small Scale DG Low User	Standard	$44		$44			$4	–	–	$40	–	–	–	–	–	$0	–	–	($0)	–	–	–	–	–	
1251C	Small Scale DG Standard User	Standard	$121		$121			$37	–	–	$89	–	–	–	–	–	($0)	–	–	($4)	–	–	–	–	–	
Add extra rows for additional consumer groups or price category codes as necessary																										
		Standard consumer totals	$117,195	–	$117,195	–		$23,496	–	$1,371	$67,952	$420	$19,436	($25)	$4,417	$168	$7	–	$8	($57)	($1)	$1	($0)	$1	($0)	
		Non-standard consumer totals	$1,420	–	$1,420	–		$5	$229	–	$324	–	$692	–	$136	$34	–	–	–	–	–	–	–	–	–	
		Total for all consumers	$118,615	–	$118,615	–		$23,501	$229	$1,371	$68,276	$420	$20,128	($25)	$4,553	$203	$7	–	$8	($57)	($1)	$1	($0)	$1	($0)	

8(iii): Number of ICPs directly billed

Number of directly billed ICPs at year end	3	**Check** OK

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

SCHEDULE 9a: ASSET REGISTER

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref								
8	**Voltage**	**Asset category**	**Asset class**	**Units**	**Items at start of year (quantity)**	**Items at end of year (quantity)**	**Net change**	**Data accuracy (1–4)**
9	All	Overhead Line	Concrete poles / steel structure	No.	37,377	37,380	3	3
10	All	Overhead Line	Wood poles	No.	1,907	1,843	(64)	3
11	All	Overhead Line	Other pole types	No.	11	16	5	3
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	187	187	(0)	3
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	–	–	–	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	236	238	1	3
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	–	–	–	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	–	–	–	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	15	15	0	3
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	–	–	–	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	–	–	–	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	–	–	–	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	–	–	–	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	–	–	–	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	26	26	–	4
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	–	–	–	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	–	–	–	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	–	–	–	N/A
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	–	–	–	N/A
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	53	53	–	4
29	HV	Zone substation switchgear	33kV RMU	No.	9	9	–	4
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	110	110	–	4
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	27	28	1	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	–	–	–	N/A
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	–	–	–	N/A
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	50	50	–	3
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,926	1,927	1	3
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	–	–	–	N/A
37	HV	Distribution Line	SWER conductor	km	–	–	–	N/A
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	590	608	17	3
39	HV	Distribution Cable	Distribution UG PILC	km	113	113	(1)	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	–	–	–	N/A
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	202	220	18	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	404	409	5	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	6,227	6,269	42	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	–	–	–	N/A
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1,066	1,119	53	3
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	4,159	4,198	39	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	1,999	2,037	38	3
48	HV	Distribution Transformer	Voltage regulators	No.	20	22	2	3
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	–	–	–	N/A
50	LV	LV Line	LV OH Conductor	km	1,035	1,019	(16)	3
51	LV	LV Cable	LV UG Cable	km	1,351	1,409	57	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	1,255	1,269	15	3
53	LV	Connections	OH/UG consumer service connections	No.	94,578	96,258	1,680	2
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	982	1,005	23	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1,282	1,322	40	3
56	All	Capacitor Banks	Capacitors including controls	No	1	1	–	4
57	All	Load Control	Centralised plant	Lot	8	9	1	4
58	All	Load Control	Relays	No	56,302	56,922	620	2
59	All	Civils	Cable Tunnels	km	–	–	–	N/A

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

SCHEDULE 9b: ASSET AGE PROFILE

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

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

Number of assets at disclosure year end by installation date

9	Voltage	Asset category	Asset class	Units	pre-1940	1940 –1949	1950 –1959	1960 –1969	1970 –1979	1980 –1989	1990 –1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	No. with age unknown	Items at end of year	No. with default dates	Data accuracy (1–4)
10	All	Overhead Line	Concrete poles / steel structure	No.	3	7	41	1,292	17,527	7,277	2,532	236	276	373	219	253	345	329	412	377	433	269	565	593	444	529	496	587	440	600	466	457						2	37,380	1	3
11	All	Overhead Line	Wood poles	No.	–	–	18	110	414	492	492	47	57	31	29	10	23	14	9	12	28	8	4	4	11	5	2	6	4	2	4	6						1	1,843	5	3
12	All	Overhead Line	Other pole types	No.	–	–	1	1	1	–	2	–	–	–	1	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	3	5						–	16	–	3
13	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	–	–	–	5	59	36	23	0	12	0	2	–	8	6	1	2	0	–	30	1	–	–	0	1	1	1	0	–						–	187	–	3
14	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	–	–	–	–	13	5	8	7	8	–	0	3	29	29	11	13	7	3	55	23	2	1	15	3	1	2	1	1						–	238	–	3
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
18	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	–	–	–	–	14	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	15	–	3
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
22	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
23	HV	Subtransmission Cable	Subtransmission submarine cable	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
24	HV	Zone substation Buildings	Zone substations up to 66kV	No.	–	–	–	1	5	2	2	–	–	–	–	–	–	–	2	2	6	2	1	1	1	–	–	1	–	–	–	–						–	26	–	4
25	HV	Zone substation Buildings	Zone substations 110kV+	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
27	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
28	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
29	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	–	–	–	–	36	6	2	–	–	3	2	–	–	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	53	–	4
30	HV	Zone substation switchgear	33kV RMU	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	2	6	–	–	–	–	–	–	–	–						–	9	–	4
31	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	–	–	–	–	–	–	29	–	–	–	–	–	–	–	–	18	20	–	9	13	–	–	15	–	6	–	–	–						–	110	–	4
32	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	–	–	–	3	3	8	–	–	1	4	–	–	–	1	2	2	–	1	1	1	–	–	–	–	–	–	1						–	28	–	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
34	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
35	HV	Zone Substation Transformer	Zone Substation Transformers	No.	–	–	–	8	8	3	2	–	2	2	–	–	1	1	4	4	–	2	4	2	1	–	2	2	2	–	–	–						–	50	–	3
36	HV	Distribution Line	Distribution OH Open Wire Conductor	km	–	0	4	75	1,045	368	106	12	26	22	9	22	19	14	8	9	14	10	6	13	18	18	31	23	11	24	12	7						–	1,927	1	3
37	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	0	N/A
38	HV	Distribution Line	SWER conductor	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
39	HV	Distribution Cable	Distribution UG XLPE or PVC	km	–	–	–	41	60	41	39	15	12	19	9	14	19	24	19	28	42	19	15	23	22	22	29	25	15	18	17	19						–	608	–	3
40	HV	Distribution Cable	Distribution UG PILC	km	–	–	–	13	45	54	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	113	–	3
41	HV	Distribution Cable	Distribution Submarine Cable	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	–	–	–	–	3	1	1	–	–	5	2	12	23	–	5	4	7	1	1	2	4	1	22	25	38	26	20	17						–	220	–	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	–	–	9	45	37	36	43	11	15	13	1	1	3	5	22	28	22	13	37	15	4	–	8	21	–	3	12	5						–	409	–	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	–	6	3	33	971	910	418	69	126	162	130	164	120	180	135	167	191	135	180	265	271	246	304	247	223	207	205	200						1	6,269	–	3
45	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
46	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1	–	1	25	146	60	38	5	14	41	19	25	40	45	41	37	37	40	24	53	57	52	72	55	40	41	52	57						1	1,119	–	3
47	HV	Distribution Transformer	Pole Mounted Transformer	No.	3	17	49	99	178	479	597	69	96	123	116	101	136	145	147	143	152	97	101	162	134	149	182	135	162	125	160	138						3	4,198	–	3
48	HV	Distribution Transformer	Ground Mounted Transformer	No.	3	1	10	41	203	250	216	29	41	53	28	39	51	62	93	87	92	76	58	72	81	79	91	60	51	52	62	56						–	2,037	2	3
49	HV	Distribution Transformer	Voltage regulators	No.	–	–	–	–	–	–	1	2	1	1	–	–	–	1	2	–	–	–	2	–	–	2	–	–	1	3	4	2						–	22	–	3
50	HV	Distribution Substations	Ground Mounted Substation Housing	No.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A
51	LV	LV Line	LV OH Conductor	km	–	0	1	30	460	260	116	12	15	18	11	12	15	18	9	5	4	2	2	4	4	3	4	2	5	3	1	2						–	1,019	3	3
52	LV	LV Cable	LV UG Cable	km	0	4	–	54	201	270	133	26	25	27	28	35	43	56	39	48	33	16	18	19	24	29	45	43	41	42	55	53						–	1,409	62	3
53	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	0	0	1	23	219	229	167	49	45	50	43	60	61	45	30	31	37	13	10	24	20	13	21	16	15	17	16	14						–	1,269	–	3
54	LV	Connections	OH/UG consumer service connections	No.	–	–	–	–	–	–	–	1,573	67,661	1,190	1,578	1,720	1,849	1,899	2,220	2,421	1,101	963	1	3	257	1,430	1,394	1,604	1,935	1,692	1,773	1,994						–	96,258	67,661	2
55	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	–	–	–	72	115	39	63	38	7	39	6	11	26	10	54	66	71	22	82	74	6	17	47	17	72	23	18	10						–	1,005	–	3
56	All	SCADA and communications	SCADA and communications equipment operating as a single sys	Lot	–	–	–	–	–	14	13	20	28	23	12	27	37	7	63	19	75	55	71	121	79	54	116	109	142	94	76	65						2	1,322	–	3
57	All	Capacitor Banks	Capacitors including controls	No	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	1	–	4
58	All	Load Control	Centralised plant	Lot	–	–	–	2	1	1	1	–	–	1	–	–	–	1	–	–	1	–	–	–	–	–	–	–	–	–	1	–						–	9	–	4
59	All	Load Control	Relays	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–						56,920	56,922	–	2
60	All	Civils	Cable Tunnels	km	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–						–	–	–	N/A

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref				
9				
10	**Circuit length by operating voltage (at year end)**	**Overhead (km)**	**Underground (km)**	**Total circuit length (km)**
11	> 66kV	–	–	–
12	50kV & 66kV	–	–	–
13	33kV	187	252	440
14	SWER (all SWER voltages)	–	–	–
15	22kV (other than SWER)	–	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	1,927	720	2,648
17	Low voltage (< 1kV)	1,019	1,409	2,428
18	**Total circuit length (for supply)**	3,134	2,381	5,515
19				
20	Dedicated street lighting circuit length (km)	281	988	1,269
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			831
22				

23	**Overhead circuit length by terrain (at year end)**	**Circuit length (km)**	**(% of total overhead length)**
24	Urban	535	17%
25	Rural	1,901	61%
26	Remote only	–	–
27	Rugged only	698	22%
28	Remote and rugged	–	–
29	Unallocated overhead lines	–	–
30	**Total overhead length**	3,134	100%
31			

32		**Circuit length (km)**	**(% of total circuit length)**
33	Length of circuit within 10km of coastline or geothermal areas (where known)	376	7%

34		**Circuit length (km)**	**(% of total overhead length)**
35	Overhead circuit requiring vegetation management	2,225	71%

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

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

This schedule requires information concerning embedded networks owned by an EDB that are embedded in another EDB's network or in another embedded network.

sch ref

	Location *	Number of ICPs served	Line charge revenue ($000)
9	Brick Street	18	147
10	Flagship	3	89
11	Halfmoon Bay	59	62
12	Hulme Place	33	21
13	Jeffs Road Dannemora	883	704
14	Kirkdale	267	210
15	Oaklands	178	158
16	Porchester Road	277	245
17	Ryan Place	71	61
18	Southgate	110	103
19			
20			
21			
22			
23			
24			
25			

** Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB's network or in another embedded network*

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

SCHEDULE 9e: REPORT ON NETWORK DEMAND

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

sch ref

9e(i): Consumer Connections

Number of ICPs connected in year by consumer type

	*Consumer types defined by EDB**	Number of connections (ICPs)
	Residential Low User (1153)	143
	Residential Standard User (1154)	649
	General (1200)	88
	Small Scale DG Low User (1250)	4
	Small Scale DG Standard User (1251)	1
	Metered and Unmetered Streetlighting (1293)	1
	Medium Voltage (11kv)(1354)	2
	Low Voltage (440V) (1360)	26
	Residential Standard User Conditional (1154C)	519
	Residential Low User Conditional (1153C)	9
	General Conditional (1200C)	380
	** include additional rows if needed*	
	Connections total	1,822

Distributed generation

Number of connections made in year	177	**connections**
Capacity of distributed generation installed in year	1.09	**MVA**

9e(ii): System Demand

		Demand at time of maximum coincident demand (MW)
	Maximum coincident system demand	
	GXP demand	202
plus	Distributed generation output at HV and above	69
	Maximum coincident system demand	271
less	Net transfers to (from) other EDBs at HV and above	–
	Demand on system for supply to consumers' connection points	271

		Energy (GWh)	
	Electricity volumes carried		
	Electricity supplied from GXPs	996	
less	Electricity exports to GXPs	81	
plus	Electricity supplied from distributed generation	407	
less	Net electricity supplied to (from) other EDBs	(15)	
	Electricity entering system for supply to consumers' connection points	1,336	
less	Total energy delivered to ICPs	1,284	
	Electricity losses (loss ratio)	52	3.9%
	Load factor	0.56	

9e(iii): Transformer Capacity

	(MVA)
Distribution transformer capacity (EDB owned)	948
Distribution transformer capacity (Non-EDB owned, estimated)	24
Total distribution transformer capacity	972
Zone substation transformer capacity	766

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

10(i): Interruptions

Interruptions by class

	Number of interruptions
Class A (planned interruptions by Transpower)	–
Class B (planned interruptions on the network)	508
Class C (unplanned interruptions on the network)	708
Class D (unplanned interruptions by Transpower)	–
Class E (unplanned interruptions of EDB owned generation)	–
Class F (unplanned interruptions of generation owned by others)	–
Class G (unplanned interruptions caused by another disclosing entity)	1
Class H (planned interruptions caused by another disclosing entity)	–
Class I (interruptions caused by parties not included above)	–
Total	1,217

Interruption restoration

	≤3Hrs	>3hrs
Class C interruptions restored within	412	296

SAIFI and SAIDI by class

	SAIFI	SAIDI
Class A (planned interruptions by Transpower)	–	–
Class B (planned interruptions on the network)	0.30	42.5
Class C (unplanned interruptions on the network)	1.34	80.1
Class D (unplanned interruptions by Transpower)	–	–
Class E (unplanned interruptions of EDB owned generation)	–	–
Class F (unplanned interruptions of generation owned by others)	–	–
Class G (unplanned interruptions caused by another disclosing entity)	0.01	0.1
Class H (planned interruptions caused by another disclosing entity)	–	–
Class I (interruptions caused by parties not included above)	–	–
Total	1.65	122.7

Normalised SAIFI and SAIDI

	Normalised SAIFI	Normalised SAIDI
Classes B & C (interruptions on the network)	1.64	122.6

Company Name	**WEL Networks Limited**
For Year Ended	**31 March 2020**
Network / Sub-network Name	

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

10(ii): Class C Interruptions and Duration by Cause

Cause	SAIFI	SAIDI
Lightning	0.05	2.9
Vegetation	0.03	3.6
Adverse weather	0.18	7.7
Adverse environment	–	–
Third party interference	0.26	23.1
Wildlife	0.08	4.2
Human error	0.02	0.6
Defective equipment	0.45	28.3
Cause unknown	0.27	9.7

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

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	–	–
Subtransmission cables	–	–
Subtransmission other	–	–
Distribution lines (excluding LV)	0.15	22.9
Distribution cables (excluding LV)	–	–
Distribution other (excluding LV)	0.15	19.6

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

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.10	1.4
Subtransmission cables	–	–
Subtransmission other	0.01	0.1
Distribution lines (excluding LV)	0.98	57.7
Distribution cables (excluding LV)	0.06	3.2
Distribution other (excluding LV)	0.19	17.7

10(v): Fault Rate

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	5	187	2.67
Subtransmission cables	–	252	–
Subtransmission other	2		
Distribution lines (excluding LV)	315	1,927	16.35
Distribution cables (excluding LV)	28	720	3.89
Distribution other (excluding LV)	358		
Total	708		

Company Name	WEL Networks Limited
For Year Ended	31 March 2020

Schedule 14 Mandatory Explanatory Notes

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

1. This schedule requires EDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and subclauses 2.5.1(1)(f),and 2.5.2(1)(e).

2. This schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 11 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.

3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for EDBs to give additional explanation of disclosed information should they elect to do so.

Return on Investment (Schedule 2)

4. In the box below, comment on return on investment as disclosed in Schedule 2. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 1: Explanatory comment on return on investment

ROI for FY20 is 8.44% compared to a comparable mid-point estimate of post-tax WACC of 4.27%. This is consistent with FY19 (8.43%).

No items have been reclassified.

Regulatory Profit (Schedule 3)

5. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 3. This comment must include-

   5.1 a description of material items included in other regulated income (other than gains / (losses) on asset disposals), as disclosed in 3(i) of Schedule 3

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

Box 2: Explanatory comment on regulatory profit

5.1. Te Uku windfarm lease revenue is the only material item included in other regulated income. This revenue relates to the line and other assets that supply the windfarm.

5.2. This year, NZ IFRS 16 – Leases was adopted, and as a result the treatment of qualifying leases has changed. Qualifying leases were previously recognised as operating expenses, however from the current year are now classified as non-network assets. Consistent with the transitional approach of NZ IFRS 16 – Leases, the prior year has not been restated. Additional information in relation to the change in accounting standard is included in WEL Networks' 2020 Annual Report.

Merger and acquisition expenses (3(iv) of Schedule 3)

6. If the EDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below-

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

   6.2 any other commentary on the benefits of the merger and acquisition expenditure to the EDB.

Box 3: Explanatory comment on merger and acquisition expenditure

No merger and acquisition expenditure.

Value of the Regulatory Asset Base (Schedule 4)

7. In the box below, comment on the value of the regulatory asset base (rolled forward) in Schedule 4. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 4: Explanatory comment on the value of the regulatory asset base (rolled forward)

The value of the Asset Base in Schedule 4 for the 2019 FY was $569.3M and for the 2020 FY is now $599.9M, a positive movement of $30.6M.

The closing value of assets not yet commissioned and included in Works under construction at 31 March 2020 is $20.1M. The WIP balance associated with these assets will be rolled out of WIP once these assets are capitalised onto the RAB register.

In the prior year, WEL adopted the new ABAA allocation methodology for the allocation of poles that are being used for purposes other than electricity e.g. fibre, telephone lines etc, and for the allocation of non-network assets that are being used for purposes other than electricity e.g. building, land, computer assets etc. The current year allocations of $170k for poles and $592k for non-network assets have been included in assets commissioned.

This year, NZ IFRS 16 – Leases was adopted, and as a result the treatment of qualifying leases has changed. Qualifying leases were previously recognised as operating expenses, however from the current year are now classified as non-network assets. This had the effect of increasing non-network assets by $1.684M in FY20. Consistent with the transitional approach of NZ IFRS 16 – Leases, the prior year has not been restated. Additional information in relation to the change in accounting standard is included in WEL Networks' 2020 Annual Report.

During FY20, an error was identified in the calculation of depreciation dating back to FY15. Assets commissioned during FY14 to FY18 were being revalued in the year after commission, however no depreciation was being calculated on the assets until the following year (for example. for assets commissioned during FY14, these were revalued during FY15, but not depreciated until FY16). This had the effect of understating depreciation on these assets by one year. The depreciation calculation has been amended in the system, and revised RAB values for FY15 to FY19 have then been compared to the RAB values reported in each of the respective disclosure years. The variance in each individual disclosure year is not considered material for restatement of the published schedules, however management consider the cumulative variance should be adjusted in the FY20 disclosure schedules to correct the balances going forward. An adjustment has been recorded in the 'Lost and found asset adjustment' line which is the cumulative effect over the five disclosure years as per the below table. This was considered the most accurate disclosure method to correct the closing RAB value as it does not distort the depreciation, revaluation and disposal amounts relating to FY20 in Schedule 4(viii).

Disclosure year	Total
2015	(1,848)
2016	(1,037)
2017	(1,656)
2018	(1,008)
2019	(692)
Total	**(6,241)**

	Sub transmission Lines	Sub transmission Cables	Zone Substations	Distribution & LV Lines	Distribution & LV Cables	Distribution Substation & Transformers	Distribution Switchgear	Other Network Assets	Non Network Assets
2015	(5)	(21)	(313)	(108)	23	(621)	(244)	(53)	(506)
2016	0	(15)	254	(24)	(145)	(15)	113	(31)	(1,174)
2017	(2)	(67)	(54)	(117)	(282)	(114)	(86)	(47)	(887)
2018	(3)	(11)	(167)	(88)	(192)	(83)	(100)	(81)	(283)
2019	(9)	(21)	(295)	(294)	(213)	448	(103)	(72)	(133)
Total	**(19)**	**(134)**	**(575)**	**(631)**	**(809)**	**(385)**	**(421)**	**(285)**	**(2,982)**

Regulatory tax allowance: disclosure of permanent differences (5a(i) of Schedule 5a)

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-

    8.1 Income not included in regulatory profit / (loss) before tax but taxable;

    8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible;

    8.3 Income included in regulatory profit / (loss) before tax but not taxable;

    8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax.

Box 5: Regulatory tax allowance: permanent differences

8.1. There is no income not included in regulatory profit/(loss) before tax but taxable.

8.2. Expenditure or loss in regulatory profit / (loss) before tax but not deductible relates to the non-deductible portion of entertainment.

8.3. There is no income included in regulatory profit / (loss) before tax but not taxable.

8.4. There is no expenditure or loss deductible but not in regulatory profit / (loss) before tax.

Regulatory tax allowance: disclosure of temporary differences (5a(vi) of Schedule 5a)

9. In the box below, provide descriptions and workings of material items recorded in the asterisked category 'Tax effect of other temporary differences' in 5a(vi) of Schedule 5a.

Box 6: Tax effect of other temporary differences (current disclosure year)

Tax effect of other temporary differences amount to $12.9M and relate to:

Current year portion

- $1.5M tax effect of the current year portion of capital contributions which are being amortised over 10 years.
- $0.2M tax effect movement in other general provisions.

Prior year portion (refer to Schedule 15 for further details)

- $7.4M tax effect of capital contributions which are being amortised over 10 years and other general provisions. These have not been included in the schedule over the period FY13-FY19, therefore this adjustment is to correct the deferred tax balance in 2020.
- $2.1M tax effect of adjusted depreciation. Due to the depreciation calculation issue identified (refer to box 4 for details), adjusted depreciation through the disclosure years FY15-FY19 has changed, and therefore the tax on the adjusted depreciation has also changed. This would normally have flowed through line 62 in the schedules in the applicable disclosure year.
- $1.4M tax effect of tax depreciation. No adjustment had been made to the tax depreciation to remove non-regulated assets in FY13-FY19. Assets not included in the regulatory asset base in each year have been identified and the depreciation associated with these assets in each respective year has been removed. This is the tax effect of the $4.8M adjustment to the regulatory tax asset base. This would normally have flowed through line 64 in the schedules in the applicable disclosure year.
- $0.3M relating to the deferred tax cost allocation adjustment in 2019. No adjustment was made in the FY19 deferred tax calculation for the asset allocation. This would normally have flowed through line 74 in the schedule.

Cost allocation (Schedule 5d)

10. In the box below, comment on cost allocation as disclosed in Schedule 5d. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 7: Cost allocation

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

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

No items were reclassified.

Asset allocation (Schedule 5e)

11. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 8: Commentary on asset allocation

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

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

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

Capital Expenditure for the Disclosure Year (Schedule 6a)

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

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

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

Box 9: Explanation of capital expenditure for the disclosure year

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

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

12.2. This year, NZ IFRS 16 – Leases was adopted, and as a result the treatment of qualifying leases has changed. Qualifying leases were previously recognised as operating expenses, however from the current year are now classified as non-network assets. Consistent with the transitional approach of NZ IFRS 16 – Leases, the prior year has not been restated. Additional information in relation to the change in accounting standard is included in WEL Networks' 2020 Annual Report.

Operational Expenditure for the Disclosure Year (Schedule 6b)

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

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

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

    13.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

Box 10: Explanation of operational expenditure for the disclosure year

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

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

13.2. This year, NZ IFRS 16 – Leases was adopted, and as a result the treatment of qualifying leases has changed. Qualifying leases were previously recognised as operating expenses, however from the current year are now classified as non-network assets. Consistent with the transitional approach of NZ IFRS 16 – Leases, the prior year has not been restated. Additional information in relation to the change in accounting standard is included in WEL Networks' 2020 Annual Report.

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

Variance between forecast and actual expenditure (Schedule 7)

14. In the box below, comment on variance in actual to forecast expenditure for the disclosure year, as reported in Schedule 7. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 11: Explanatory comment on variance in actual to forecast expenditure

Expenditure on Assets

Consumer connection – $3.5M higher than forecasted due to continued growth in Customer Initiated Work (CIW) demand across the network. The Waikato subdivision and housing market has been extremely buoyant in recent times with year on year growth experienced. We are seeing more multiple units being built on one block of land where there was previously one dwelling on a property which is increasing connection levels.

System growth – Approximately $1.4M lower than forecasted spend in zone substations due to the forecast including amounts for Crosby substation, EXC substation and Gordonton Zone substation which have been deferred. Approximately $1.8M lower than forecasted spend in non-network assets due to forecasted projects being completed in FY19 or deferred.

Asset replacement and renewal – This category includes costs related to capitalised faults and distribution network capitalisations as a result of unplanned maintenance. Both of these projects are unplanned capital works which are estimated for the purpose of the forecast. Due to their unplanned nature, the actuals are higher than forecasted.

Expenditure on non-network assets – Primarily driven by the adoption of NZ IFRS 16 – Leases which changes the treatment of qualifying leases. Qualifying leases were previously recognised as operating expenses, however from the current year are now classified as non-network assets. This had the effect of increasing non-network assets by $1.684M in FY20, which was not factored into the forecast figure.

Operational Expenditure

Service interruptions and emergencies – Higher than forecasted due to the unplanned nature of faults works. The variance is due to costs involved in actual faults work differing to that estimated including the time to fix the faults, labour type required to fix different faults, increase in labour rates between financial years, and different materials required.

Routine and corrective maintenance and inspection, and Asset replacement and renewal – Combined these categories are approximately $1m lower than forecasted. This is driven by differences in the labour and materials expenses in the maintenance plan at the time of the forecast and the actual expenses incurred in maintenance completed during FY20.

System operations and network support, and business support – Variances between actual and forecast expenditure is largely due to the forecast being based on the assumption of WEL Services continuing to be a separate company, and therefore having internal margin recoveries and internal revenue in WEL Networks. As at 31 March 2019, WEL Services was amalgamated into WEL Networks, and the internal margin recoveries and internal revenue transactions were eliminated.

Information relating to revenues and quantities for the disclosure year

15. In the box below provide-

    15.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and subclause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and

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

Box 12: Explanatory comment relating to revenue for the disclosure year

15.1. The variance between target revenue and total billed revenue for the year is -1%.

15.2. Total billed revenue is lower than target revenue due to lower than expected kilowatt hour consumption. The main driver for this is warmer than average temperatures in winter.

Network Reliability for the Disclosure Year (Schedule 10)

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

Box 13: Commentary on network reliability for the disclosure year

No significant events to normalise within FY20.

Increase in Class C SAIDI was due to higher number of third party fault (car vs poles) which require a longer repair time and affect a higher number of customers.

Successive interruptions have been treated in the same way for the 2020 disclosure year as they were for the 2019 disclosure year. The process applied for calculating SAIDI and SAIFI has been based on all customer interruptions including instances where customers were impacted multiple times in multi-stage outages.

Insurance cover

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

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

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

Box 14: Explanation of insurance cover

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

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

Amendments to previously disclosed information

18. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:

    18.1 a description of each error; and

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

Box 15: Disclosure of amendment to previously disclosed information

[Insert text here]

Company Name WEL Networks Limited

For Year Ended 31 March 2020

Schedule 14a Mandatory Explanatory Notes on Forecast Information

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

1. This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.

2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

Commentary on difference between nominal and constant price capital expenditure forecasts (Schedule 11a)

3. In the box below, comment on the difference between nominal and constant price capital expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11a.

Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts

WEL has used the cost index 2.87% for both network and non-network to determine the nominal price. The 2.87% cost index for both network and non-network was derived from 50% Labour Costs Index (LCI) and 50% Capital Goods Price Index (CGPI) from the 2019 data of Treasury. We forecast LCI and CGPI for 10 years and the average derived was used as the cost index. The LCI was forecast using Treasury forecasts from FY20-23 and we forecast FY24-30 using the average of the FY18-19 actuals and the Treasury forecast. For CGPI FY21-30 forecast, we used the average of the FY18-19 actuals.

Commentary on difference between nominal and constant price operational expenditure forecasts (Schedule 11b)

4. In the box below, comment on the difference between nominal and constant price operational expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11b.

Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts

WEL has used the cost index 2.96% and 2.98% respectively for network and non-network to determine the nominal price. The 2.96% cost index for network OPEX was derived from 90% LCI and 10% CGPI from the 2018 data from Treasury. The 2.98% cost index for non-network OPEX was derived from 100% LCI from the 2019 data from Treasury.

We forecasted LCI and CGPI for 10 years and the average derived was used as the cost index. The LCI was forecasted using Treasury forecasts from FY20-23 and we forecast FY24-30 using the average of the FY18-19 actuals and the Treasury forecast. For CGPI FY21-30 forecast, we used the average of the FY18-19 actuals.

Company Name WEL Networks Limited

For Year Ended 31 March 2020

Schedule 15 Voluntary Explanatory Notes

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

1. This schedule enables EDBs to provide, should they wish to-

   1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1 and 2.5.2;

   1.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.

2. Information in this schedule is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

3. Provide additional explanatory comment in the box below.

Box 1: Voluntary explanatory comment on disclosed information

Schedule 5a: Report of Regulatory Tax Allowance

The 2020 Information Disclosure schedules include some corrections that relate to previous years' Information Disclosure schedules. In addition to the impact of the depreciation calculation issue identified in Schedule 4 (refer to box 4 of Schedule 14 for further details), further historical issues have been identified in the treatment of capital contributions and other temporary differences; and the calculation of tax depreciation and regulatory tax asset value of assets commissioned in Schedule 5a over the disclosure years FY13-FY19.

The corrections are not considered material for restatement of the published schedules based on the impact on ROI being minimal in FY20 (0.01%). Management consider the cumulative variance should be adjusted in the FY20 disclosure schedules to correct the deferred tax and regulatory tax asset base roll-forward closing balances.

Adjustments have been recorded in the FY20 Information Disclosures as follows:

- 5a(iv) – Opening sum of RAB without revaluations – Due to the depreciation calculation issue identified (refer to box 4 of Schedule 14 for details), adjusted depreciation and disposal values through the disclosure years FY15-FY19 have changed. Both of these figures have a follow through impact on the sum of RAB without revaluations calculation. The opening sum in FY20 has been recalculated using the updated values.

- 5a(vi) – Tax effect of other temporary differences – refer to box 6 of Schedule 14 ' Prior year portion' for details of adjustments included in this line.

- 5a(viii) – Other adjustments to the RAB tax value – $64.6M adjustment to correct closing sum of regulatory tax asset values for FY20. This relates to:
    - $4.8M Tax depreciation – No adjustment had been made to tax depreciation to remove non-regulated assets in FY13-FY19. Assets not included in the regulatory asset base in each year have been identified and the depreciation associated with these assets in each respective year has been removed. $4.8M is the cumulative impact of the depreciation which was recorded in the published schedules that should have been excluded.
    - $6M Regulatory tax asset value of assets commissioned – In FY17, regulatory tax asset value of assets commissioned excluded $6M relating to assets acquired from a related party that should have been included.
    - $52M Regulatory tax asset value of assets commissioned – In all previous disclosure years, the regulatory tax asset value of assets commissioned has included a deduction for the value of capital contributions. The regulatory tax asset base should not include a deduction for the value of capital contributions as these flow through the deferred tax calculation using the 10 year income spreading method (for the adjustment to deferred tax, refer to 'tax effect of capital contributions which are being amortised over 10 years' in box 6 of Schedule 14). $52M is the cumulative impact of the capital contributions that were recorded in the published schedules.

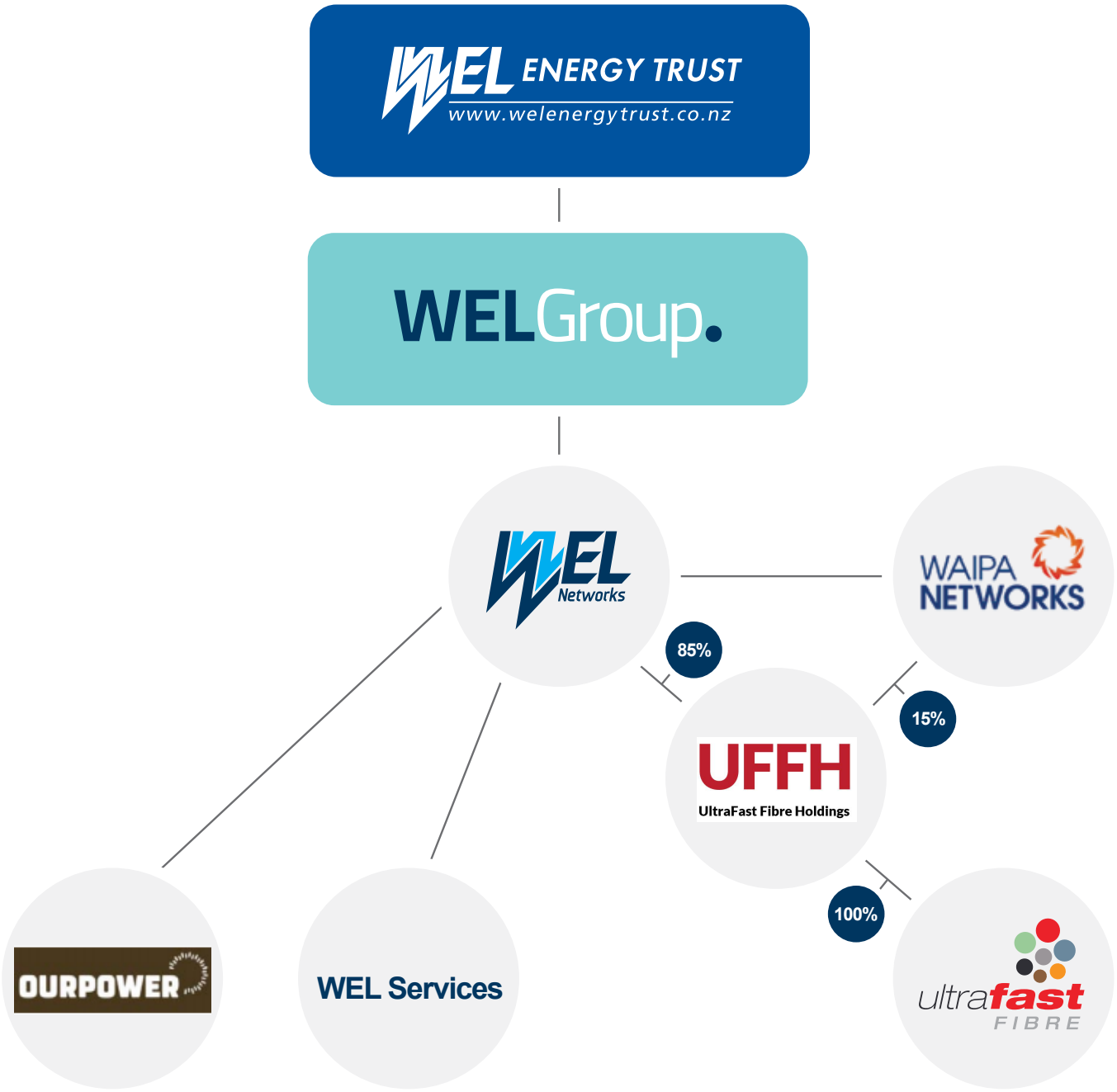
- $0.4M Regulatory tax asset value of asset disposals – In FY19, regulatory tax asset value of asset disposals was taken as the regulatory asset value, instead of the regulatory tax asset value. $0.4M is the difference between the regulatory asset value and the regulatory tax asset value.
- $1.2M Adjustment resulting from asset allocation – In FY19, the adjustment relating from asset allocation recorded in Schedule 5a(viii) was the regulatory asset value which had been allocated, instead of the regulatory tax asset value. $1.2M is the difference between the regulatory asset value and the regulatory tax asset value.

As a result of the tax law changes relating to COVID-19, WEL Networks can claim tax depreciation on buildings going forward. One off adjustments in FY20 have been made as follows:

- $4.2M adjustment to the regulatory tax asset value of assets commissioned to reflect the increased tax asset base post law change.

- $1.2M adjustment to deferred tax balance relating to assets acquired in the disclosure year to reflect an increase in the deferred tax asset post law change.

Regulated Related Party Model



Wholly owned retail provider of power to the Waikato region.

Annual revenue 2020 (000's):

Lines charges: $828

Business division providing contracting services to WEL Networks.

Annual expenditure Opex 2020 (000's):

Service interruption and emergencies: $3,162
Vegetation Management: $1,270
Routine and corrective maintenance and inspection: $1,459
Asset replacement and renewal: $1,755
System operations and network support: $165

Annual expenditure Capex 2020 (000's):

Consumer connection: $6,580
System Growth: $20
Asset replacement and renewal: $8,242
Asset relocations: $1,894
Quality of Supply: $47
Legislative and regulatory: $272
Other reliability, safety and environment: $109

UFF builds, owns and operates the UFB network in a variety of urban towns within the north island. UFF rent space on some WEL Networks' poles for their fibre connections.

Annual revenue 2020 (000's):

Pole lease: $88

This revenue is non-regulatory and is excluded from the regulatory Information Disclosures.

Related Party Procurement

Procurement Policy Summary

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

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

A **related party** means a person that is related to the EDB, where the EDB would be considered as the 'reporting entity' under NZ IAS 24 or any part of the EDB that does not supply electricity distribution services[1].

The current procurement policy was approved in March 2019.

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

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

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

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

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

Classification of related party procurement

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

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

Examples of procurement by category

Example	Practical application of Policy	Supplier used	Reason for supplier used	How cost is determined	Change from Prior year?
Service Interruptions & Emergencies					
Switch Isolation Customer has called with a fault of no power. Job was due to 11kv line down between poles. The faultman repaired the line and relivened.	A work order is automatically created at the time a fault call is made and a faultman is dispatched. Due to the unknown nature of fault work, the work required is assessed on the job. This example was completed by the 1st response faultman and did not need any additional planning or design work.	WEL's Contracting division	To utilise the expertise and services of a stand-by team who are available 24/7.	Labour rate is based on average salary costs plus direct overheads. Average salary costs are based on average productivity/ billability levels.	None
Planned Maintenance					
Battery discharge testing at Raglan substation Performed discharge testing on all Protection and COMMs batteries in substation.	Maintenance jobs are divided equally over maintenance cycles. A maintenance plan is produced that includes routine maintenance and automatically creates a work order once the task is due for maintenance. Work included in maintenance plan such as the example given, is pre-approved by the Maintenance manager and is reviewed by the planning team once work order is created before being given to the scheduling team and dispatched for completion.	WEL's Contracting division	To utilise the expertise and services of teams with knowledge of WEL's network.	Labour rate is based on average salary costs plus direct overheads. Average salary costs are based on average productivity/ billability levels.	None
Vegetation					
Monthly line inspection 100% of the network is required to be inspected for possible vegetation issues. The vegetation costs include line inspection and cuts.	When vegetation poses a danger to the network WEL is obligated to undertake the work to remove the danger. If trees are on private land and within the Growth Limit Zone a notification letter is given to the land owner and at this point the owner has a choice of who they use to trim the trees.	WEL's Contracting division and other contractors	Customers have the ability to choose contractors. WEL's Contracting division is used for critical cuts.	Cost is based on actual salaries and expenses for vegetation inspections and maintenance, offset by revenues earned by private work.	In the prior year, cost was based on an annual service fee which was based on the average cost of salaries, offset by forecast revenues earned by private work.

Asset replacement					
Asset Replacement Rural Reliability Project This project is included replacement of 16mm^2 Copper Conductor, undergrounding 300m of line and installing more Network switches.	This was included in the annual Asset Management Plan. The work was designed and costed within WEL Networks and due to the financial value was approved by the CEO. The project was then scheduled for completion.	WEL's Contracting division	Supplier has been chosen based on expertise and availability.	Labour rate is based on average salary costs plus direct overheads. Average salary costs are based on average productivity/ billability levels.	None
Network projects					
CLA 33 kV and 11kV CB Replacement and Protection Upgrade This is a combined Asset Replacement and Network Development Project that involved the replacement of 17x 11kV circuit breakers + protection for those breakers and the associated 33/11kV transformers.	This was included in the annual Asset Management Plan. The work was designed and costed within WEL Networks and due to the high value it was approved by the GM. The project was then scheduled for completion.	WEL's Contracting division	Supplier has been chosen based on expertise and availability.	Labour rate is based on average salary costs plus direct overheads. Average salary costs are based on average productivity/ billability levels.	None
Customer Initiated Works					
Relocation Customer request for relocation of transformer and ring main unit to allow for building.	A customer requested the relocations. This request was scoped, designed, costed and approved within WEL. Due to the financial value of the project it was approved by the CEO. A quote was sent to the customer for their contribution towards the project. Once the customer confirmed and a deposit was made the work was allocated for completion.	WEL's Contracting division	Supplier has been chosen based on expertise and availability.	Labour rate is based on average salary costs plus direct overheads. Average salary costs are based on average productivity/ billability levels.	None

Market Testing

Category	Type of test	Last tested	Comments
Service Interruptions & Emergencies	Labour and plant rate comparison	2019	Labour rates are calculated as actual cost plus an allocation of overheads. These labour rates are compared against contractors for reasonableness however the related party is solely used and the department is run on a break even basis*
Planned Maintenance	Labour and plant rate comparison	2020	Labour rates are calculated as actual cost plus an allocation of overheads. These labour rates are compared against contractors for reasonableness however the related party is used in the first instance**
Vegetation Management	None	Never tested	Customer can choose the supplier therefore WEL's Contracting division has to be competitive in its pricing to ensure they retain the work.
Network projects	Labour and plant rate comparison	2020	Rates are compared annually between related party and external contractors.
Asset replacement	Labour and plant rate comparison	2020	Rates are compared annually between related party and external contractors. A benchmarking exercise is also undertaken for cabling work in 2018.
Customer Initiated Works	Labour and plant rate comparison	2020	Rates are compared annually between related party and external contractors.

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

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