

EDB Information Disclosure Requirements Information Templates for Schedules 1–10

Company Name
Disclosure Date
Disclosure Year (year ended)

WEL Networks

31 August 2017

31 March 2017

Templates for Schedules 1–10 excluding 5f–5g Template Version 4.1. Prepared 24 March 2015

WEL Networks Company Name 31 March 2017 For Year Ended **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. 1(i): Expenditure metrics Expenditure per Expenditure per MVA Expenditure per Expenditure per MW maximum of capacity from EDB-Expenditure per GWh energy average no. of coincident system owned distribution delivered to ICPs ICPs demand km circuit length transformers (\$/GWh) (\$/ICP) (\$/MW) (\$/km) (\$/MVA) Operational expenditure 20,957 287 93,521 28,696 Network 3,815 52 17,022 866 5,223 11 Non-network 17,143 235 76,499 3,893 23,473 12 13 Expenditure on assets 24,771 339 110,540 5,625 33,918 14 Network 23,547 322 105,076 5,347 32,242 15 Non-network 1,224 17 5,464 278 1,676 16 1(ii): Revenue metrics 17 Revenue per GWh Revenue per energy delivered average no. of to ICPs **ICPs** (\$/GWh) (\$/ICP) 18 19 Total consumer line charge revenue 86,608 1.185 20 Standard consumer line charge revenue 87,347 1,170 21 Non-standard consumer line charge revenue 52,155 222,346 22 23 1(iii): Service intensity measures 24 25 Demand density Maximum coincident system demand per km of circuit length (for supply) (kW/km) 51 26 Volume density 227 Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km) 27 Connection point density 17 Average number of ICPs per km of circuit length (for supply) (ICPs/km) 28 **Energy intensity** 13,680 Total energy delivered to ICPs per average number of ICPs (kWh/ICP) 29 1(iv): Composition of regulatory income 30 (\$000) % of revenue 31 32 Operational expenditure 25,539 23.03% 33 Pass-through and recoverable costs excluding financial incentives and wash-ups 29,646 26.74% 34 Total depreciation 20,412 18.41% 35 Total revaluations 10,929 9.86%

10,618

35,591

110,878

9.58%

32.10%

Interruptions per 100 circuit km



Regulatory tax allowance

Total regulatory income

Interruption rate

1(v): Reliability

Regulatory profit/(loss) including financial incentives and wash-ups

36

37

38

39

Company Name **WEL Networks** 31 March 2017 For Year Ended **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. 2(i): Return on Investment CY-1 **Current Year CY** 8 31 Mar 15 31 Mar 16 31 Mar 17 9 ROI - comparable to a post tax WACC 10 Reflecting all revenue earned 4.49% 4.63% 6.84% 11 Excluding revenue earned from financial incentives 4.49% 6.84% 4.63% 12 Excluding revenue earned from financial incentives and wash-ups 4,49% 4.63% 6.84% 13 Mid-point estimate of post tax WACC 14 6.10% 5.37% 4.77% 15 25th percentile estimate 4.66% 5.39% 4.05% 16 75th percentile estimate 6.82% 6.09% 5.48% 17 18 ROI - comparable to a vanilla WACC 19 20 Reflecting all revenue earned 5.27% 5.28% 7.39% 21 Excluding revenue earned from financial incentives 5.27% 5,28% 7,39% 22 Excluding revenue earned from financial incentives and wash-ups 5.27% 5.28% 7.39% 23 24 WACC rate used to set regulatory price path 25 26 Mid-point estimate of vanilla WACC 6.89% 6.02% 5.31% 27 25th percentile estimate 6.17% 5,30% 4.59% 28 75th percentile estimate 7.60% 6.74% 6.03% 29 2(ii): Information Supporting the ROI (\$000) 30 31 32 Total opening RAB value 508,016 Opening deferred tax 33 plus (26,803) 34 **Opening RIV** 481,213 35 36 Line charge revenue 105,544 37 38 Expenses cash outflow 55,186 39 add Assets commissioned 31,350 40 less Asset disposals 171 41 add Tax payments 5,641 42 less Other regulated income 5,334 43 Mid-year net cash outflows 86,672 44 45 Term credit spread differential allowance 46 47 Total closing RAB value 529,712 48 less Adjustment resulting from asset allocation 49 Lost and found assets adjustment less Closing deferred tax (31,780) 50 plus 51 **Closing RIV** 497,932 52 ROI – comparable to a vanilla WACC 7.39% 53 54 55 Leverage (%) 44% 56 Cost of debt assumption (%) 4.41% 57 Corporate tax rate (%) 28% 58 59 ROI - comparable to a post tax WACC 6.84%



	Company Name	WEL Networks
	For Year Ended	31 March 2017
SC	CHEDULE 3: REPORT ON REGULATORY PROFIT	
	s schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sect ir regulatory profit in Schedule 14 (Mandatory Explanatory Notes).	ons and provide explanatory comment on
	information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance	ce report required by section 2.8
ch rej		
7	3(i): Regulatory Profit	(\$000)
8	Income	
9	Line charge revenue	105,544
10	plus Gains / (losses) on asset disposals plus Other regulated income (other than gains / (losses) on asset disposals)	(81) 5,415
12	plus Other regulated income (other than gains / (losses) on asset disposals)	2,415
13	Total regulatory income	110,878
14	Expenses	· · · · · · · · · · · · · · · · · · ·
15	less Operational expenditure	25,539
16		
17 18	less Pass-through and recoverable costs excluding financial incentives and wash-ups	29,646
19	Operating surplus / (deficit)	55,692
20		55/552
21	less Total depreciation	20,412
22		
23	plus Total revaluations	10,929
24 25	Regulatory profit / (loss) before tax	46,208
26		40,200
27	less Term credit spread differential allowance	-0
28		1
29	less Regulatory tax allowance	10,618
30	Regulatory profit/(loss) including financial incentives and wash-ups	35,591
32	well among the series of the s	35,552
33	3(il): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)
34	Pass through costs	(4993)
35	Rates	414
36	Commerce Act levies	.152
37	Industry levies	259
38	CPP specified pass through costs	
39 40	Recoverable costs excluding financial incentives and wash-ups Electricity lines service charge payable to Transpower	24,206
41	Transpower new investment contract charges	2,634
42	System operator services	
43	Distributed generation allowance	1,981
44	Extended reserves allowance	=
45 46	Other recoverable costs excluding financial incentives and wash-ups Pass-through and recoverable costs excluding financial incentives and wash-ups	29,646
47	r ass-titlough and recoverable costs excluding intolleus insertions and wash ups	Espera.
48	3(iii): Incremental Rolling Incentive Scheme	(\$000)
49		CY-1 CY
50		31 Mar 16 31 Mar 17
51	Allowed controllable opex	
52 53	Actual controllable opex	
54	Incremental change in year	
55		
		Previous years'
		Previous years' incremental incremental change adjusted
56		change for inflation
57	CY-5 31 Mar 12	
58	CY-4 31 Mar 13	
59	CY-3 31 Mar 14	
60 61	CY-2 31 Mar 15 CY-1 31 Mar 16	
62	Net incremental rolling incentive scheme	21
63		
64	Net recoverable costs allowed under incremental rolling incentive scheme	-
65	3(iv): Merger and Acquisition Expenditure	
70		(\$000)
66	Merger and acquisition expenditure	
67		
CC	Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including	g required disclosures in accordance with
68	section 2.7, in Schedule 14 (Mandatory Explanatory Notes)	
69	3(v): Other Disclosures	
70		(\$000)
71	Self-insurance allowance	



								Company Name For Year Ended		WEL Networks 11 March 2017	
This EDB:	HEDULE 4: REPORT ON VALUE OF THE RI schedule requires information on the calculation of the Regulat must provide explanatory comment on the value of their RAB is	ory Asset Base (RAB) v	alue to the end of t	his disclosure year	This informs the RDI	calculation in Sch disclosure Inform	edule 2 ation (as defined in	section 1.4 of the l	O distannination), pr	d to is subject to the	enverages report
requ	ired by section 2.8										
2	4(i): Regulatory Asset Base Value (Rolled Fo	orward)			fa	or your ended	8AS 31 Mar 13	RAB 31 Mar 14	8A8 31 Mar 15	RAB 51 Mar 16	31 Mar 17
10	Total opening RAB value					1	(\$000) 427,369	(5000) 459,970	(\$000) 475,614	(\$000) 485,846	\$90.01E
11 12	less Total depreciation					-	15,874	19,644	15,741	20,368	29,812
24 25	plus Total revaluations					1	3,651	6,777	878.	2,885	10,921
16 17	plus Assets cammindared						51,554	22,341	10,676	38,961	31,850
J.B 29 20	Jess Asset disposals plus Linet and found assets adjustment					1	1,410	4,052	601	368	121
21 22	plus Adjustment resulting from asset allocation					1			200	101	1
2)	Total closing RAB velue					i	453,970	473,614	484,846	508,016	\$25,712
21	4(ii): Unallocated Regulatory Asset Base										
27								[\$000]	(\$000)	(\$000)	(5000)
30 31	Total opening RAB value fess Total depreciation								508,016 20,412	1	20,412
12	pical revaluations								10,929	1	10,929
34	plus Assels commissioned (other than below)						1	25.263		25,263	
38	Assets acquired from a regulated supplier Assets acquired from a related party							6,083		4,017	
35 40	Assets commissioned (ess Asset disposals (other than below)						1	171	11,150	171	11,150
41	Asset disposals to a regulated supplier Asset disposals to a related party							173			
43 44	Asset disposals						65		171		171
45 46	plur Lost and found essets adjustment								-		
47 48 49	plus Adjustment resulting from exact allocation. Total chaling RAS value								529,712		529,712
	* The 'unallocated RAB' is the total value of those assets use services. The RAB value represents the value of these assets	d wholly or partially to after applying this cost	provide electricity of allocation. Neithe	Estribution services r value includes wor	without any allowan	ce being made for	the affocation of co	sta to services prov	ided by the supplier t	hat are not electricit	
50 51											
52 33	4(III): Calculation of Revaluation Rate and	Revaluation of A	Assets								1.00
54 55	CPI ₄										1,774 1,200
56 57	Revaluation rate (%)							Unalloca	had DAR 1		2.17%
59 40	Total openine RAB value							(\$600) 500,016	(\$000)	(\$000) \$00,016	[\$000}
61	less Opening value of fully depredated, disposed an	d lost nesets					N.	3,822		3,432	
63	Total opening RAB value subject to revaluation Total revaluations						1	504,395	10,929	504,395	10,929
65	4(Iv): Roll Forward of Works Under Constru	action									
v	\(\frac{1}{2}\)							Unallocated	works under	Allocated works u	nder construction
67	Works under construction—preceding disclosure	Name.						AUTI	48,614	34,271	48,014
72	less Assets commissioned plus Adjustment resulting from asset allocation							31,350		31,350	
72 73	Works under construction : surrent disclosure ye								41,535		41,515
75	Highest rate of capitalised finance applied										
76 72	4(v): Regulatory Depreciation								red RAR *	n/	
72 29 20	Depreciation - standard							(\$600) 16.48% 3,567	(\$000)	(\$000) 16,645 3,967	(\$000)
81	Depreciation - modified life assets Depreciation - alternative depreciation in accord	Sance with CPP						April		2.341	
33 34	Total depradation								20,412		29,411
21	4(vI): Disclosure of Changes to Depreciation	n Profiles						(\$000	uniess otherwise sp	acified)	
									Degraviation	Closing RAB value under 'non-	Closing RAB value
86 87	Asset or assets with changes to depreciation!				Resum	ter nur-etanderi	depreciation (text	entry)	energy for the period (RAN)	elandard' depreciation	under 'standard'
88											
91											
92 93 94											
95	* include additional raws if needed										
96	4(vil): Disclosure by Asset Category					(\$000 unless of	herwise specified)				
93		Subtransmission Sines	Subtranamicalism cables	Zone substations	Distribution and LV lines	Olstribution and	Distribution substations and transferred	Distribution	Other network	from meteroris excess	Tietel
99 300	Total opening RAB value	21,871 354	54,200 1,317	67,550 680,5	98,147 1,375	132,490 5,264	17,950	259	17,104 L016	37.601 3.967	308,016 19,412
202	plus Assets commissioned	405 148	1,226 501	1,463 5,200	2,115 5,685	2,810 30,290	3,345	532	1,183	1,277	16,929 51,350
101	Area Asset disposals also Live and fruint assets adjustment					- :	- 6	-	- 5	171	- 191
105 106 107	plus Adjustment resulting from asset allocation plus Asset category transfers Total closing RAB value	21,550	57,049	72,129	102,577	140,348	50,137	-	17,644	30,423	\$29,700
108	Asset Life				i 1						V.
110 111	Weighted average remaining esset life Weighted average expected total asset life	43	53	33 44	33	13		41		15	(peats)



		Company Name For Year Ended	WEL Networks 31 March 2017
This : profit	HEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE schedule requires information on the calculation of the regulatory tax allowance. This information, I, EBBs must provide explanation commentary on the information disclosed in this schedule, in information is part of audited disclosure information (as defined in section 1.4 of the ID determined.)	Schedule 14 (Mandatory Expla	natory Notes)
h ref	5a(i): Regulatory Tax Allowance		(\$000)
	Regulatory profit / (loss) before tax		46,208
10	plus Income not included in regulatory profit / (loss) before tax but taxable		3,326
12	Expenditure or loss in regulatory profit / (loss) before tax but not deductible Amortisation of initial differences in asset values		7,095
13	Amortisation of reveluations		1,349
15	less Total revaluations		10,929
17	income included in regulatory profit / (loss) before tax but not taxable		- 10,000
19	Discretionary discounts and customer rebates Expenditure or loss deductible but not in regulatory profit / (loss) before tax		
21	Notional deductible interest		9,147
22	Regulatory taxable income		37,921
24			8/3/1
25 26	less Utilised tax losses Regulatory net taxable income		37,921
27	Corporate bux rate (%)		28%
10	Regulatory tax allowance		10,618
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	e asterisked categories in Sche	dule 5a(I)
34 35	5a(iii): Amortisation of Initial Difference in Asset Values		(\$000)
36 37	Opening unamortised initial differences in asset values less Amortisation of initial differences in asset values		120,619
38	plus Adjustment for unamortised initial differences in assets acquired		7,095
40	less Adjustment for unamortised initial differences in assets disposed Closing unamortised initial differences in asset values		113,524
41	Opening weighted average remaining useful life of relevant assets (years)		17
63			
64 65	5a(iv): Amortisation of Revaluations		(\$000)
17	Opening sum of RAB values without revaluations		479,433
45	Adjusted depreciation		19,063
49 50	Total depreciation Amortisation of revaluations		20,412
51	5a(v): Reconciliation of Tax Losses		(\$000)
53	Opening tax losses		
55	plus Current period tax losses		
56 57	less Utilised tax losses Closing tax losses		
58	5a(vi): Calculation of Deferred Tax Balance		(\$000)
59	Opening deferred tax		(26.803)
61			
62 63	plus Tax effect of adjusted depreciation		5,338
64 65	less Tax effect of tax depreciation		B,326
65	plus Tax effect of other temporary differences*		
68	less Tax effect of amortisation of Initial differences in asset values		1,987
70	plus Deferred tax balance relating to assets acquired in the disclosure year		
71	less Deferred tax balance relating to assets disposed in the disclosure year		1
73	plus Deferred tax cost allocation adjustment		(0)
75 76	Closing deferred tax		(31,780)
	Cooning percent can		(32,760)
77	5a(vii): Disclosure of Temporary Differences		
79	In Schedule 14, Box 6, provide descriptions and workings of items recorded in the	e asterisked category in Schedu	ıle Sa(vl) (Tax effect of other temporary
10			
9,1 9,2	5a(viii): Regulatory Tax Asset Base Roll-Forward		(\$000)
84	Opening sum of regulatory tax asset values less Tax depreciation		259,262 29,737
85	plus Regulatory tax asset value of assets commissioned		24,528
86 57	less Regulatory tax asset value of asset disposals plus Lost and found assets adjustment		66
88 89	plus Adjustment resulting from asset allocation plus Other adjustments to the RAB tax value		
90	Closing sum of regulatory tax asset values		253,987



SCHEDULE 55: REPORT ON RELATED PARTY TRANSACTIONS This schedule provides information on the valuation of related jarry transactions, in accordance w This information is part of audited disclosure information (as defined in section 1,4 of the 10 determ	D PARTY TRANSA and party transactions, In a (as defined in section 1,4 of 1	SCHEDULE SB: REPORT ON RELATED PARTY TRANSACTIONS This schedule provides information on the valuation floating and practice to the continuation. This schedule provides information on the valuation did not parameters to inscribe the school 28 is and 2.3.7 of the 1D determination. This information is part of leading and so is subject to the susurance report required by section 2.8. This information is part of leading of determination, and as is subject to the susurance report required by section 2.8.	vation. Report required by	section 2.8.
5b(l): Summary—Related Party Transactions	sactions	(000\$)		
Total regulatory income			П	
Capital expenditure			6.087	
Market value of asset disposals			П	
Unter related party dansacrons			7	
(iii): Chillies involved in Related Pa	arty iransactions			12
WE Services Umited		Wholly owned subsidiary	rearies party regularity	
	Ī			
	Ī			
	Ī			
* include additional rows if needed				
			Value of	
Name of related party	Related party transaction type	Description of transaction	(Soot)	Bade for deferminate value
WEL Services Limited	Capex	Supply of services to maintain the distribution system	6.087	Mclause 2 2 1165 (g)
WEL Services United	Орем	Supply of services to maintain the distribution system	H	(D clause 2.3.6(1)(a)
	[Select one]		H	900000000000000000000000000000000000000
	[Selectione]			Select one
	[Select one]			[Select one]
	[Select one]			(Select one)
	(Select one)			(Select ann)
	[Select ove]			(Select one)
	(Select one)			Selectione
	[Select one]			[Select one]
	[Select one]			[Selectione]
	[Select one]			(Selectione)
	Select one)			[Select one]
	[Select one]			[Selections]

S5c.TCSD Allowance

								Company Name		WEL Networks	
E								For Year Ended		31 March 2017	
SC	HEDULE	SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE	VITIAL ALLOV	VANCE							
景景	schedule is o information i	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 rection 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.	statements, the wei termination), and sc	ghted average origi	eighted average original tenor of the debt portfolio (both qui so is subject to the assurance report required by section 2.8.	portfolio (both qualifyi red by section 2.8.	ng debt and non-qu	alifying debt) is great	er than five years.		
sch ref	t										
^											
90	Sc(i): C	Sc(i): Qualifying Debt (may be Commission only)									
6											
								Book value at date		Cost of executing	
10		Issuing party	Issue date	Pricing date	Original tenor (in	Coupon rate (%)	Book value at issue date (NZD)	of financial statements (NZD)	Spread Difference	an interest rate	Debt issue cost
11											
12											
13											
15	,,,										I
91		* include additional rows if needed						.1	9	(i	a
17											
18	Sc(ii): 4	Sc(ii): Attribution of Term Credit Spread Differential									
19											
20	Ē	Gross term credit spread differential			ř						
21											
22		Total book value of interest bearing debt									
23		Leverage		44%							
24		Average opening and closing RAB values									
25	At	Attribution Rate (%)			1						
26											
27	Te	Term credit spread differential allowance			a .						

S	CHEDULE 5d: REPORT ON COST ALLOCATIONS	Company Name WEL Netv	
Th Th	is schedule provides information on the allocation of operational costs EDBs must provide is information is part of audited disclosure information (as defined in section 1.4 of the ID d	e explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of a determination), and so is subject to the assurance report required by section 2.8.	iny reclassifications
sch r			
9		Value allocated (\$000s) Electricity Non-electricity Arm's length distribution distribution deduction services services Total	OVABAA allocation increase (\$000s)
10	Service interruptions and emergencies		111111111111111111111111111111111111111
11 12	Directly attributable Not directly attributable	2,102	
13	Total attributable to regulated service	2,102	(=)
14	Vegetation management	ALANN,	
15	Directly attributable	1,254	
16 17	Not directly attributable Total attributable to regulated service		:4:
18	Routine and corrective maintenance and inspection	1,254	
19	Directly attributable	563	
20	Not directly attributable		
21	Total attributable to regulated service	563	
22 23	Asset replacement and renewal Directly attributable		
24	Not directly attributable	730	-1
25	Total attributable to regulated service	730	
26 27	System operations and network support		
28	Directly attributable Not directly attributable	9,946	
29	Total attributable to regulated service	9,946	
30	Business support	2,500	
31 32	Directly attributable		
33	Not directly attributable Total attributable to regulated service	8,765 2,180 1 8,765	0,945
34	ADMINISTRATION OF THE PARTY OF	6,763	
35 36	Operating costs directly attributable	14,595	
37	Operating costs not directly attributable Operational expenditure	- 8,765 2,180 1 23,360	0,945 -
38		23,560	
39	5d(ii): Other Cost Allocations		
40	Pass through and recoverable costs	(\$000)	
4.1	Pass through costs		
43	Directly attributable Not directly attributable	825	
44	Total attributable to regulated service	825	
45	Recoverable costs		
46	Olrectly attributable	28,821	
47	Not directly attributable Total attributable to regulated service	26,821	
49		20,821	
50 51	5d(iii): Changes in Cost Allocations* †		
52	Change in cost allocation 1	(\$000) CY-1 Current Year	(CY)
53	Cost category	Original allocation	
54 55	Original allocator or line Items New allocator or line Items	New allocation	1011
56	The state of the s	Difference	
57	Rationale for change		
58 59			
60		(\$000)	
61	Change in cost allocation 2	CY-1 Current Year	(CY)
62	Cost category Original allocator or line Items	Original allocation New allocation	
64	New allocator or line items	Difference –	#1 P
65			
66 67	Rationale for change		
68			
69		(\$000)	
70 71	Change In cost allocation 3 Cost category	CY-1 Current Year	(CY)
72	Original allocator or line items	Original allocation New allocation	
73	New allocator or line items	Difference -	-
74 75	Rationale for change		
76	Translation of Charles		
77			-
78 79	* a change in cost allocation must be completed for each cost allocator change that has: † include additional rows if needed	occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.	



			Company Name	WEL Networks
-			For Year Ended	31 March 2017
	HEDULE 5e: REPORT ON ASSET ALLOCA			
EDB	schedule requires information on the allocation of asset value s must provide explanatory comment on their cost allocation i	Schedule 14 (Mandatory Explanatory Notes), inclu	ding on the impact of any o	changes in asset allocations. This information is part of audited
disc	losure information (as defined in section 1.4 of the ID determine	nation), and so is subject to the assurance report rec	quired by section 2.8.	and the second s
ch rej				
Ĭ				
7	5e(i): Regulated Service Asset Values			
				Value allocated
8				(\$000s)
9				Electricity distribution services
10	Subtransmission lines			
11	Directly attributable			21,530
12 13	Not directly attributable Total attributable to regulated service			24 520
14	Subtransmission cables			21,530
15	Directly attributable			57,049
16	Not directly attributable			
17	Total attributable to regulated service			57,049
18 19	Zone substations Directly attributable			73.000
20	Not directly attributable			72,129
21	Total attributable to regulated service			72,129
22	Distribution and LV lines			
23	Directly attributable			97,445
24 25	Not directly attributable Total attributable to regulated service			5,129 102,573
26	Distribution and LV cables			302,373
27	Oirectly attributable			140,346
28	Not directly attributable			
29	Total attributable to regulated service			140,346
30 31	Distribution substations and transformers Directly attributable			(0.537)
32	Not directly attributable			60,537
33	Total attributable to regulated service			60,537
34	Distribution switchgear			
35 36	Directly attributable Not directly attributable			27,476
37	Total attributable to regulated service			27,476
38	Other network assets			
39	Directly attributable			17,646
40	Not directly attributable			
41	Total attributable to regulated service Non-network assets			17,646
43	Directly attributable			30,425
44	Not directly attributable			
45 46	Total attributable to regulated service			30,425
47	Regulated service asset value directly attributable			524,584
48	Regulated service asset value not directly attributa	ble		5,129
49	Total closing RAB value			529,712
50				
51	5e(ii): Changes in Asset Allocations* †			
52				(\$000)
53	Change in asset value allocation 1	r	1	CY-1 Current Year (CY)
54 55	Asset category Original allocator or line items			Original allocation New allocation
56	New allocator or line items			Difference
57 58	Rationals for shape	F		
59	Rationale for change			
60		-		
61				(\$000)
62 63	Change in asset value allocation 2 Asset category		1	CY-2 Current Year (CY) Original allocation
64	Original allocator or line items			New allocation
65	New allocator or line items	L		Difference
66 67	Rationale for change	r-		
6B	Vertouring for change			
69		N -		
70				(\$000)
71 72	Change in asset value allocation 3 Asset category		1	CY-1 Current Year (CY) Original allocation
73	Original allocator or line Items			New allocation
74	New allocator or line items			Difference -
75	Dationals for sh			
76 77	Rationale for change			
78				
79		locator or component change that has occurred in t	the disclosure year. A move	ement in an allocator metric is not a change in allocator or component.
80	† include additional rows if needed			



WEL Networks For Year Ended 31 March 2017 SCHEDULE 5f: REPORT SUPPORTING COST ALLOCATIONS This schedule requires additional detail on the state allocation methodology applied in allocation as that are not directly attributable, to support the information provided in Schedule 5d (Cost allocations). This schedule is not required to be publicly disclosed, but must be disclosed to the Commission.

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. Y** Have costs been allocated in aggregate using ACAM in accordance with clause 2.1.1(3) of the IM Determination? Allocator Metric (%) Value allocated (\$000) OVABAA affice atton increase (\$000) Electricity Allocator type services Line Item* thodology type Cost allocator services services deduction services Service interruptions and emergencies eg ABAA Allocator 1 [Select one] Allocator 2 [Select one] Insert cost description Aliscator 3 Insert cost description E.E. ABAA [Select one] 16 M.G. ASAA Affocator 4 |Select one) 18 Vecetation management 19 20 21 # # ARAA Allocator 1 (Sefect oris) Insert cost description [Select one] Insert cost description AASA B.B. Allocator 2 Insert cost description ALBA 3.5 Allocator 3 Select one) 22 23 Routine and corrective maintenance and inspection Allocator I [Salect one] Insert cost description e.g. ABAA 26 Insert cost description AABA 3 9 Allocator 2 [Select one] Insert cost description Insert cost description # Z. ABAA Affocator 3 [Select one] 27 28 29 Not directly attributable Asset replacement and renewal insert cost description insert cost description insert cost description e.c. ASAA Affocator 1 (Select one) Allocator 2 [Select one] 33 34 35 36 [Select one] Aflocator 4 (Select one) Insert cost description T.E. ABAA Not directly attributable System operations and network support e.g. ABAA Allocator 3 [Select one]
e.g. ABAA Allocator 2 [Select one] insert cost description Insert cost description e.g. ABAA Allocator 3 (Select one) Insert cost description AAGA 3.9. Aliocator 4 [Select one] 45 45 47 48 49 Business support 307 561 1,555 270 517 37 45 Audit Fees timate of Audit Hou Ceusal bisurance ACAM stimate of Asset Us Pysay ACAM Estimate Space Used Proxy 1,209 347 0,063 1,751 7,814 50 51 Operating costs not directly attributable Pass through and recoverable costs Pass through costs RE ALLA Allocator 1 | | Select one) Allocator 2 Allocator 3 e g ABAA lysers cost description [Select one] Insert cost description insert cost description e g ABAA Afforstor 4 [Select one] 58 Recoverable costs RE ABAA Allocator 3 [Select one]
Allocator 2 [Select one] insert cost description RE ABAA insert cost description leases cost description E.G. ABAA ASocator 3 | | Select one |
Allocator 4 | | Select one | Insert cost description
Not directly attributable
Include additional rows if needed



pwc

	Сотрапу Name	WEL Networks
	For Year Ended 31	31 March 2017
SCHEDULE 5g: REPORT SUPPORTING ASSET ALLOCATIONS		
This schedule requires additional detail on the asset allocation methodology applied in allocating asset values that are not directly attributable, to support the information provided in Schedule is not required to be publicly disclosed, but must be	t Allocations). This schedule is not required to b	e publicly disclosed, but must be
disclosed to the Commission.		
This information is part of audited disclosure information (as defined in section 1.4 of the 1D determination), and so is subject to the assurance report required by section 2.8.		

	Allocator Metric (%)			Value allocated (\$000)	(\$000)		
El dis	Electricity Non-ele distribution distrit services serv	Non-electricity distribution An	Arm's length	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000)
(Select one)			-			ľ	
[Select one]						,	
[Select one]							
[Select one]						ľ	
			•	*	17.		
[Select one]						51	
[Select one]							
[Select one]						71.0	
[Select one]							
			•	•	•		
[Select one]		_					
Select one]		E pi				1	
[Select one]							
[Select one]						İ	
					•		
Proxy	95.02%	4.98%		97,465	5,108	102,573	
(Select one)							
[Select one]						2.	
[Select one]						ed :	
			*1	97,465	5,108	102,573	
Selection of the select	ectone]		95.02%	%20'56	95.02% 4.98%	95,02% 4.98% 97,465	95.02% 4.98% 97,465

S5g.Asset Allocation Support

This schedule requires additional detail on the asset allocation methodology applied in allocating asset values that are not directly attributable, to support the information provided in Schedule Se (Report on Asset Allocations). This schedule is not required to be publicly disclosed, but must be **WEL Networks** 31 March 2017 102,573 5,108 Company Name For Year Ended 97,465 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. [Select one] Allocator 2 Allocator 1 Allocator 4 Allocator 1 Allocator 1 Allocator 4 Allocator 3 Allocator 4 Allocator 3 Allocator 4 Allocator 3 Allocator 2 Allocator 3 Allocator 1 Allocator 3 Allocator 2 Allocator 2 Allocator 1 e.g. ABAA e.g. ABAA e.g ABAA e.g ABAA e.g. ABAA e.g. ABAA e g ABAA e g ABAA e.g. ABAA e g. ABAA e.g. ABAA e g ABAA e.g. ABAA e.g. ABAA SCHEDULE 5g: REPORT SUPPORTING ASSET ALLOCATIONS

Distribution substations and transformers

Insert asset description

Insert asset description Insert asset description Insert asset description

Not directly attributable

Insert asset description Insert asset description

Distribution switchgear

Insert asset description

Insert asset description Not directly attributable Insert asset description Insert asset description

Other network assets

Insert asset description

Insert asset description

Not directly attributable

Insert asset description

Not directly attributable

Insert asset description Insert asset description

36 33 39 40 41

Distribution and LV cables Insert asset description

disclosed to the Commission.



S5g.Asset Allocation Support

Regulated service asset value not directly attributable

Insert asset description

Von-network assets

nsert asset description sert asset description Insert asset description

Not directly attributable

* include additional rows if needed

WEL Networks Company Name 31 March 2017 For Year Ended 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 10,602 System growth 1,808 10 Asset replacement and renewal 12,219 11 Asset relocations 3,461 12 Reliability, safety and environment: 13 Quality of supply 251 14 Legislative and regulatory 51 15 Other reliability, safety and environment 303 16 Total reliability, safety and environment 605 17 **Expenditure on network assets** 28.695 18 Expenditure on non-network assets 1,492 19 20 Expenditure on assets 30,187 21 plus Cost of financing 740 22 less Value of capital contributions 6,656 23 Value of vested assets plus 24 25 Capital expenditure 24,271 26 6a(ii): Subcomponents of Expenditure on Assets (where known) (\$000) 27 Energy efficiency and demand side management, reduction of energy losses 69 28 Overhead to underground conversion 29 Research and development 6a(iii): Consumer Connection 30 31 Consumer types defined by EDB* (\$000) (\$000) 32 Residential Low User 4,165 Residential Standard User 3,040 Small Business 1,142 Small Scale DG Low User 28 Small Scale DG Standard User 27 Streetlighting 6 Medium Voltage (11kV) 525 33 High Voltage (33kV) 34 Low Voltage (400V) 1,587 35 Other Unmetered Smart Price Residential Low User Smart Price Residential Standard User 47 Smart Price Small Business 32 Smart Price Small Scale DG Low User 0 36 37 * include additional rows if needed 38 Consumer connection expenditure 10,602 39 40 less Capital contributions funding consumer connection expenditure 4,006 41 Consumer connection less capital contributions 6,596 Asset 42 6a(iv): System Growth and Asset Replacement and Renewal Replacement and System Growth 43 Renewal 44 (\$000) (\$000) 45 Subtransmission 107 865

1,808 12,219
110 404
1,698 11,815

1,526

20

Zone substations

Distribution and LV lines

Distribution switchgear

Other network assets

Distribution and LV cables

Distribution substations and transformers

System growth and asset replacement and renewal expenditure

Capital contributions funding system growth and asset replacement and renewal

System growth and asset replacement and renewal less capital contributions

46

47

48

49

50

51

52

53

6.809

720

1,230

1,583

1,013

Company Name **WEL Networks** 31 March 2017 For Year Ended 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 55 56 6a(v): Asset Relocations 57 Project or programme* (\$000) (\$000) 58 Relocations 2,437 SH1 Huntly Bypass 59 234 60 Undergrounding SH1 Hamilton Bypass 61 541 62 Longswamp 247 63 include additional rows if needed 64 All other projects or programmes - asset relocations 65 Asset relocations expenditure 3,461 66 Capital contributions funding asset relocations 2,135 67 Asset relocations less capital contributions 1,326



WEL Networks Company Name For Year Ended 31 March 2017

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).

ch		
ch ref		
69	6a(vi): Quality of Supply	
70	Project or programme*	(\$000) (\$000)
71	Voltage upgrade projects due to monitoring	251
72		
73		35
74		
75 76	* include additional rows if needed	
77	All other projects programmes - quality of supply	
78	Quality of supply expenditure	251
79	less Capital contributions funding quality of supply	2
80	Quality of supply less capital contributions	249
81	6a(vii): Legislative and Regulatory	The second second
82	Project or programme *	(\$000) (\$000)
83	Capital contributions funding legislative and regulatory	51
84		
85 86	STATE BOX STATE	2 (4 (4 (4 (4 (4 (4 (4 (4 (4 (4 (4 (4 (4
87	BINES . U.S. AND TO SERVICE	
88	* include additional rows if needed	
89	All other projects or programmes - legislative and regulatory	
90	Legislative and regulatory expenditure	51
91	less Capital contributions funding legislative and regulatory	4 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)
92	Legislative and regulatory less capital contributions	51
93	6a(viii): Other Reliability, Safety and Environment	14400)
94	Project or programme*	(\$000) (\$000)
95	Arc Flash protection installation	135
96 97	Substation site security access Weavers sub	9
98	weavers sub	
	0	-
99	0	
100	* include additional rows if needed	7
101		
	All other projects or programmes - other reliability, safety and environment	58
102		303
	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment	303
103	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure	303
103	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment	303
103 104 105	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions	303
103 104 105 106	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets	303
103 104 105 106 107	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure	303
103 104 105 106 107 108	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme*	303
103 104 105 106 107 108 109	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure	(\$000) (\$000)
103 104 105 106 107 108 109	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment	(\$000) (\$000)
103 104 105 106 107 108 109 110	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software	(\$000) (\$000) 273 438
103 104 105 106 107 108 109 110	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment	(\$000) (\$000) 273 438 219
103 104 105 106 107 108 109 110 111 112	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed	(\$000) (\$000) 273 438 219 562
103 104 105 106 107 108 109 110 111 112 113	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed All other projects or programmes - routine expenditure	(\$000) (\$000) 273 438 219 562 -
103 104 105 106 107 108 109 1110 1111 1112 1113 1114	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed	(\$000) (\$000) 273 438 219 562
103 104 105 106 107 108 109 110 111 1112 1113 1114 1115	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed All other projects or programmes - routine expenditure Routine expenditure	(\$000) (\$000) 273 438 219 562 -
103 104 105 106 107 108 109 110 111 111 112 113 114 115 116	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed All other projects or programmes - routine expenditure	(\$000) (\$000) 273 438 219 562 -
103 104 105 106 107 108 109 110 111 1112 1113 1114 1115 1116	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed All other projects or programmes - routine expenditure Routine expenditure Atypical expenditure	(\$000) (\$000) 273 438 219 562 - 1,492
103 104 105 106 107 108 109 110 111 111 112 113 114 115 116	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed All other projects or programmes - routine expenditure Routine expenditure Atypical expenditure	(\$000) (\$000) 273 438 219 562 - 1,492
103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed All other projects or programmes - routine expenditure Routine expenditure Atypical expenditure	(\$000) (\$000) 273 438 219 562 - 1,492
102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123	All other projects or programmes - other reliability, safety and environment Other reliability, safety and environment expenditure less Capital contributions funding other reliability, safety and environment Other reliability, safety and environment less capital contributions 6a(ix): Non-Network Assets Routine expenditure Project or programme* Computer Equipment Comp Software Plant and Equipment Motor Vehicles * include additional rows if needed All other projects or programmes - routine expenditure Routine expenditure Atypical expenditure	(\$000) (\$000) 273 438 219 562 - 1,492

	Company Name	WEL Networks
	For Year Ended	31 March 2017
SCHE	DULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR	
excluding	dule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of w g assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and mu st provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates).	st exclude finance costs.
This infor	rmation is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the ass	urance report required by section 2.8.
This infor	rmation is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the ass	urance report required by section 2.8.
This infor	* include additional rows if needed	urance report required by section 2.8.
This information of the second	mation is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the as:	urance report required by section 2.8.
This information of the second	mation is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the as: * include additional rows if needed	urance report required by section 2.8.
This infori	mation is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the as: * include additional rows if needed All other projects or programmes - atypical expenditure	urance report required by section 2.8.

S6b.Actual Expenditure Opex

CHE	SCHEDULE 6b: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR	For Year Ended	31 March 2017	2017
CHE	DULE 6b: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE			
Trin and	adula manifesta a branchadanna af managan and managan dismana in a managan in a managan and managan an	AR		
nis scri DBs mu xpendit his info	This schedules a distance in operational expenditure intolling in the disclosure Year. ED8s 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 additional information on insurance. 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.	ides explanatory comi nation on insurance issurance report requi	ment on any atypic ired by section 2.8.	al operational
sch ref				
2	6b(i): Operational Expenditure		(\$000)	(\$000)
00	Service interruptions and emergencies		2,102	
6	Vegetation management		1,254	
10	Routine and corrective maintenance and inspection		563	
11	Asset replacement and renewal		730	
12	Network opex			4,649
13	System operations and network support		9,946	
14	Business support		10,945	
15	Non-network opex			20,891
16				
17	Operational expenditure		Ц	25,539
18 6	6b(ii): Subcomponents of Operational Expenditure (where known)			
19	Energy efficiency and demand side management, reduction of energy losses Direct billing*			444
21	Research and development			331
	Illsurance			412

Company Name WEL Networks
For Year Ended 31 March 2017

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

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

sch	ref
-----	-----

7	7(i): Revenue	Target (\$000) 1	Actual (\$000)	% variance
8	Line charge revenue	102,974	105,544	2%
9	7(ii): Expenditure on Assets	Forecast (\$000) 2	Actual (\$000)	% variance
10	Consumer connection	10,666	10,602	(1%)
11	System growth	973	1,808	86%
12	Asset replacement and renewal	12,598	12,219	(3%)
13	Asset relocations	3,451	3,461	0%
14	Reliability, safety and environment:			
15	Quality of supply	998	251	(75%)
16	Legislative and regulatory	11	51	365%
17	Other reliability, safety and environment	558	303	(46%)
18	Total reliability, safety and environment	1,567	605	(61%)
19	Expenditure on network assets	29,255	28,695	(2%)
20	Expenditure on non-network assets	2,227	1,492	(33%)
21	Expenditure on assets	31,482	30,187	(4%)
22	7(iii): Operational Expenditure			77.7
22		-		
23	Service interruptions and emergencies	2,271	2,102	(7%)
24	Vegetation management	1,329	1,254	(6%)
25	Routine and corrective maintenance and inspection	1,465	563	(62%)
26	Asset replacement and renewal	1,622	730	(55%)
27	Network opex	6,687	4,649	(30%)
28	System operations and network support	3,868	9,946	157%
29	Business support	11,079	10,945	(1%)
30	Non-network opex	14,947	20,891	40%
31	Operational expenditure	21,634	25,539	18%
32	7(iv): Subcomponents of Expenditure on Assets (where known)			
33	Energy efficiency and demand side management, reduction of energy losses	216	69	(68%)
34	Overhead to underground conversion	9	1	(87%)
35	Research and development	_		_
36		1	-	
37	7(v): Subcomponents of Operational Expenditure (where known	1)		
38	Energy efficiency and demand slde management, reduction of energy losses	456	444	(3%)
39	Direct billing	430	-	(376)
40	Research and development	996	331	(67%)
41	Insurance	451	412	(9%)
42		431	412	[5%]

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

2 From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the



disclosure year (the second to last disclosure of Schedules 11a and 11b)

			for enfoltonal Miled quambiles by price component pr	nee aury	::::::::::::::::::::::::::::::::::::::		***************************************	chorge revanues by price component as	- American
		Prior Period Adjustment	W.	12			Prior Period Adustment	kW/month	2 x
WILNetworks 31 March 2017		Prior Period Adjustment	WID.	14.100.277	PACE NAME OF THE PACE OF THE P		Prin Perin	NAV.	Prices Prices
		Pror Perod	MWn	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	D.MS		Prior Period Adjustment	NAME	MACTO NO. 100
		Adjust	Name of the last	3110	3,18		Prior Period Adjustment	Des Dark	S
		Project Participal And project Participal And project Participal And project Participal And Part	Name	P	-,-		Phor Period Adjurment	More	3 , 3
		Prior Period Adjustment	Days	MATERIA DE LA CALLACATA DE LA	ecu ora		Prior Period Adjustment	(A)	S S S S S S S S S S S S S S S S S S S
		Dasart	Percentage of Total Charges		80.4		8	Test Cargos	INTERPRETATION OF THE PROPERTY
		Paul Carand	row.	WARE WARE WARE WARE	1,271,240 11,440 11,440		Prot Comme	- des	1977 1977 1977 1977 1977 1977 1977 1977
		Energy	-thin	HARMS IS IS A SECOND SE	20,000,134 1,933,434 27,631,296		Version entitle	-Andre	BETT SE
Company Name For Yeo Ended Network / Jub Network Name		Versite Deep	MWh	221.20 22.20 22.20 22.30 22.30 22.30 22.30 22.30 22.30 22.30 22.30 23.30 20.30	375		Variatie Deergy	MWh	100 10 10 10 10 10 10 10 10 10 10 10 10
Network / Sub		9.0	10,000	TOTAL	100 AND		Fired	2/10	nera:
6		D. D.	Morth	11.11 15.12 15.12 15.13	1,010 100 1,010	an (2000) by prints on	Σ.	Month	000 000 000 000 000 000 000 000 000 00
da da	Miled mandition by	Pied	Days	11.12.229 (13.12.22) (13.12.23) (13.12.23) (13.12.23) (13.12.23)	ON THE STREET	the days seemen (5000) to prive	¥.	T-PO	BATTER BA
a sul per vale		Plus sampsoned	The life of family by stad				Me	Maring Specials, Special of the control of the cont	
No end artical			Dell charging bath Jag, dept. VIV of demand. NIA of capeality, eth.]				T T T T T T T T T T T T T T T T T T T	line charge revenue (if neatiable)	8
and and and			3				ž	Total divirtibution liss fine charge re-	100 100 100 100 100 100 100 100 100 100
ADD the excellent								Total	
the little (QQ) or improve the set of property regard on			Energy definered to ICPs in discharate year (MVM)	111179 201218 20	HOWEL THE STATE			Notional revenue furagene from pasted discussis (if applicable)	現代を の の の の の の の の の の の の の
					112 10 10 10 10 10 10 10 10 10 10 10 10 10			Not persystem foregr e year discuss	100 Miles
de sporte de			Average no. of ICPs in disclosure year					Total line charge revenue in disclosure year	
SCHEDULE R. REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES TO INDENDED TO SHIP SENTING THE CHARGE REVENUES THE PROPERTY OF THE PROPERTY			Standard or non-etandard consumer group (specify)	Institute Instit	Total for all assessment			Standard or rem-standard consumer group (specify)	Therefore
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SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES TO A AND LINE CHARGE REPORTING TO BE AND LINE CHARGE REPORTINGS TO A STATE OF	8(i): Billed Quantities by Price Component		Contamper group new orthogray cell		real sector semant free per	8(i): Line Charge Revenues (\$400) by Prite Component		Continuer group name or parical category code	1800 1900
SCHEDULE 8:					*				k-linfo
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Company Name
For Year Ended
Network / Sub-network Name

WEL Networks
31 March 2017

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.

c				

ı	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accurac
П	All	Overhead Line	Concrete poles / steel structure	No.	37,080	37,175	95	All rells
	All	Overhead Line	Wood poles	No	2,297	2,209	(88)	
	All	Overhead Line	Other pole types	No.	10	10		
	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	191	191	0	
	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-			
	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	231	234	3	
	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km		-	+	
	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km		22	-	
	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	15	15	(0)	
П	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km				
			Subtransmission UG 110kV+ (Oil pressurised)	km		-	_	
	HV	Subtransmission Cable		km	-	-		
	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km				
	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km		12	- 2	
	HV	Subtransmission Cable	Subtransmission submarine cable	No.	25	26	1	
	HV	Zone substation Buildings	Zone substations up to 66kV		25	20		
	HV	Zone substation Buildings	Zone substations 110kV+	No.			- 8	
	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	_	72	-	
	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.			-	
	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.				
	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	55	55 9	-	
	HV	Zone substation switchgear	33kV RMU	No.	9			
	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	104	110	6	
	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	30	30	2/	
	HV	Zone substation switchgear	3,3/6,6/11/22kV CB (ground mounted)	No.			- 	
	HV	Zone substation switchgear	3.3/6 6/11/22kV CB (pole mounted)	No.		E	=	
	HV	Zone Substation Transformer	Zone Substation Transformers	No.	50	54	4	
	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,939	1,933	(5)	
	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km			-	
	HV	Distribution Line	SWER conductor	km		-	-	
Н	HV	Distribution Cable	Distribution UG XLPE or PVC	km	550	562	12	
	HV	Distribution Cable	Distribution UG PILC	km	117	116	(1)	
ľ	HV	Distribution Cable	Distribution Submarine Cable	km	-	-		
	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	143	175	32	
	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	373	393	20	
	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	6,055	6,187	132	
	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	-		90	
	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1,012	1,039	27	
	HV	Distribution Transformer	Pole Mounted Transformer	No.	3,988	4,084	96	
	HV	Distribution Transformer	Ground Mounted Transformer	No.	1,895	1,928	33	
	HV	Distribution Transformer	Voltage regulators	No.	14	16	2	
	HV	Distribution Substations	Ground Mounted Substation Housing	No.		=	3.7	
	LV	LV Line	LV OH Conductor	km	1,069	1,057	(12)	
	LV	LV Cable	LV UG Cable	km	1,227	1,261	34	
	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	1,179	1,206	27	
	LV	Connections	OH/UG consumer service connections	No	89,663	91,564	1,901	
	All	Protection	Protection relays (electromechanical, solid state and numeric)	No,	923	983	60	
	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1,146	1,273	127	
	All	Capacitor Banks	Capacitors including controls	No	1	1		
	All	Load Control	Centralised plant	Lot	8	8	-	
	All	Load Control	Relays	No	54,473	55,132	659	
1	All	Civils	Cable Tunnels	km	(725)		(2)	

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	EDU	LE 9b: ASSET AGE PROFIL	E med on yotar of heatailation) of the assets that make up the mervork, by asset categor	ny and asymicia	es. All units re	Methy to cab	de and line as	that are	rd il bassayo	1, refar to car	suit bengths											Netwo	rk / Sub-net	twork Nam	إ					
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		Overhead Line		No.		-		П					223	110						570	246					9.0		17,133	*	
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59b Asset Age Profile

WEL Networks Company Name 31 March 2017 For Year Ended 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 Total circuit length 10 Circuit length by operating voltage (at year end) Overhead (km) Underground (km) (km) > 66kV 11 12 50kV & 66kV 33kV 191 13 249 440 14 SWER (all SWER voltages) 15 22kV (other than SWER) 16 6.6kV to 11kV (inclusive—other than SWER) 1,933 677 2,610 17 Low voltage (< 1kV) 1,057 1,260 2.317 18 Total circuit length (for supply) 3,181 2,186 5,367 19 Dedicated street lighting circuit length (km) 274 932 20 1,206 21 Circuit in sensitive areas (conservation areas, iwi territory etc) (km) 898 22 (% of total 23 Overhead circuit length by terrain (at year end) Circuit length (km) overhead length) 24 Urhan 567 18% 25 Rural 1,933 61% 26 Remote only 27 Rugged only 681 21% 28 Remote and rugged 29 Unallocated overhead lines 30 Total overhead length 3,181 100% 31 (% of total circuit 32 Circuit length (km) length) 33 Length of circuit within 10km of coastline or geothermal areas (where known) 378 (% of total 34 Circuit length (km) overhead length) 35 Overhead circuit requiring vegetation management 3,181 100%

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS This schedule requires information concerning embedded networks owned by an E	For Year Ended: MBEDDED NETWORKS	nded 31.	31 March 2017 Work.
SCHEDULE 9d: REPORT ON EI This schedule requires information concerning	MBEDDED NETWORKS	other embedded networ	· ·
h ref	This schedule requires information concerning embedded networks owned by an EDB that are embedded in another EDB's network or in another embedded network.		
Coation *		Number of ICPs	S Line charge revenue
			18 114
11 Flagship			m
12 Half Moon Bay			65
13 Hulme Place		5	32
14 Jeffs Road Dannemora	а		883 621
15 Kirkdale			266 199
16 Oaklands			179 146
17 Porchester Road			278 203
18 Ryan Place			52
Southgate			108
20			
21			
22			
23			
24			
25			
* Extend embedded distribution net	* 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	dded in another EDB's n	etwork or in another

WEL Networks Company Name 31 March 2017 For Year Ended 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 Number of 10 Consumer types defined by EDB* connections (ICPs) 11 Residential Low User (1153SP) 73 Residential Standard User (1154SP) 1.103 Small Business (1200SP) 575 Small Scale DG Low User (1250SP) Small Scale DG Standard User (1251SP) 15 Streetlighting (1293) 6 Medium Voltage (11kV) (1354) 12 High Voltage (33kV) (1357) 13 Low Voltage (400V) (1360) 40 14 Other Unmetered (1450) 15 * include additional rows if needed 16 17 **Connections total** 1,813 18 19 Distributed generation 20 136 connections Number of connections made in year 21 Capacity of distributed generation installed in year 0.42 MVA 9e(ii): System Demand 22 23 24 Demand at time of maximum coincident demand (MW) Maximum coincident system demand 25 26 273 27 Distributed generation output at HV and above plus 28 Maximum coincident system demand 273 29 Net transfers to (from) other EDBs at HV and above 273 30 Demand on system for supply to consumers' connection points Energy (GWh) 31 **Electricity volumes carried** Electricity supplied from GXPs 32 925 33 less Electricity exports to GXPs 112 34 plus Electricity supplied from distributed generation 449 35 less Net electricity supplied to (from) other EDBs (14) 36 Electricity entering system for supply to consumers' connection points 1.276 Total energy delivered to ICPs 1,219 37 less 38 Electricity losses (loss ratio) 58 4.5% 39 40 Load factor 0.53 9e(iii): Transformer Capacity 41 (MVA) 42 43 Distribution transformer capacity (EDB owned) 890 44 Distribution transformer capacity (Non-EDB owned, estimated) 27 45 Total distribution transformer capacity 917 46 945 47 Zone substation transformer capacity

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Company Name **WEL Networks** For Year Ended 31 March 2017 Network / Sub-network Name **SCHEDULE 10: REPORT ON NETWORK RELIABILITY** This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIF) and fault rate) for the disclosure year. EDBs must provide explanatory comment 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(i): Interruptions Interruptions by class Class A (planned interruptions by Transpower) Class B (planned interruptions on the network) 476 Class C (unplanned interruptions on the network)
Class D (unplanned interruptions by Transpower) 13 Class E (unplanned Interruptions of EDB owned generation)
Class F (unplanned Interruptions of generation owned by others) 14 15 Class G (unplanned interruptions caused by another disclosing entity)
Class H (planned interruptions caused by another disclosing entity) 16 17 18 19 Class I (interruptions caused by parties not included above) 20 21 Interruption restoration 352 207 22 Class C interruptions restored within SAIFI and SAIDI by class SAIDI 25 Class A (planned interruptions by Transpower) Class B (planned Interruptions on the network) 0.2 32.4 27 28 Class C (unplanned interruptions on the network) 1,3 69.7 Class D (unplanned interruptions by Transpower) Class E (unplanned Interruptions of EDB owned generation) 29 30 31 Class F (unplanned interruptions of generation owned by others)
Class G (unplanned interruptions caused by another disclosing entity) Class H (planned interruptions caused by another disclosing entity)
Class I (interruptions caused by parties not included above) 32 33 34 35 Total 36 37 Normalised SAIFL and SAIDL Normalised SAIFI Normalised SAIDI 1.5 102.1 Classes B & C (interruptions on the network) 38 SAIDI reliability Quality path normalised reliability limit 39 SAIFI and SAIDI limits applicable to disclosure year* 41 * not applicable to exempt EDBs 42 43 10(ii): Class C Interruptions and Duration by Cause Lightning 0.1 3.4 45 46 47 48 49 50 51 52 53 54 Vegetation 0.1 Adverse weather 0.3 14.4 Adverse environment Third party Interference 0.3 20.9 Wildlife 0.1 4.2 Human error Defective equipment 0.3 17.1 Cause unknown 10(iii): Class B Interruptions and Duration by Main Equipment Involved 56 57 Main equipment involved 58 59 60 61 Subtransmission lines Subtransmission cables Subtransmission other Distribution lines (excluding LV) 18.1 Distribution cables (excluding LV)
Distribution other (excluding LV) 62 63 64 65 10(iv): Class C Interruptions and Duration by Main Equipment Involved 66 Main equipment involved 67 68 69 70 Subtransmission lines 0.2 4.0 Subtransmission cables Subtransmission other 47.3 Distribution lines (excluding LV) 0.8 71 72 Distribution cables (excluding LV)
Distribution other (excluding LV) 0.1 5.3 73 10(v): Fault Rate Fault rate (fault Number of Faults Circuit length (km) Main equipment involved 74 75 Subtransmission lines 191 4.71 76 Subtransmission cables 249 77 28 Subtransmission other 1,933 13.29 Distribution lines (excluding LV) 257 Distribution cables (excluding LV)
Distribution other (excluding LV) 23 270 559 81 Total



Company Name

WEL Networks Limited

For Year Ended

31 March 2017

Schedule 14

Mandatory Explanatory Notes

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012)

- 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 2.5.2.
- 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 12 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 clause 2.7.1(2).

Box 1: Explanatory comment on return on investment

ROI for FY17is 6.84% compared to a comparable post tax WACC of 4.77%.

This is largely due to the higher CPI increase this year which has significantly increased our revaluation of assets.

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 regulatory line income' other than gains and losses on asset sales, as disclosed in 3(i) of Schedule 3
 - 5.2 information on reclassified items in accordance with clause 2.7.1(2).



Box 2: Explanatory comment on regulatory profit

The material item included in 'other regulatory line income' is Te Uku windfarm lease revenue. This revenue is for the line and other assets that supply the windfarm.

No items have been reclassified.

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

- 6. If the EDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below-
 - 6.1 information on reclassified items in accordance with clause 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 clause 2.7.1(2).

Box 4: Explanatory comment on the value of the regulatory asset based (rolled forward)
No items have been reclassified.

The value of the Asset Base in Schedule 4 for the 2016 FY was \$508.0M and for the 2017 FY is now \$529.7M, a positive movement of \$21.7M.

The value of assets commissioned but not included in the RAB is \$25M

The WIP balance associated with these assets will be rolled out of WIP once these assets are capitalised onto the RAB register.

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

- 8. In the box below, provide descriptions and workings of the following items, as recorded in the asterisked categories in 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 Income not included in regulatory profit/(loss) before tax but taxable: is the current year portion of the Third Party Contribution costs which are being amortised over 10 years.
- 8.2 expenditure or loss in regulatory profit / (loss) before tax but not deductible:
 - Non deductible portion of entertainment \$17K
- 8.3 income included in regulatory profit / (loss) before tax but not taxable:
 - No items
- 8.4 expenditure or loss deductible but not in regulatory profit / (loss) before tax :
 - No items

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

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

Box 6: Temporary differences / Tax effect of other temporary differences (current disclosure year)
There are no temporary differences to report.

Related party transactions: disclosure of related party transactions (Schedule 5b)

10. In the box below, provide descriptions of related party transactions beyond those disclosed on schedule 5b including identification and descriptions as to the nature of directly attributable costs disclosed under clause 2.3.6(1)(b).



Box 7: Related party transactions

WEL Networks Limited set up a company in 2017 named WEL Services Limited (WSL). WSL provides electrical lines contracting services to both WEL Networks and externally. This company performs the majority of work on WEL Networks' distribution infrastructure lines maintenance and capital programmes. The company's revenue predominately (96%) relates to services provided to WEL's network, this variance is offset with the variance in costs which also relate to WSL. WSL is a related party as seen in schedule 5b. WEL Networks is charged on a fully costed basis for labour, materials usage, plant/equipment usage and project management costs.

Cost allocation (Schedule 5d)

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

Box 8: Cost allocation

No items were reclassified.

Business Support has costs classified as not directly attributable, as under the Input Methodologies (IM) determination and allocated using ACAM.

Asset allocation (Schedule 5e)

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

Box 9: Commentary on asset allocation

Not directly attributable values relate to poles that have fibre placed on them and the fibre is owned by the local fibre company. The asset values are not detailed enough for an exact calculation so the figures provided are estimated. Where capital contributions have been received for replacement of poles relating to fibre then those poles are not included in the not directly attributable value as the contribution is netted of the capital cost.

Capital Expenditure for the Disclosure Year (Schedule 6a)

- 13. In the box below, comment on capital expenditure for the disclosure year, as disclosed in Schedule 6a. This comment must include
 - a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;
 - 13.2 information on reclassified items in accordance with clause 2.7.1(2),



Box 10: Explanation of capital expenditure for the disclosure year
WEL classifies a project with total cost over \$0.5M as a major capital project.

No items were reclassified.

Operational Expenditure for the Disclosure Year (Schedule 6b)

- 14. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include
 - commentary on assets replaced or renewed with asset replacement and renewal operating expenditure, as reported in 6b(i) of Schedule 6b;
 - 14.2 information on reclassified items in accordance with clause 2.7.1(2);
 - 14.3 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 11: Explanation of operational expenditure for the disclosure year No items were reclassified.

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

Variance between forecast and actual expenditure (Schedule 7)

15. 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 clause 2.7.1(2).



Box 12: Explanatory comment on variance in actual to forecast expenditure

Expenditure on assets – Higher actual over forecast system growth expenditure was a result of the significant growth in the region. Spend on reliability, safety and environment assets was underspent due to the utilisation of new technologies such as smart meters. Overall the total spends were comparative.

Non network expenditure decreased as a result of delaying some major projects and vehicle procurement.

Operational Expenditure – routine maintenance and asset renewals lower than forecast as the focus was mainly driven by the high customer driven work during the period. Network opex increase relates to the move from internal to external contracting as the contracting division was separated from the EDB in the current year.

Increased variances in OPEX are due to forecasts not incorporating WEL Services as an external party (was internal in prior periods). WEL Services is a related party as seen in schedule 5b.

Information relating to revenue and quantities for the disclosure year

- 16. In the box below provide-
 - 16.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clauses 2.4.1 and 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and
 - 16.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

Box 13: Explanatory comment relating to revenue for the disclosure year

The variance between target revenue and total billed revenue for the year is 2%.

- 16.1 Total billed revenue is higher than target revenue due to higher than expected kilowatt hour consumption. The main drivers for this are colder than average temperatures and a growth in residential ICPs.
- 16.2 The difference between total billed revenue and target revenue is 2%. The primary contributing factor to this result are the higher kilowatt hour volumes experienced.

Network Reliability for the Disclosure Year (Schedule 10)

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



Box 14: Commentary on network reliability for the disclosure year Increase in CLASS B interruption count and SAIDI is due to increase in 16mm Cu reconductoring job planned for the FY



Insurance cover

- 18. In the box below provide details of any insurance cover for the assets used to provide electricity distribution services, including-
 - 18.1 the EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;
 - in respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

Box 15: Explanation of insurance cover

- 18.1: 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.
- 18.2: 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.



	С	ommerce Commission Information Disclosure Template for EDBs
		Company Name
		For Year Ended
Sc	hedule 14a	Mandatory Explanatory Notes on Forecast Information
	is Schedule, clau mination 2012)	se references are to the Electricity Distribution Information Disclosure
1.		provides for EDBs to provide explanatory notes to reports prepared in th clause 2.6.5.
2.	below, in acco	is mandatory—EDBs must provide the explanatory comment specified rdance with clause 2.7.2. This information is not part of the audited ormation, and so is not subject to the assurance requirements specified
	nentary on differ asts (Schedule 12	rence between nominal and constant price capital expenditure 1a)
3.		ow, comment on the difference between nominal and constant price liture for the disclosure year, as disclosed in Schedule 11a.
	Commentary on di t text here]	fference between nominal and constant price capital expenditure forecasts
	In the box belo	rence between nominal and constant price operational expenditure (1b) ow, comment on the difference between nominal and constant price penditure for the disclosure year, as disclosed in Schedule 11b.
	Commentary on di t text here]	fference between nominal and constant price operational expenditure forecasts



Schedule 15	_	 planatory Notes
	For Year Ended	
	Company Name	WEL Networks Limited

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012)

- 1. This Schedule enable EDBs to provide, should they wish to
 - additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, 2.5.2, and 2.6.5;
 - 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

Changes in Zone substation transformer capacity in Sch9e(iii) Transformer Capacity. Included transformer capacity of:

- 1. Hoeka transformer (1x 25.9MVA) Commissioned in 2016.
- 2. HAM 11kV GXP transformers (2x 44MVA) Transpower owned. Supplies southeast area of Hamilton
- 3. Pukete transformers Three winding transformer (33/11/11kV). Contact Energy owned.
 - 3.1 The first 11kV (2x 30MVA) connects the Contact Owned Te Rapa generator and Fonterra, WEL supplies Fonterra when generator is out of service (added in this disclosure).
 - 3.2 The second 11kV (2x 12.6MVA) winding supplies WEL Pukete area (included in previous disclosures).

