



## ***Independent Auditors' Report***

To the Directors of WEL Networks Limited and the Commerce Commission as a recipient of the Report

### ***Assurance Report Pursuant to the Electricity Distribution Information Disclosure Determination 2012***

We have completed the assurance engagement in respect of the compliance of WEL Networks Limited (the "Company") in the preparation of Schedules 1 to 4, 5a to 5g, 6a and 6b, 7, the SAIDI and SAIFI information disclosed in Schedule 10 and the explanatory notes in boxes 1 to 15 in Schedule 14 (the "Schedules") in accordance with the Electricity Distribution Information Disclosure Determination (the "Determination") for the year ended 31 March 2017.

#### ***Directors' Responsibilities***

The Directors are responsible on behalf of the Company for compliance with the Determination.

#### ***Our Independence and Quality Control***

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

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

#### ***Auditors' Responsibilities***

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with section 2.1 of the Determination for the year ended 31 March 2017 and report our opinion to you.

Our engagement has been conducted in accordance with ISAE (NZ) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and SAE 3100 *Compliance Engagements* to obtain reasonable assurance that the Company has complied with section 2.1 of the Determination for the year ended 31 March 2017. Our procedures included analytical procedures, evaluating the appropriateness of assumptions used and whether they have been consistently applied, and agreement of the Schedules to, or reconciling with, source systems and underlying records. We included an assessment of the significant judgements made by the Company in the preparation of the disclosure information and also evaluated the overall adequacy of the presentation of supporting information and explanations. These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination for the year ended 31 March 2017.

#### ***Use of Report***

This report has been prepared for the Directors in accordance with section 2.8.1 of the Determination and is provided solely to assist you in establishing that compliance requirements have been met. We acknowledge that the Directors will provide the report to the Commerce Commission in accordance with section 2.8.1(1)(a) of the Determination.



The report has been prepared in accordance with the scope and terms of our letter of engagement with the Company dated 9 December 2016. The terms and conditions are attached and form part of this report and are applicable to the Commerce Commission. Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors, or for any purpose other than for which it was prepared.

***Inherent Limitations***

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement were not performed continuously throughout the period and were undertaken on a test basis, our assurance engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. The opinion expressed in this report has been formed on the above basis.

We are independent of the Company. Our firm carries out other services for the Company in the areas of advisory and other assurance services. The provision of these other services has not impaired our independence.

***Opinion***

In our opinion,

- As far as appears from our examination, proper records have been kept by the Company to enable the complete and accurate compilation of the schedules;
- The information used in the preparation of the Schedules has been properly extracted from the Company's accounting and other records and has been sourced where appropriate, from the Company's financial and non-financial systems; and
- The Company has complied, in all material respects, with clause 2.1 of the Determination for the year ended 31 March 2017.

*PricewaterhouseCoopers.*

Chartered Accountants  
31 August 2017

Auckland, New Zealand

*This report relates to the Schedules of WEL Networks Limited for the year ended 31 March 2017 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the Schedules since it was initially presented on the website.*