

AMP 2021-2031

Kia ora

We are committed to enhancing the Horowhenua and Kapiti Coast communities and their regional development through the provision of 21st century infrastructure and new technologies.

Our Asset Management Plan (AMP) sets out how we will build, operate and maintain this infrastructure to maximise long-term value for consumers and owners. It shows how we will do this through competitive prices and quality services with safe and efficient operations. The AMP sets out our asset management strategies and investment plans for the next 10 years and demonstrates how this supports the Electra Group's wider corporate strategies.

This has been a challenging year with the global effects of Covid-19 impacting our people, customers and business operation. We responded quickly by adapting work practices and reformulating how to continue to deliver our essential services and AMP programme while keeping everyone and their families safe.

We have made excellent progress on the key focus areas identified in the 2020 AMP, including improved customer service and initiatives to reach our zero-harm target while maintaining our mix of high reliability and low-cost delivery.

This document provides you with the key highlights from our AMP 2021. The full document is available on our website. We welcome your questions and feedback.

Nga mihi



Neil Simmonds
Chief Executive



OUR PLANNED NETWORK INVESTMENT

CAPEX
\$131.1M

TOTAL CAPITAL EXPENDITURE
(AVERAGE \$13.1M p.a.)

OPEX
\$48.0M

TOTAL OPERATIONAL EXPENDITURE
(AVERAGE \$4.8M p.a.)



NETWORK BRIEFING

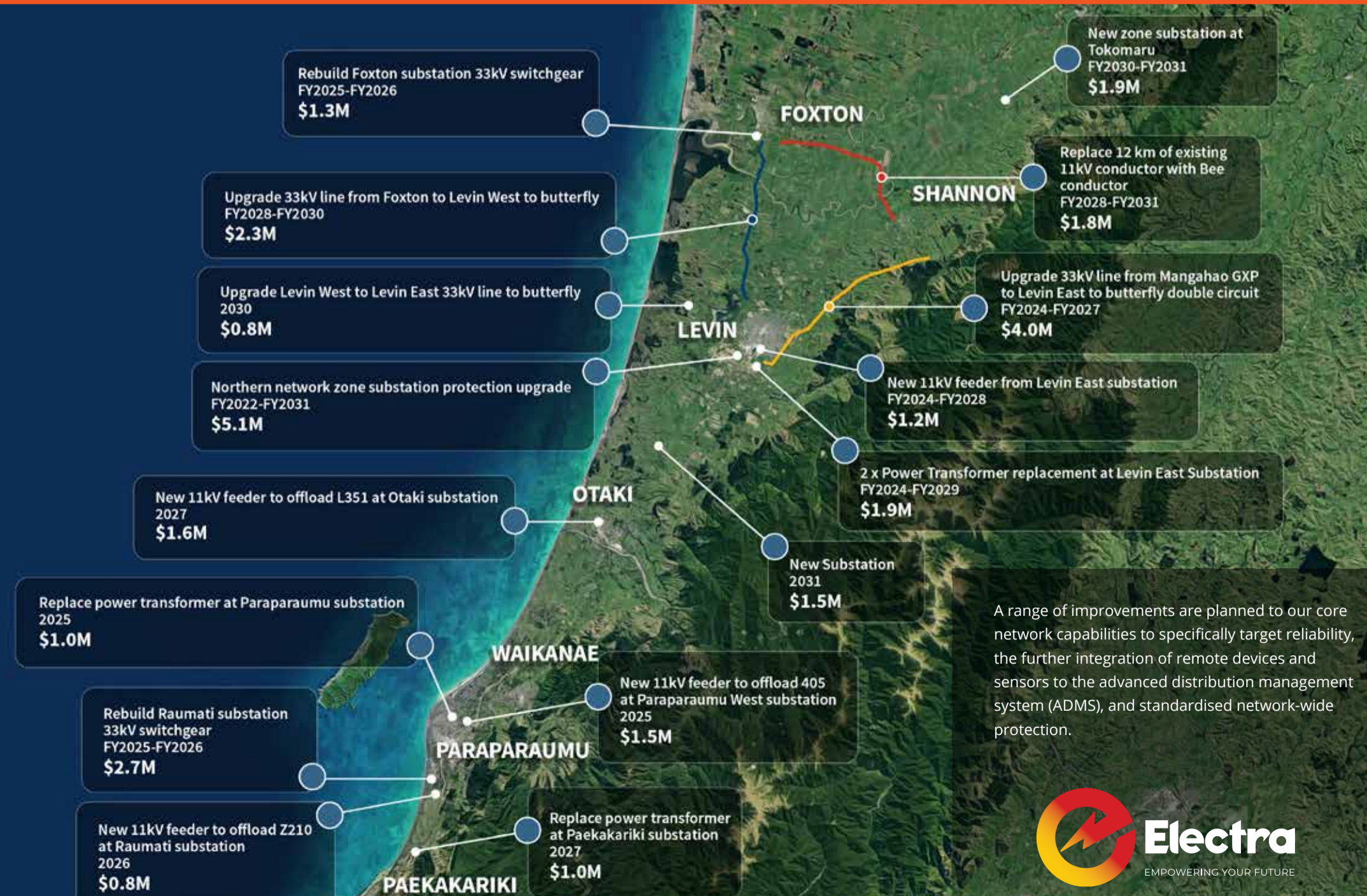
An overview of the key aspects of Electra's Asset Management Plan 2021-2031

View full AMP online
www.electra.co.nz/our-company/disclosures

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Key network projects: 2021-2031



A range of improvements are planned to our core network capabilities to specifically target reliability, the further integration of remote devices and sensors to the advanced distribution management system (ADMS), and standardised network-wide protection.



Network Projects

FY2022

No	Category	Work Description	Region	Total
1	Quality	Substation protection and communication work	Northern network (Mangahao, Shannon, Foxton, Levin West and Levin East)	\$650,000
2	Legislative	Seismic strengthening of zone substation buildings	Levin West and Otaki Zone Substations	\$600,000
3	Quality	Install pole mounted sectionalisers on specified feeders to reduce number of customers affected by faults	Various locations	\$400,000
4	Renewal	Replace 16mm ² overhead 11kV conductor with Gopher conductor	Mangahao Rd, Shannon	\$290,000
5	Quality	Install Low Voltage (LV) - power quality monitors	Various locations	\$250,000
6	Renewal	Replace existing Gopher overhead 11kV conductor with Gopher conductor	Takapu Road, Otaki	\$247,000
7	Renewal	Replace 1.5km of Rango overhead 11kV conductor with Bee conductor	Waitohu Valley Road, Otaki	\$235,000
8	Renewal	Replace 35mm ² overhead 11kV conductor with Bee conductor	SH57, Shannon	\$205,000
9	Quality	Install additional permanent fault indicators to allow quicker location of faults	Various locations	\$200,000
10	Quality	Automation of ground mounted switchgear to improve the reliability	Various locations	\$190,000

Our Network

We own and operate the electricity network in the Kapiti and Horowhenua regions, stretching from Foxton and Tokomaru in the north, to Paekakariki in the south.

Our network of 2,323km in circuits supplies 45,192 consumers across an area of 1,628km², making us New Zealand's ninth largest lines company in terms of connections to the network.



TOTAL NETWORK ASSET VALUATION

\$202 M



TOTAL ELECTRICITY DELIVERED

415 GWh



AVERAGE CONSUMPTION PER CUSTOMER

9,183 kWh



MAXIMUM DEMAND

101 MW



NETWORK AREA

1,628 km²



TRANSMISSION & DISTRIBUTION

2,323 km



TRANSFORMER CAPACITY

337 MVA

As at 31st March 2020

Investments will be prioritised and quantified using enhanced evidence-based investment decision making.

Customer outages (SAIDI) and operating costs will be reduced through risk, performance and cost balancing.

Sustainability, climate change and renewables initiatives will be supported and enhanced.

DELIVERING FOR OUR CUSTOMERS

Customers are at the heart of our decision-making which is why "focus on customer" is a core strategic objective.

We engage with our customers in many ways and are constantly seeking their feedback. Fault and outage data helps to shape investment decisions, while affordability informs our pricing methodology.

Safety is a key component and Electra strives to ensure that assets and network systems are safe for our customers as well as our contractors.

We use technology to keep our customers informed. We have significantly improved the outage information available on our website, providing customers with easy-to-understand icons and up-to-date access to detailed outage information including the location of fault vehicles. Our Electra Customer Outage App makes this information available on mobile devices.

Over the last year customer-focused initiatives have included:

- the appointment of a Customer Relationship Manager
- using digital channels to deliver improved communications around planned and unplanned outages
- enhancement of communication and information on topics such as how to prepare for outages, how to connect solar equipment (including a list of approved inverters), and how to select appropriate pricing plans (e.g. for electric vehicles, to manage load, etc).

Customer satisfaction levels reflect how well we are doing in meeting, and exceeding, the high service levels we have set. Our surveys not only measure satisfaction levels but also customers' preferred communication channels and information sources.

We continue to achieve significantly high levels of customer satisfaction, with 98% of respondents rating our service 'excellent', 'very good' or 'good', while 95% of respondents found our faults resolution timeliness to be 'excellent' or 'very good'.

ADOPTING INTERNATIONAL BEST PRACTICE

We are focused on aligning our business to international best practices in asset management. For network businesses in New Zealand, the Commerce Commission bases its Asset Management Maturity Assessment Tool (AMMAT) on ISO 55001.

In February 2020 we engaged Covaris to conduct an independent ISO 55000 (AMMAT) audit of our asset management practice and performance, and an additional independent AMMAT report.

This review confirmed that we are performing to best practice standards, scoring our approach to asset management higher with the documented evidence indicating our approach is appropriate considering the network topology, social alignment and services delivery. In its report Covaris stated: "While it could be argued that with its lean team, Electra does not have the same depth in some aspects of asset management as larger EDBs, what it has in place is competent."

GROWING OUR PEOPLE

Our people are the most valuable asset to our business and its success. Their safety, working environment, well-being and job satisfaction are of paramount importance.

We are proud of our diverse and inclusive workplace that recognises and values our employee's individuality and authenticity.

We invest in a comprehensive training and development programme to develop our workforce with increased competencies and career pathways. Our people achieved 3,700 training hours and attained 22 National Certificates in FY2020.

At the same time, we are focused on addressing key strategic workforce issues, including the increasing demand for ICT skills in the field, changing field crew demographics and the retention of qualified staff.

SUSTAINABILITY AND EMERGING TECHNOLOGIES A KEY FOCUS

Sustainability is a key strategic driver for our business, with environmental risk, climate change and decarbonisation important considerations in our decision-making process.

The growth of emerging technologies such as solar photovoltaic cells (PVs), batteries and electric vehicles (EVs) have a significant impact on traditional networks.

Our own organisation has been an early adopter of emerging technologies such as industrial Internet of Things (IIoT). Over the last five years we have invested in distributed energy resource (DER) or DER solutions and low voltage network monitoring.

At the same time, we have been closely monitoring the increasing uptake of domestic and commercial PVs, energy storage systems and EVs, and assessing how (and when) these customer trends and demand side technologies can be integrated into our network.

Part of this involves working with other industry partners. We are also investing in several emerging technologies including smart grids, IIoT and EVs and trialling them on our network to better understand the uncertainties of their emergence and to incorporate their requirements and standards into our plans. This investment allows better technology adoption and cost integration into our network development planning.