

AMP 2022-2032

Kia ora

As a critical infrastructure provider, we understand that we are a significant contributor to the growth and performance of our regional economy. That is why we are committed to investing more than \$138 million in our network over the next 10 years using a combination of traditional infrastructure assets and smart technology.

Our priority is to deliver a safe and reliable electricity supply to everyone connected to our network, with the flexibility and capacity to meet the challenges and opportunities presented by sustained regional growth, transport electrification and the decarbonisation of the New Zealand economy.

We are committed to ensuring the safety of our customers, employees, contractors, and public.

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 details our asset management strategies and investment plans for the next 10 years and demonstrates how this supports the Electra Group's wider corporate strategies. The launch of our Energy Transformation Roadmap or Huringa Pūngao initiative will ensure a strategy for us to support New Zealand's decarbonisation goals. The two scenarios for future controlled and uncontrolled demand and low and high demand forecasts coupled with flexibility solutions or DERs and cost reflective pricing will enable us to optimise costs.

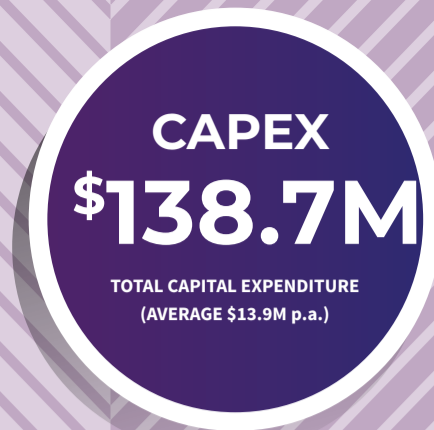
The re-emergence of Covid 19 in 2021 significantly impacted the operation of our business as we adapted to safely delivering an essential service through varying levels of lockdown. I'm proud to say that, despite these challenges, we have made excellent progress on the delivery of the focus areas identified in the 2021 AMP and Electra Group Strategic goals, including improved customer service and initiatives to reach the zero-harm target while maintaining our mix of high reliability and cost-conscious operation.

This document provides you with the key highlights from our AMP 2022. The full document is available on our website. We welcome your questions and feedback.

Ngā mihi



Neil Simmonds
Neil Simmonds
Chief Executive



NETWORK BRIEFING

Our Planned Network Investment

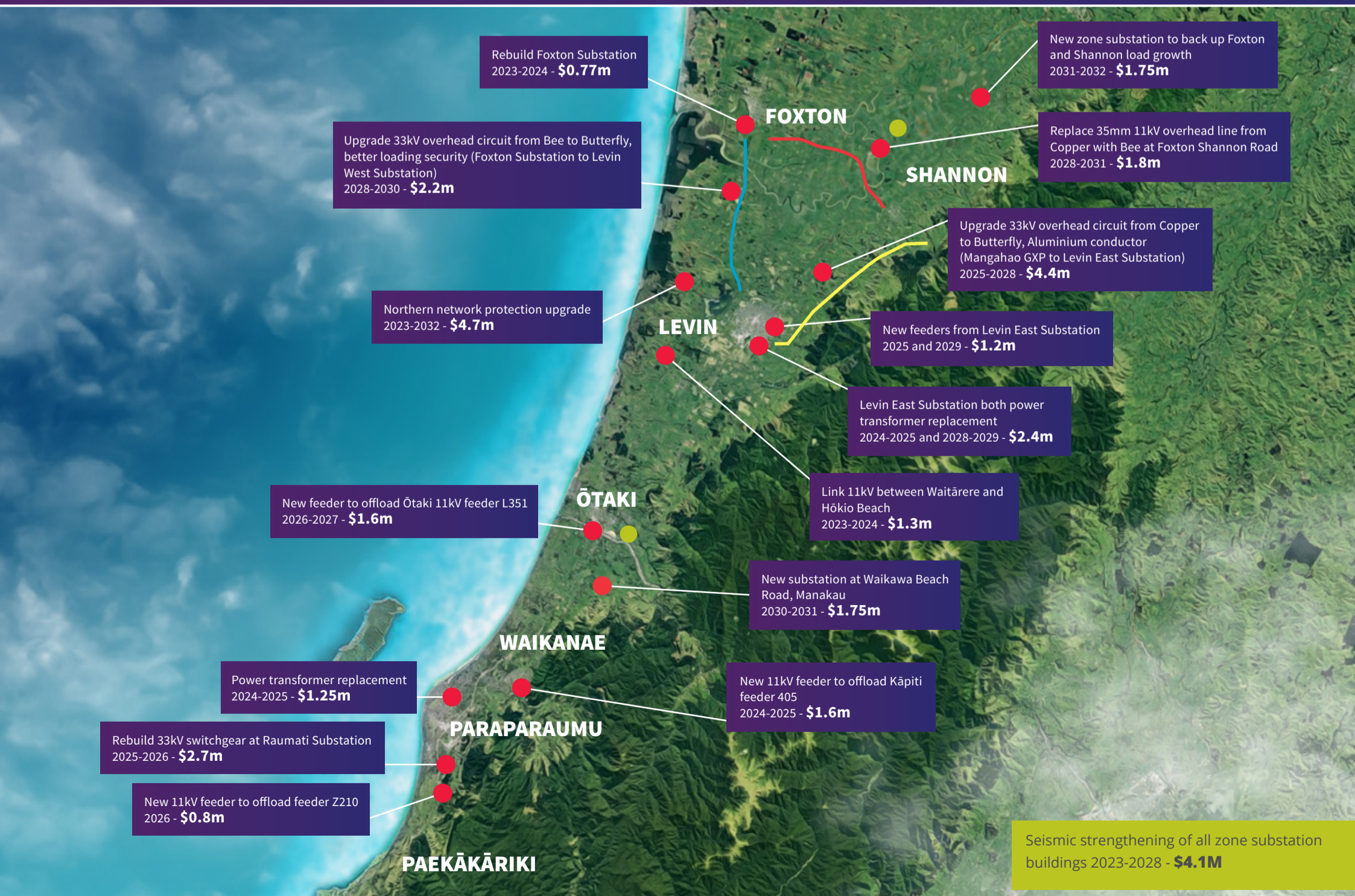
An overview of the key aspects of Electra's Asset Management Plan 2022-2032

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

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Key network projects: 2022-2032



FY2023

No	Category	Work Description	Region	Total
1	Quality	Protection Work - Horowhenua	Northern network - Mangahao, Shannon and Foxton	\$650,000.00
2	Legislative	Seismic Strengthening - ZS Buildings	Raumati and Shannon substations	\$650,000.00
3	Quality	Automation of Ground Mounted switchgears to expedite reliability improvements driven by reliability assessments	Various locations	\$300,000.00
4	Quality	Install pole mounted sectionalisers in specific feeders to reduce number of customers affected by faults	Various locations	\$350,000.00
5	Quality	Install LV power quality monitors-part of Network transformation project	Various locations	\$300,000.00
6	Renewal	Replace existing 1.86km of 11kV Copper conductor with Aluminium	SH1, Manakau L224 to L4	\$310,000.00
7	Quality	Install additional permanent fault indicators to allow quicker restoration of faults	Various locations	\$250,000.00
8	Renewal	Replace 1.2km of existing 11kV Copper conductor with Aluminium	SH57, Shannon	\$300,000.00
9	Renewal	Replace 1.5 km of existing Copper conductor with Aluminium	Tiro Tiro Road & Mako Mako Road	\$250,000.00
10	Quality	Condition Monitor on Power Transformer	Levin East Substation	\$70,000.00

Our Focus



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 A HIGH RELIABILITY, COST-CONSCIOUS OPERATION

We continue to perform well against our industry peers¹. Based on analysis of disclosure data for the last five years, we are the best performer in planned (SAIDI) and unplanned (CAIDI) interruptions.

We are also in the best performing quartile across all New Zealand electricity distribution businesses

Measure for period from financial years 2017 to 2021	Position within peer group	Position within overall industry ²
Revenue per customer	Best (lowest)	Best (lowest)
OPEX per customer	Best (lowest)	Within lowest quartile (rank 6th)
CAPEX per customer	Second lowest	Within lowest quartile (rank 6th)
Planned & unplanned interruptions (Classes B&C SAIDI)	Best (lowest)	Within lowest quartile (rank 5th)
Planned & unplanned interruptions (Classes B&C CAIDI)	Best (lowest)	Within lowest quartile (rank 2nd)

¹ Industry peers' includes: Alpine, Aurora, Counties Power, Horizon, Network Tasman, The Lines Co, and Top Energy

² Overall industry' includes all 29 of New Zealand's electricity distribution businesses

HURINGA PŪNGAO ENERGY TRANSFORMATION INITIATIVE

Launched in July 2021, the Energy Transformation Roadmap or Huringa Pūngao Initiative creates the pathway for Electra to build the necessary network capability and capacity to support New Zealand's decarbonisation efforts by reducing our carbon emissions through electrification and increase renewable generation to achieve net-zero 2050. We are committed to being a leading operator in flexibility solutions for electricity distribution networks, and fully engaging with consumers and other network users, such as grid scale solar, to enable them to connect and trade across the network.

We'll achieve this by pursuing the roadmap for uncontrolled and controlled demand scenarios and participating in key industry workgroups such as EVConnect and the ENA Smart Network Working Group. Planned investments include the upgrading of Mangahao transformers, commissioning of additional 11kV distribution feeders, configuration of distribution circuits, flexibility services, as well as the installation of new systems and process enhancement engulfing LV monitoring, ADMS upgrade and metering information management. The CAPEX investment for uncontrolled and controlled scenario impacts are an additional \$126 million and \$41 million respectively to year 2042. Further details can be found in Section 6.3 of the AMP update 2022.



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

We are one of 29 network companies in New Zealand. Our network of 2,330km in circuits supplies 45,757 consumers across an area of 1,628km², making us New Zealand's 9th largest lines company in terms of connections to the network.



TOTAL NETWORK ASSET VALUATION
\$202 M



TOTAL ELECTRICITY DELIVERED
421 GWh



AVERAGE CONSUMPTION PER CUSTOMER
9,201 kWh



MAXIMUM DEMAND
104 MW



NETWORK AREA
1,628 km²



TRANSMISSION & DISTRIBUTION
2,330 km



TRANSFORMER CAPACITY
338,850 kVA

As at 31st March 2021



ISO55000 AND MAHI TAHI STRATEGIC INITIATIVE

As part of Electra's asset management strategic alignment with the principles of ISO 55000, we have undertaken a multi-year project to align the business to ISO 55000 practices. As part of the project, we have launched The Asset Guardian ('TAG') - a Microsoft product as our Enterprise Asset Management System in June 2021. This is a transformational project for our business as it will deliver real-time, high-quality data to drive better decision-making, enhance efficiency, plan and perform preventive maintenance and maximise investments in our physical assets. It will also provide a solid platform to expand our data sets to support network delivery and further investment in network intelligence technology critical to our strategy of delivering a high quality, low-cost network.

TAG was considered the best fit for our business based on company size, the stage of our asset maturity journey, and the ease of implementation and adoption from a change management perspective.

We established the Mahi Tahī Initiative to deliver this world class technology to our business. Through collaboration, cooperation and teamwork Mahi Tahī brings together all areas of our business to deliver significantly improved operational efficiency and excellence.

By creating 'one source of truth' and streamlining our processes and tasks, we will provide better and more meaningful experiences for our customers.

