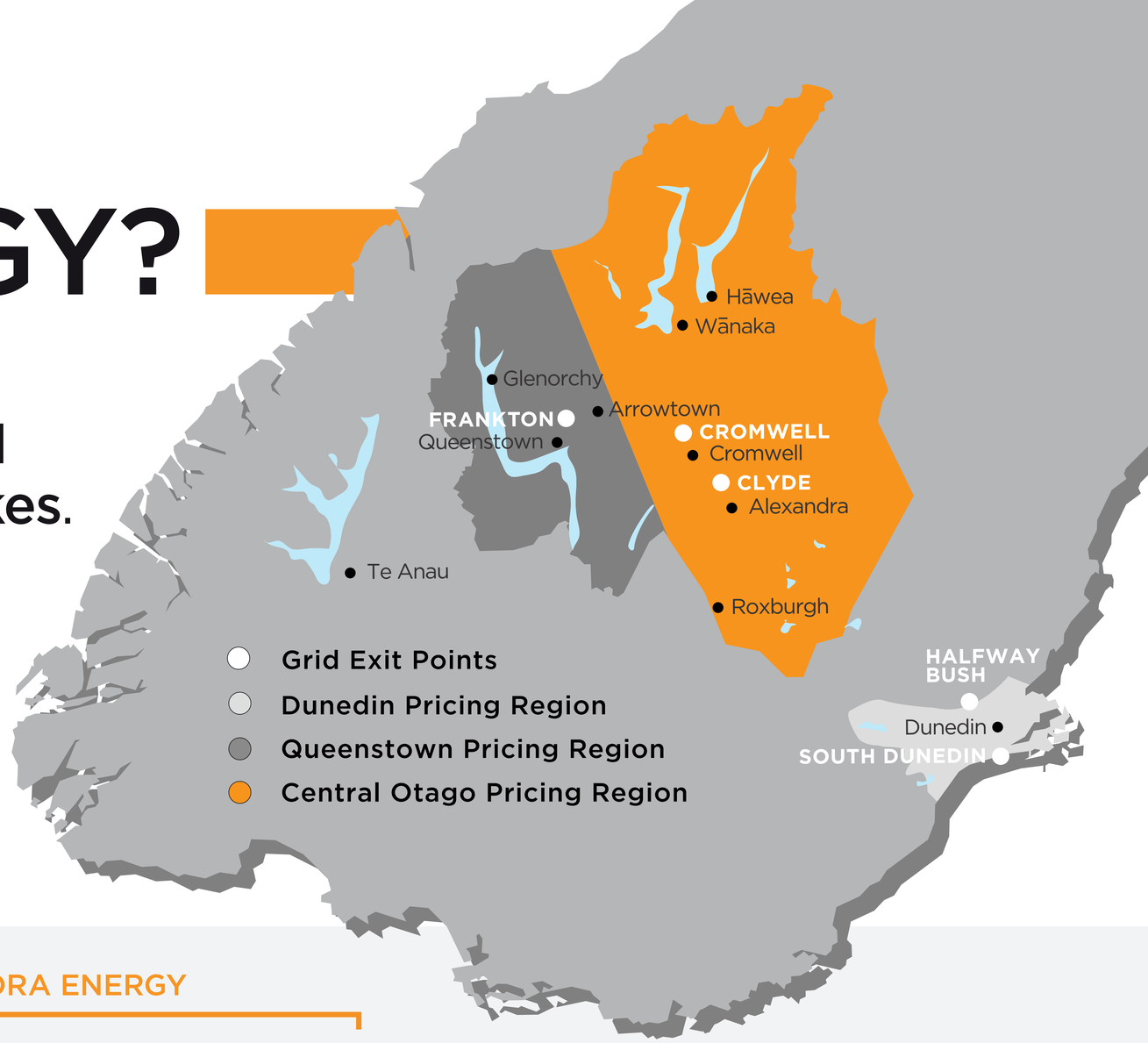
WHO IS **AURORA ENERGY?**

Aurora Energy owns and operates the electricity network in **Dunedin**, **Central Otago/ Wānaka** and **Queenstown Lakes**.

We own the poles, lines and equipment that distribute electricity from Transpower's national grid to more than **93,500** homes, farms and businesses.

We are responsible for maintaining and renewing infrastructure. The safety and reliability of electricity supply is a critical driver across all elements of our business.



HOW ELECTRICITY GETS **TO YOU**

AURORA ENERGY

GENERATION

Power stations generate electricity from water, wind, geothermal gas and coal

TRANSMISSION

Extra high voltage electricity is moved across Transpower's national grid in bulk

DISTRIBUTION

Aurora Energy takes electricity from the national grid and lowers the high voltage electricity for local use

DISTRIBUTION

Aurora Energy distributes the electricity to your place via powerlines and underground cables

RETAILERS

Retailers sell electricity to customers and deal directly with you

CUSTOMERS

Electricity is used at your place

Aurora Energy is a wholly owned subsidiary of Dunedin City Holdings Limited, which in turn is owned by the Dunedin City Council.

Our principal regulators are the Commerce Commission and the Electricity Authority.

Aurora ENERGY

OUR ANNUAL **DELIVERY REPORT**

Aurora ENERGY

WE WANT TO SHARE **OUR PROGRESS** AND **UPDATE YOU** ON OUR **FUTURE WORK PLANS**

The Annual Delivery Report (ADR) focuses on the progress Aurora Energy has made towards completing our five-year, $563 million investment programme during the last regulatory year across Dunedin, Central Otago/Wānaka and Queenstown Lakes.

The report is an important way for us to communicate how we are progressing with our customers, and it is also one of the regulatory disclosures we are required to publish each year under our 'five-year' customised price-quality path (CPP).

IT INCLUDES WHAT WE'VE DONE TO:

- Upgrade the electricity network
- Improve our systems and processes
- Engage with customers

OUR ADRs REPORT AGAINST THREE PLANS WE DISCLOSED IN MARCH 2022:

1

DEVELOPMENT PLAN

SEVEN KEY AREAS WE'RE IMPROVING TO BENEFIT OUR CUSTOMERS

- Power quality
- Planned outages
- Quality data
- Asset management
- Cost estimation
- Quality assurance
- Customer charter

2

PROJECT AND PROGRAMME DELIVERY PLAN

OUR PROJECTS FROM **2021 UNTIL 2026**

3

SAFETY DELIVERY PLAN

HOW OUR PROJECTS AND PROGRAMMES WILL REDUCE OUR NETWORK SAFETY RISKS

Copies of our reports and information on our CPP application are available on our website:
www.auroraenergy.co.nz/disclosures/delivering-our-cpp

REGULATORY YEAR AT A GLANCE*

We are pleased with the significant progress we made on asset renewal and maintenance work across the network, to reduce the level of safety risk. Safety remains our number one priority.

$46M
spent on operational expenditure

$81M
spent on network-related capital expenditure

Replaced over
1,200 CROSSARMS

Inspected almost
12,000 of the 53,674 poles on the network

Replaced more than
1,400 POWER POLES

Of the 3,843 km of overhead line on our network, we undertook vegetation
INSPECTIONS ON 51% of the network (1,953 km) and
MAINTAINED VEGETATION ON 26% of the network (983 km)

Aurora ENERGY

Replaced
74 KM of HIGH VOLTAGE LINES
(reducing the safety backlog risk by approximately 20%)

Completed scheduled maintenance at
9 of our 39 zone SUBSTATIONS

Replaced
56 DISTRIBUTION TRANSFORMERS

Replaced **88 CAST IRON POTHEADS**
(the highest number in a single year to date)

*The 2022 regulatory year (RY22) runs from 1 April 2021 – 31 March 2022

ENGAGING WITH CUSTOMERS

NOTIFYING AND UPDATING CUSTOMERS ON OUTAGES

- All power outages updated on our website 24/7
- Unplanned outages updated on our Facebook 8am - 9pm
- After hours call centre provides online updates

*We rate ourselves 3 out of 5 (usually meets expectations) for this initiative.**

CUSTOMER CHARTER

- Developed a plan to consult with customers on our new 'Customer Commitments', to replace our current Customer Charter

PRICING METHODOLOGY

Completed a public consultation in 2021 and decided to:

- Continue with our pricing strategy
- Maintain our pricing areas
- Adopt separate values of our assets to allocate capital costs to regional pricing areas
- Retain the level of detail in our published price schedules

*You can find more detail in the full Annual Delivery Report at **www.auroraenergy.co.nz/disclosures/delivering-our-cpp**

SNAPSHOT OF **MAJOR PROJECTS**

Here are some of the highlights delivered during the 2022 regulatory year (1 April 2021 - 31 March 2022).

1 **WAIPORI** HV LINE

In April 2021, we finished replacing an ageing line with new high voltage lines and steel poles along the Waipori line between Outram and Berwick. On average, for every three poles removed, one taller pole replaced them – this has increased the line span and benefits both safety for motorists and the visual appearance of the area.

2 **OUTRAM** ZONE SUBSTATION

We upgraded the Outram zone substation and replaced existing transformers and associated equipment, which had reached their end of life, with larger and higher-capacity transformer and equipment. The upgrades will benefit customers by strengthening the electricity supply to Outram and the Taieri Plain (including Dunedin Airport) and catering to future growth in the area.

4 **OTAGO PENINSULA** LINE

We upgraded around 17 km of lines on the Otago Peninsula with new lines that are designed to withstand adverse weather and salt spray, which this part of the network is exposed to. We generated a local hall when there were multiple outages over a short timeframe, so residents could access kitchen and toilet facilities.

3 **HARBOUR CROSSING** PROJECT

In September 2021, we completed the Harbour Crossing project, which involved removing six lattice towers and overhead lines between Port Chalmers and Portobello and replacing them with new submarine cables. This once-in-a-lifetime project has wider benefits for shipping, tourism and wildlife. We are working with community groups to replant the areas with native plants and restore the natural beauty. This project won two awards at the New Zealand Energy Excellence Awards for Community Initiative of the Year and Network Initiative of the Year.

Aurora ENERGY

Otago Ka

Central O
& Wānak

SNAPSHOT OF **MAJOR PROJECTS**

Here are some of the highlights delivered during the 2022 regulatory year (1 April 2021 - 31 March 2022).

1 **LAKE HĀWEA** OVERHEAD LINE UPGRADE

We completed a bundled work programme on the network that supplies Albert Town, Camp Hill, Hāwea Flat, Lake Hāwea and Makarora in December 2021. This involved a ten hour power outage for over 1500 customers, which is a larger and longer outage than usual. Bundling the work for this project meant that the overall number of planned interruptions needed during the project were minimised.

2 **ST BATHANS** LINES UNDER-GROUNDED

Power lines on the St Bathans Loop Rd were under-grounded during the year, with ageing poles and lines removed. This restored the original look of the town, and some metal poles were retained for their historic value, at the community's request.

3 **NEW OMAKAU** ZONE SUBSTATION

Work started on a new zone substation in Omakau at a new site on State Highway 85. This project will benefit customers by increasing the reliability of electricity supply for Omakau and doubling the capacity of the substation, ensuring it can meet the demand growth of the community. The new zone substation will be fully automated, which means there will be more options during planned and unplanned outages, with four other ways to configure the network. There will be a new generator for emergency power supply for short periods of time, and a mobile substation parking bay for when the transformer is out of service will also reduce customer impact. The project is scheduled for completion in March 2023.

4 **CLYDE** OVERHEAD LINE UPGRADE

There has been significant headway with the alternative power supply for Clyde township and surrounding areas. In July 2021, a new 11 kV line between Alexandra and Clyde was installed, meaning the Alexandra network can take on Clyde township power during planned and unplanned outages. We also replaced 5.1 km of power lines and upgraded more than 30 poles in June 2021. An upgrade to create a ring within the Clyde township and provide a backup supply to the Dairy Creek irrigation scheme was also completed.

5 **ROXBURGH** UPGRADE

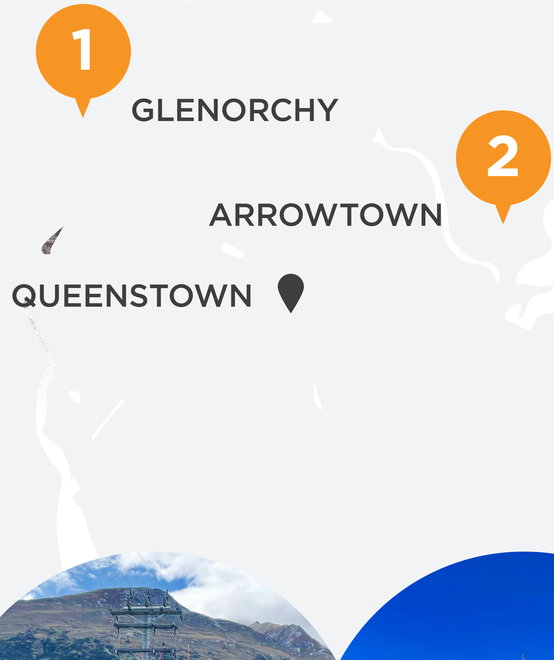
We replaced 1.3 km of power lines and 23 poles, and thank customers for their patience because residents and businesses had between one and five power outages while we completed this important piece of work.

6 **ETTRICK** ZONE SUBSTATION

New switchgear and protection equipment was installed in the Ettrick zone substation in 2021. The addition of 33 kV switchgear, replacing 11 kV switchgear and upgrading the substation's pole structures and protection systems, has improved the security of electricity supply to the community. The complex project had a small window for work to be completed and a confined space to work in.

Aurora ENERGY

Queenstown Lakes



SNAPSHOT OF **MAJOR PROJECTS**

Here are some of the highlights delivered during the 2022 regulatory year (1 April 2021 - 31 March 2022).

1 **GLENORCHY** UPGRADE

We attended a community meeting in Glenorchy in November 2021 to engage with residents early about an upcoming large programme of work, which included replacing more than 100 power poles and 25 cross arms, realigning power poles in Mid Rivers, installing a new 11 kV air break switch in Rees Valley, as well as upgrading the new voltage regulator site in Glenorchy. Work began in and around the Glenorchy township in December and is estimated to be completed in RY23.

2 **ARROWTOWN** RING UPGRADE

Work on the $6m Arrowtown ring upgrade (a new 9 km cable route) commenced and is ahead of schedule. Currently, Arrowtown, Coronet Peak, Dalefield, Arthurs Point and Remarkables are supplied by two power lines that share the load between them, with limited access to an alternative electricity supply if a fault occurs. These planned improvements include a new 33 kV underground cable, which will enhance security and reliability of our services to Arrowtown. This is because the new cable can support the entire Arrowtown area load and allow any faults to be isolated and repaired with minimal power outages. This project will run over several years and is estimated to be completed in 2024.

IMPROVING OUR PRACTICES

WHAT WE **DELIVERED**

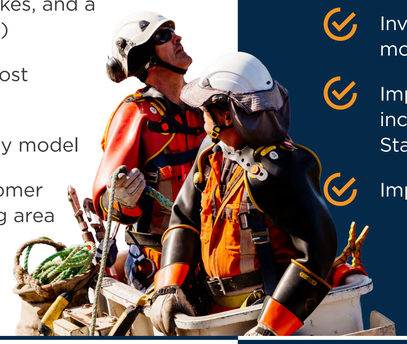
You can find more detail in the full Annual Delivery Report at **www.auroraenergy.co.nz/disclosures/delivering-our-cpp**

HELPING CUSTOMERS UNDERSTAND ELECTRICITY PRICING

RATING 5

Published a pricing strategy and roadmap in April 2021; as part of this we have:

- Refined cost allocations to pricing areas (Dunedin, Central Otago/ Wānaka, Queenstown Lakes, and a small network in Te Anau)
- Developed a long-term cost methodology
- Published a cost of supply model
- Provided ‘standard’ customer examples for each pricing area



POWER QUALITY

RATING 5

We developed our low voltage network practices in several ways and we:

- Improved our power quality enquiry process
- Invested in power quality monitoring equipment
- Improved internal documentation, including our Voltage Control Standard
- Improved our analysis tools

CUSTOMER CHARTER

RATING 5

We developed our customer charter engagement by:

- Planning for charter consultation in RY23
- Undertaking an internal review of what currently is, and is not working
- Carrying out benchmark surveying, which will run every year during the CPP period

OUTAGE MANAGEMENT

RATING 5

We implemented several outage planning initatives, including:

- Developing an outage variation reporting framework and a new cancellation and deferral process
- Regular performance discussions with our contractors
- A new contact centre, Telnet, for after hours and weekend customer service
- Developing customer outage guidelines, to be finalised and implemented as part of a new planned outage approval process (also in development) in RY23
- Implementation of our new Outage Management System (OMS) began, which will result in better quality assurance and, in the future, better information for customers
- Bundled work programmes to reduce the number of planned outages that a customer would experience to perform the same work

QUALITY DATA

RATING 5

We progressed several data quality initiatives and we:

- Introduced a business-wide data strategy to become ‘digital first’
- Implemented a new asset management software solution, Maximo, and migrated static data. This will help us make more informed decisions about our maintenance plans
- Developed business intelligence reports to ensure asset data in our Geographical Information System (GIS) is correct
- Introduced a methodology to better estimate data backlogs and put further controls in place
- Selected a new platform to share outage information with our call centre. The first integration between our system and the call centre’s system is underway

ASSET MANAGEMENT AND SAFETY RISK

RATING FOR PRACTICES AND PROCESSES 5

RATING FOR IDENTIFYING AND REDUCING SAFETY RISK 5

We began work on our strategy and frameworks and we:

- Developed our risk management framework for our safety-critical assets based on their exposure to the public
- Improved our data analysis by linking assets with our reporting to allow better evaluation of our asset criticality
- Disclosed our Safety Delivery Plan

COST ESTIMATION

RATING 5

We laid the foundations for several cost estimation initiatives by:

- Analysing our current budgeting of major project work to help us develop a cost estimation tool
- Establishing a framework to monitor project unit rates annually, which will result in more precise delivery budgets
- Agreeing contract unit rates and fixed prices with our contractors for volumetric work

QUALITY ASSURANCE

RATING 5

We implemented several quality assurance improvements, including:

- Establishing a project team to improve project workflow processes
- Standardising our project management process and developing templates
- Reviewing our project management software and completing gap analysis to identify improvement areas
- Integrating our project management systems across the business
- Developing an internal reporting structure

WHAT DO OUR RATINGS MEAN?

1 Not Started | 2 Not Achieved | 3 Partially Achieved | 4 Largely Achieved | 5 Achieved / Exceeded Plan