



POWERING OUR COMMUNITY

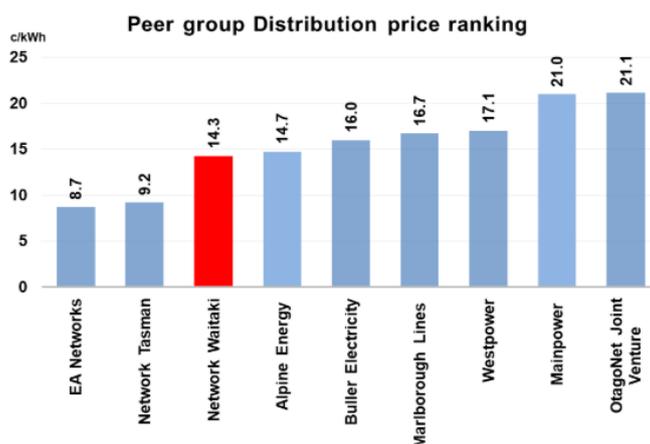
INVESTING IN OUR NETWORK AND THE IMPACT TO THE PRICES YOU PAY

FREQUENTLY ASKED QUESTIONS

As your local lines company, Network Waitaki is responsible for delivering electricity to over 13,000 homes and businesses from as far south as Shag Point, up north to the Hakataramea Valley and west to the top of Ohau. Owned 100% by our community through the Waitaki Power Trust, we take our responsibility seriously to ensure you have power whenever you need it – whether that's keeping your home running or your business humming - through the provision of a safe, secure and reliable service.

Will customers need to foot the bill for the total investment that is required over the next 10 years?

Investing in our network to meet the growing demands of our region will require a \$145m investment over the next decade. We will be funding this through a combination of borrowing and increasing our distribution charges to allow us to pay for it over the next 30-40 years. We have historically had some of the lowest prices compared with other electricity distribution businesses with a profile similar to ours, but now need to invest in a significant programme of work to ensure the long-term safety, efficiency and reliability of our network.



Source: MBIE Quarterly Survey of Domestic electricity prices

Does that mean prices will be increased again after this year?

We expect there will be increases over the coming years. We review our plans and pricing every year and are regulatory obligated to notify customers (through their retailers) of any pricing changes each year before they take effect on 1 April.

How does Network Waitaki's lines charges compare with other regions?

Lines charges reflect the network coverage area, and the number of customers supplied across that area – ie, higher populated areas with denser networks often have lower costs than those in areas with a larger network coverage area that supplies fewer customers. We have more than 13,500 customer connections over a network that spans approximately 2,000 kilometres but have still historically had some of the lowest prices for the services we provide compared to other regions across New Zealand.

This increase will have a big impact across the region, and especially for our vulnerable residents. What do you say to those who are already struggling financially?

We understand that pricing changes are difficult, and we have been very mindful of the impact the increases will have on our customers. We are owned by the community, and we take that responsibility seriously. Our team is on hand to help our customers with these changes. We can ensure they are on the right connection size and plan for their needs. We encourage customers to visit Consumer NZ's website 'Powerswitch' for a free and independent comparison of retail power plans - www.powerswitch.org.nz, and those that are experiencing energy hardship to contact EnergyMate, an in home energy coaching service, or speak to your electricity retailer.

You have identified the need for a new GXP for our region. Does this mean the capacity is currently at risk – and will continue to be until the new GXP is built?

We have been actively managing the capacity needs of our region by investing in load management schemes to maximise the use of existing assets. We will continue to do this until the new GXP is commissioned.

Will Transpower’s pass-through costs increase for the new GXP – what will those costs be?

We expect to enter into a contract with Transpower during 2026 for the construction of the GXP which will determine the impact on future Transpower charges.

Is a new GXP needed if demand growth doesn’t happen at the pace predicted?

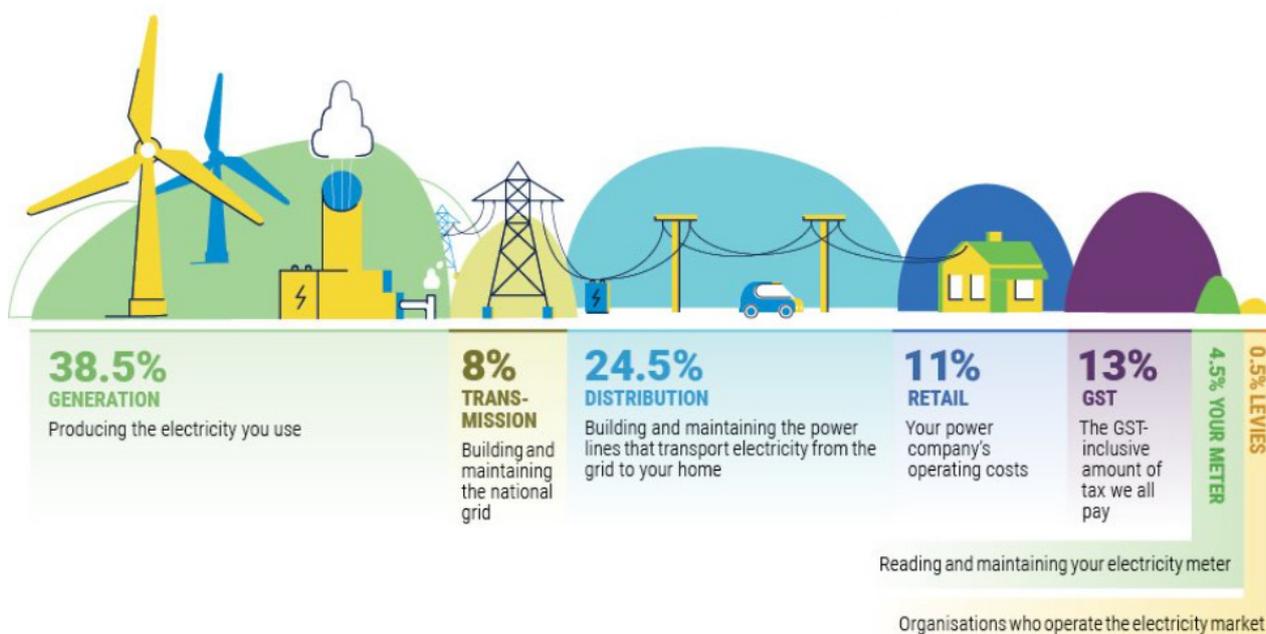
For the last two decades we have worked with Transpower to consider a range of options to ensure the long-term capacity needs of our region can be met, like investing in load management schemes . However, the region’s demand needs are now growing at a significantly faster rate than in the past few years, and we know the best option now is to invest in the new Grid-connection to ensure security of supply to our region for decades to come.

You have said there is an increase in expenditure to renew ageing assets – does that mean NWL has deferred upgrades in the past?

Every year our asset management plans reflect an ongoing refurbishment, renewals and replacement programme, along with necessary maintenance to ensure the network continues to be safe, secure and reliable, and that we get the most value from the assets serving our community. However, like other major infrastructure across New Zealand, most of our network was built in the 1950s-1960s and we now need to invest heavily in replacing some assets that are reaching their end of life.

What does my electricity bill pay for and where does Network Waitaki fit in?

This diagram shows the different components of your electricity bill. How these are shown on your electricity bill is up to your retailer. You’ll find more information on our website - www.networkwaitaki.co.nz



Source: EA website - (<https://www.ea.govt.nz/your-power/bill/>)