

KEEPING YOU UPDATED

We will continue to keep you updated on our progress with our five-year CPP investment programme in our Annual Delivery Reports. You can find the full Annual Delivery Report on our website www.auroraenergy.co.nz/delivering-our-cpp

ANY QUESTIONS? GET IN TOUCH!

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📷 @auroraenergynz

🌐 auroraenergynz

To access our free complaints process, please email us using the enquiry form on our website www.auroraenergy.co.nz/get-in-touch

If you ever have a complaint we can't resolve, you can contact Utilities Disputes, a free and independent dispute resolution service on [0800 22 33 40](tel:0800223340) or go to www.udl.co.nz



**DELIVERING
ON OUR
PROMISES**

COVER: Aurora Energy Smith Street Upgrade Project Team

Annual Delivery Report Customer Summary 2025

WHO IS AURORA ENERGY?

Aurora Energy is one of the largest electricity networks in Aotearoa New Zealand.

We own and manage the network that delivers electricity to some of the fastest growing areas and over the most diverse terrain in the South Island.

We take the electricity from Transpower's national grid to power your homes, businesses and the wider community. We deliver a safe, reliable and sustainable electricity supply across Otago in Dunedin, Central Otago/ Wānaka and Queenstown to over 200,000 people.

OUR NETWORK AND THE COMMUNITIES WE SUPPLY



Key

- Grid Exit Point (GXP)
- Queenstown sub-network
- Central Otago/ Wānaka sub-network
- Dunedin sub-network

Our network is split into three different pricing regions, determined by which GXP that area of the network is connected to.

HOW ELECTRICITY GETS TO YOU

STEP ONE



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

AURORA ENERGY

STEP TWO



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 power lines and underground cables

STEP THREE



RETAILERS

Retailers sell electricity to customers and deal directly with you



CUSTOMERS

Electricity is used at your place



WELCOME FROM OUR CHIEF EXECUTIVE

It's hard to believe, but we are now in the final year of our intensive five-year, \$560 million programme to upgrade and renew our electricity network across Otago.

Throughout this period, our focus has remained clear: delivering projects and programmes that enhance the safety and reliability of supply for over 96,700 customer connections to our network across Dunedin, Central Otago/Wānaka and Queenstown.

We are seeing real improvements in performance, safety and reliability as a result, and we are proud of the progress made so far.

Each year we publish an Annual Delivery Report that summarises the work completed in the last Regulatory Year (RY25), which runs from 1 April 2024 to 31 March 2025. I'm pleased to present our latest customer summary.

We continue to invest in the electricity network, and we've delivered a number of major projects in RY25 that will help meet future demand and growing electrification as more people choose to move away from fossil fuels.

These include upgrading the Frankton zone substation with a new transformer that increases how much electricity we can provide, replacing the Upper Clutha auto transformer with a larger one to boost electricity supply, commissioning the new Omakau zone substation, which has doubled supply capacity, and completing the Smith Street to Willowbank inter-tie ring network in Dunedin, providing a more secure supply for those in the central city areas.

Across the network, we invested \$155 million in capital and operational expenditure. As well as projects to keep pace with increasing capacity, we replaced over 1,000 end-of-life power poles and crossarms, 56km of high voltage lines, 178 switchgear assets, and 101 distribution transformers.

During the year we saw an overall improvement in our reliability performance, although there are still some parts where substantive changes are needed to the network configuration to further improve local reliability. This work forms part of our forward workplans set out in our Asset Management Plan (AMP).

Planned interruptions will, unfortunately, remain at an elevated level while we continue our work programme.

Our focus is ensuring we have an electricity network fit for the future – one that is smart, reliable and flexible, and can support the growing demand for electrification and regional economic growth.

We continue to experience strong growth in Central Otago, which requires us to accelerate some investments. For example, as a result of growth in the Arrowtown area, we have brought forward a plan to replace the zone substation at Dalefield. This is the first project in a sequence that will see the full replacement and relocation of the larger Arrowtown zone substation.

Our asset management capabilities have matured considerably over recent years, and this is helping us better identify root causes of equipment faults and, as a result, target our operational and investment interventions. An improvement in our inspection processes between RY22 and RY25 has reduced the reported network risk for several safety-sensitive fleets. These include power poles, crossarms, cables, and ground- and pole-mounted transformers. We have some equipment, such as outdoor switchgear and sub-transmission cables, that have become a priority and where we are directing our asset inspection and renewal focus.

We are fortunate to have a highly committed and experienced team at Aurora Energy who

always put customers first. While delivering a significant programme of work, they ensure the impact is minimal for customers.

Our contracting partners are also central to ensuring we deliver on our commitments. I want to thank them for working at all hours and in all weather to keep the lights on.

I'd also like to extend my thanks to the electricity consumers we service for their patience and understanding, especially when the power supply is interrupted – whether planned or outside our control. Please be assured we always aim to restore supply as quickly and as safely as possible.

The following pages are a summary of our key achievements and progress. If you would like to see our full Annual Delivery Report, it is available on our website.

Kind regards,



Richard Fletcher
Chief Executive

OUR ANNUAL DELIVERY REPORT

CUSTOMER SUMMARY

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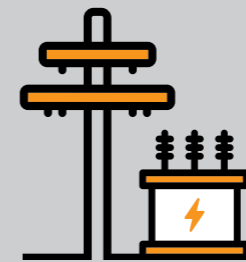
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2025 REGULATORY YEAR AT A GLANCE* OUR NETWORK

We are pleased with the continued progress we made on asset renewal and maintenance work across the network, to reduce the level of safety risk.



\$54M
spent on operational expenditure



\$102M
spent on network capital expenditure

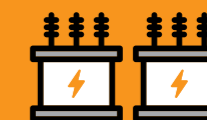


Replaced
406
CROSSARMS

Replaced
607
POWER POLES



378
different types of switchgear assets replaced or renewed



Replaced
101
DISTRIBUTION TRANSFORMERS

Replaced over
56 KM
of **HIGH VOLTAGE LINES**

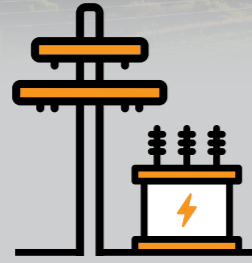
Keep reading for a breakdown of the work we completed in each pricing region (Dunedin, Central Otago/Wānaka and Queenstown).
All of the numbers for RY25 can be found in **Section 9 of our full report.**

*The 2025 regulatory year (RY25) runs from 1 April 2024 – 31 March 2025

2025 REGULATORY YEAR AT A GLANCE* DUNEDIN



\$29M
spent on operational expenditure



\$41M
spent on network capital expenditure

We undertook vegetation inspections on **29%** of the Dunedin network and maintained vegetation on **20%** of the network

Replaced over
19 KM
of **HIGH VOLTAGE LINES**

Replaced **116**
different types of switchgear assets replaced or renewed

Replaced **33**
DISTRIBUTION TRANSFORMERS

Replaced **219**
POWER POLES

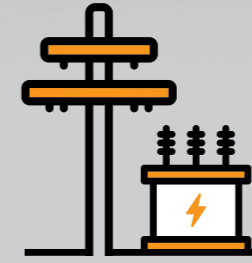
Replaced **254**
CROSSARMS

*2025 regulatory year runs from 1 April 2024 - 31 March 2025

2025 REGULATORY YEAR AT A GLANCE* CENTRAL OTAGO/WĀNAKA



\$16M
spent on operational expenditure



\$40M
spent on network capital expenditure

We undertook vegetation inspections on **46%** of the Central Otago/Wānaka network and maintained vegetation on **54%** of the network

Replaced over
32 KM
of **HIGH VOLTAGE LINES**

Replaced **62**
different types of switchgear assets replaced or renewed

Replaced **34**
DISTRIBUTION TRANSFORMERS

Replaced **294**
POWER POLES

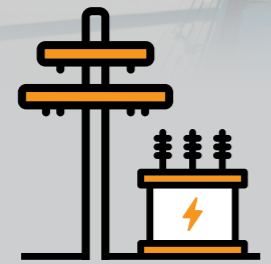
Replaced **131**
CROSSARMS

*2025 regulatory year runs from 1 April 2024 - 31 March 2025

2025 REGULATORY YEAR AT A GLANCE* QUEENSTOWN



\$9.5M
spent on operational expenditure



\$20M
spent on network capital expenditure

We undertook vegetation inspections on **65%** of the Queenstown network and maintained vegetation on **65%** of the network

Replaced **94 POWER POLES**
Replaced **21 CROSSARMS**

Replaced **5 KM of HIGH VOLTAGE LINES**

Replaced **200** different types of switchgear assets replaced or renewed

Replaced **34 DISTRIBUTION TRANSFORMERS**

*2025 regulatory year runs from 1 April 2024 - 31 March 2025

WHAT WE HAVE DELIVERED

DELIVERED

- ✓ Frankton zone substation upgrade
- ✓ Upper Clutha auto transformer replacement
- ✓ Upper Clutha special protection scheme
- ✓ Omakau new zone substation
- ✓ Smith St to Willowbank inter-tie in Dunedin

NOT COMPLETED, BUT PLANNED TO, IN RY25

- ➔ Riverbank (Wānaka) new transformer

NOT COMMENCED, BUT PLANNED TO, IN RY25

- ➔ Arrowtown zone substation 33kV indoor switchgear



FOCUS ON SAFETY

NETWORK SAFETY RISKS

During RY25, we continued to mature our asset management practices, giving us a more in-depth picture of health and the risk profile of our network. This means we can prioritise our efforts and pinpoint which assets need attention and which public safety criticality zone they're in.

We've done this by:

- ✔ Starting enhanced inspection programmes for distribution transformers, low voltage enclosures, and ground mounted distribution switchgear. This will be fully implemented for RY26 inspections
- ✔ Implementing more advanced inspection techniques including thermal, acoustic and aerial inspections
- ✔ Maintaining a balance between cost and defect discovery rate from each technique. This ensures they're used where cost effective and necessary
- ✔ Documenting fleet strategies and plans for safety critical fleets to enable evidence-based investment decisions
- ✔ Undertaking an internal maturity assessment of fleet strategies and engaging an independent consultant to review strategies and associated health models

SAFETY-RELATED INCIDENTS

Our number one value is Safety First, which means people come first.

This value underpins our approach to identifying, reviewing and, as necessary, taking corrective action on safety-related incidents.

We continue to emphasise with our contractors the value of reporting all network-related minor incidents, near misses and hazards. We are encouraged by ongoing improvements to our safety culture that continues to be established and are pleased to see the reporting of minor incidents and near misses being positively reinforced.

This improving reporting culture makes it difficult to compare the number of incidents reported with previous years, where the culture was not as robust.

Lessons learnt and corrective actions from reported events and investigation findings are shared through:

- ✔ Safety alerts
- ✔ Follow ups during site interactions
- ✔ Conversations with workers in the field
- ✔ Monthly contract meetings
- ✔ Open conversations with contractors
- ✔ Health and safety forum attendance and participation

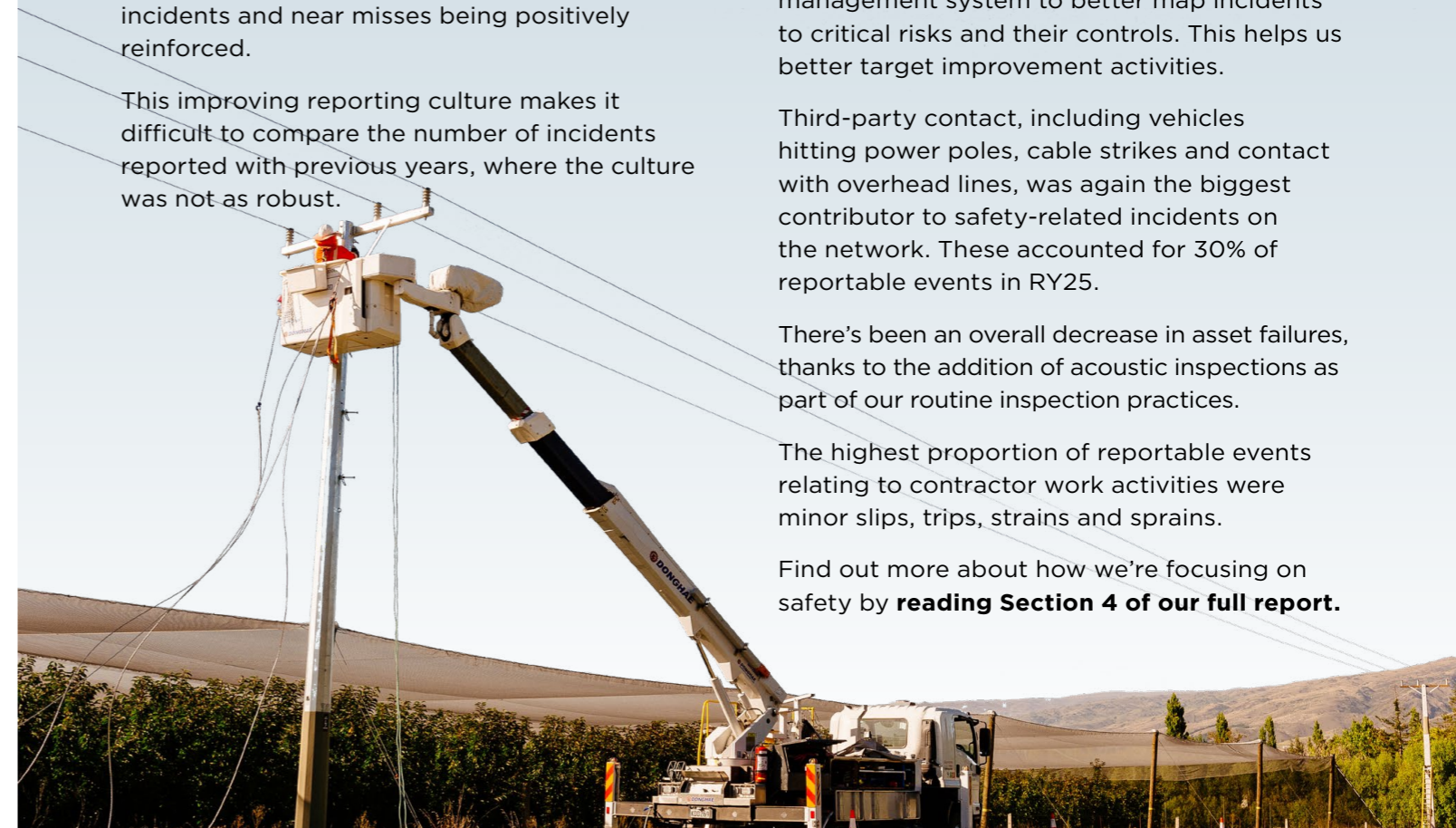
In RY25 we introduced a new integrated risk management system to better map incidents to critical risks and their controls. This helps us better target improvement activities.

Third-party contact, including vehicles hitting power poles, cable strikes and contact with overhead lines, was again the biggest contributor to safety-related incidents on the network. These accounted for 30% of reportable events in RY25.

There's been an overall decrease in asset failures, thanks to the addition of acoustic inspections as part of our routine inspection practices.

The highest proportion of reportable events relating to contractor work activities were minor slips, trips, strains and sprains.

Find out more about how we're focusing on safety by **reading Section 4 of our full report.**



IMPROVING OUR PRACTICES

In 2022, we published a Development Plan, which outlined some systems and processes we aim to improve over the five-year CPP investment period and how these benefit customers.

Here is how we're improving our practices and a self-assessment rating on a scale of 1 to 5 on how well we are tracking so far.

What do our ratings mean?

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

For further information on the ratings for our improvement initiatives please see **Section 5 of our full report.**

HELPING CUSTOMERS UNDERSTAND ELECTRICITY PRICING

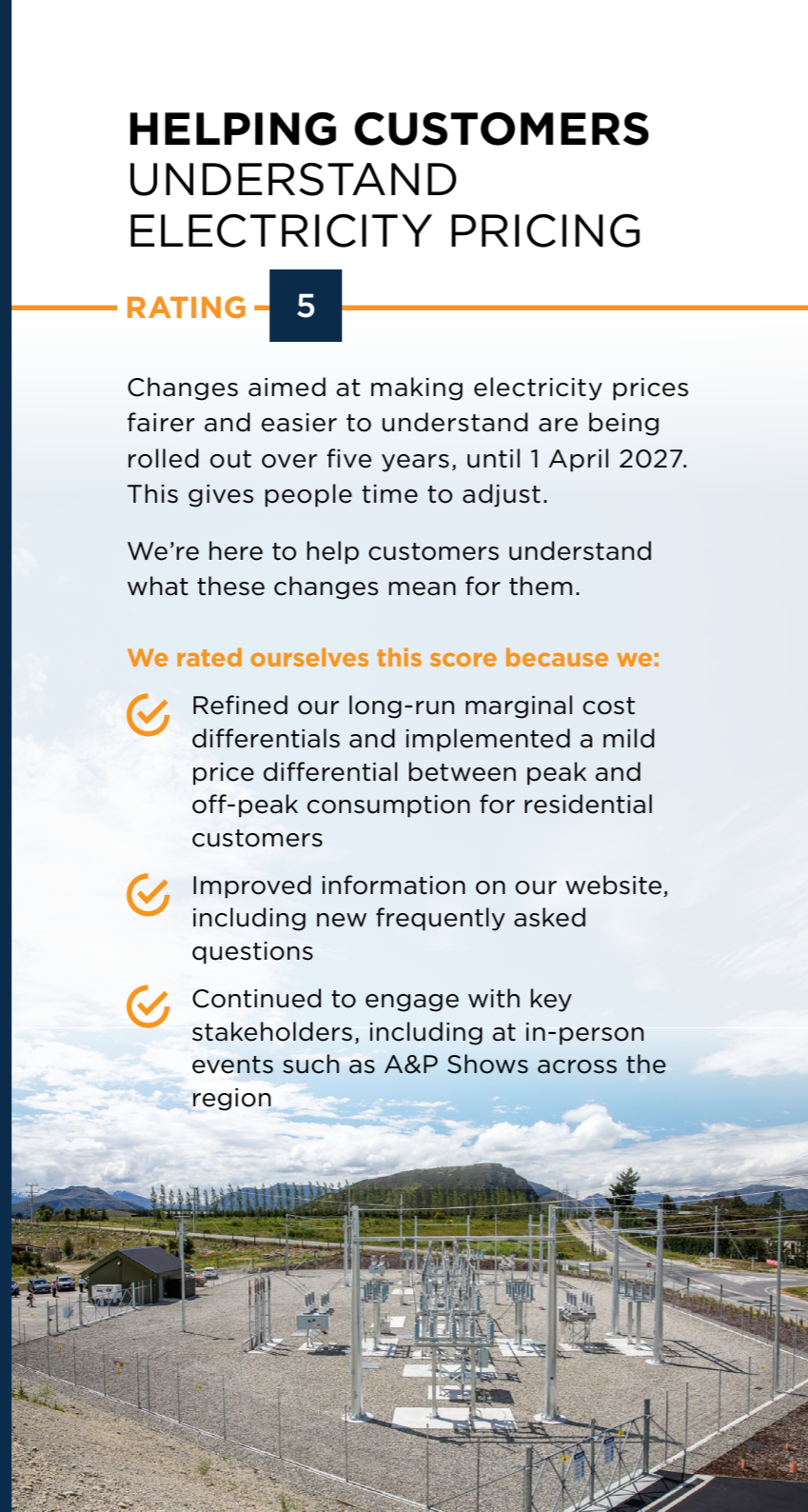
RATING 5

Changes aimed at making electricity prices fairer and easier to understand are being rolled out over five years, until 1 April 2027. This gives people time to adjust.

We're here to help customers understand what these changes mean for them.

We rated ourselves this score because we:

- ✓ Refined our long-run marginal cost differentials and implemented a mild price differential between peak and off-peak consumption for residential customers
- ✓ Improved information on our website, including new frequently asked questions
- ✓ Continued to engage with key stakeholders, including at in-person events such as A&P Shows across the region



POWER QUALITY

RATING 5

Voltage limits are regulated to ensure satisfactory power quality levels can be achieved for customers. We're working on ways to better monitor power quality to identify emerging trends and how we can improve it.

We rated ourselves this score because we:

- ✓ Completed further low voltage network analysis using the ANSA modelling tool and incorporated smart meter consumption data. This helps assess emerging constraints and invest before issues affect customers
- ✓ Reviewed and modified our voltage management standard and began standardising transformer tap settings to improve low voltage network performance

CUSTOMER CHARTER AND **COMPENSATION**

RATING 5

Customers are at the heart of our business, and we are committed to building a more customer-focused organisation that provides genuine benefits to them. Our Customer Charter outlines what we are committed to, and what we expect in return from consumers so we can meet their expectations to deliver a safe, reliable and efficient electricity supply.

We rated ourselves this score because we:

- ✓ Launched a new Customer Charter that reflects what customers have told us is important to them, and promoted this in our community newsletter 'Your Network, Your News' and on social media
- ✓ Produced a promotional video for our website and social media
- ✓ Included a section about the importance of our Customer Charter during inductions for all new staff members

The new Customer Charter replaced our original Charter that had been in place since 2017.

OUTAGE MANAGEMENT

RATING 2

We know that no time will suit everyone for the power to go off, so we are committed to improving the way we plan, manage and communicate outages to minimise the impact on customers as much as we reasonably can.

To deliver on our network renewal programme, the current elevated level of planned power outages will need to continue so we can carry out work to safely upgrade and maintain the electricity network.

We rated ourselves this score because we:

- ✔ Have not been able to roll out real-time planned interruption status via SMS as planned
- ✔ Were able to complete initial acceptance testing for this project

We now intend to roll this out in RY26.

QUALITY DATA

RATING 5

Having accurate data about our assets to inform decision-making is necessary for delivering a safe, reliable and resilient power supply. With good quality data, we can continue improving our risk framework, risk-based decision making, and budgeting and forecasting activities.

We rated ourselves this score because we:

- ✔ Automated systems for collecting data from contractors
- ✔ Implemented an asset management software solution
- ✔ Developed and implemented a data integration hub
- ✔ Implemented data management controls
- ✔ Introduced new analytical tools for internal use

ASSET MANAGEMENT AND SAFETY RISK

RATING FOR PRACTICES AND PROCESSES 3

RATING FOR IDENTIFYING AND REDUCING SAFETY RISK 5

Continuous improvement in asset management is critical to meet our safe network objectives, operate successfully in a changing environment, meet customers' evolving expectations, and address changes in network demand and technology. Our vision is to enable the energy future of our communities.

It is increasingly important to continue building on our existing asset management capability so we can enable the right investment on the right assets at the right time.

We rated ourselves this score because we:

- ✔ Started developing our Strategic Asset Management Plan (SAMP) to more comprehensively capture asset management strategy and objectives in our AMP
- ✔ Developed strategies and plans for all key fleets, which informed forecasts for future AMPs
- ✔ Completed new inspection standards for distribution transformers, ground-mounted distribution switchgear and low voltage enclosures
- ✔ Undertook a maturity assessment and independent review of fleet strategies and plans to date, and documented a roadmap for each fleet
- ✔ Launched a cross-business project to better understand the root cause of asset failures
- ✔ Documented a Business Case Template and manual. We are currently testing the template as a pilot application to a network project



COST ESTIMATION

RATING 4

Good cost estimation helps inform business cases for managing assets, plan future spending, and ensure we have the funding we need. That's why it is important our processes are as accurate as possible.

We rated ourselves this score because we:

- ✔ Set up our tender documentation to receive detailed pricing breakdowns
- ✔ Negotiated additional unit rates with our Field Service Providers (FSP) for activities such as consumer pole replacements
- ✔ Included a broader range of projects in our cost estimation tool
- ✔ Have enhanced access to vegetation programme information via new dashboards developed with FSPs
- ✔ Developed a 'bottom-up' forecast model for vegetation forecasting. We expect improved visibility of data from FSPs and systems will enable enhanced forecasting of required expenditure

QUALITY ASSURANCE

RATING 5

It is important that all work upgrading and maintaining the electricity network meets the relevant regulatory standards and is delivered as efficiently and effectively as possible.

Our increased work programme throughout the CPP period means it is vital to have robust quality assurance processes and resources in place.

We rated ourselves this score because we:

- ✔ Continue to develop and implement process improvements relating to works management capabilities
- ✔ Continue to train and upskill staff in the PRINCE2 methodology. All current project managers achieved PRINCE2 certification within 90 days of employment





ENGAGING WITH CUSTOMERS

Engaging with customers is key to understanding what matters to them, educating the public about safety, and sharing the work we're doing to upgrade our network.

In this section, learn how we kept our communities informed and listened to their feedback. More information about this is available in **Section 6 of our full report.**

CUSTOMER AND STAKEHOLDER ENGAGEMENT

RATING 5

During RY25 we continued to engage with our stakeholders:

- ✔ Proactive communications and engagement through a wide range of channels, from our regular 'Your Network, Your News' insert and ads in community newspapers, advertorials, public safety advertising, and in-person events and meetings
- ✔ Hosting events with the business community, where we focused on how we can enable businesses to electrify their operations, including sponsoring the inaugural Electrify Queenstown event
- ✔ Direct engagement with key stakeholders and major customers by our executive leadership team and senior management
- ✔ By directly contacting customers impacted by multiple planned outages to share what work is being done to improve their electricity supply

INVESTMENT REPRIORITISATION

RATING 4

In our May 2024 edition of 'Your Network, Your News' we included information about our proposal to reprioritise some capital or operational expenditure projects. We continued to gauge the level of involvement customers wanted to have if we needed to amend the five-year investment plan via our annual customer satisfaction survey.

The majority of respondents were satisfied with little involvement, so long as Aurora Energy let the public know about any changes.



RELIABILITY HOTSPOTS

There are **234 distribution lines across our network**. The Commerce Commission has asked us to identify the areas that are the 10th percentile contributors to our metrics for network outages in terms of frequency and duration (which includes both planned and unplanned outages), as well as any plans we have in place to improve the performance for those areas.

You can find more information on the areas and any plans we have in **Section 7 of our full report**.

THANK YOU

to our contracting partners who supported us during RY25, Delta, Electronet, and Unison, who were pivotal in supporting us to deliver our commitments.

We thank them for working at all times of the night and day and in all weather conditions to keep the lights on.

