

# APPENDIX A

## INFORMATION DISCLOSURES FOR RELATED PARTY TRANSACTIONS

FOR THE YEAR ENDED 31 MARCH 2022

*Pursuant the Electricity Distribution Information Disclosure Determination 2012 (consolidated 9 December 2021)*



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## 1. INTRODUCTION

This disclosure has been prepared to meet the 2022 Related Party Transaction disclosure requirements, in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated 9 December 2021) (ID Determination).

The information is provided in reference to and in support of Schedule 5b - Related Party Transactions as disclosed in the Information Disclosure Schedules for the disclosure year ended 31 March 2022.

The ID Determination requires Alpine Energy Limited (AEL) to publicly disclose the following information:

DESCRIPTION	ID REFERENCE
Diagram or description of related party transactions	2.3.8
Report on related party transactions	Schedule 5b
Summary of procurement policy for procurement from related parties	2.3.10
How the policy is applied practice	2.3.12(1)
Representative transactions	2.3.12(3) & (5)
Testing of arms-length transactions	2.3.12(4)
Policies or procedures that require or have the effect of requiring purchase	2.3.12(2)
Map and description of anticipated network expenditure and network constraints	2.3.13 - 2.3.16
Full procurement policy (only required to be disclosed to the Commerce Commission and not included in this document)	2.3.11

## 2. RELATED PARTIES

In accordance with clauses 2.3.8(1) and (2) of the ID Determination, Table 1 below summarises the relationship between AEL and the related parties with which it had related party transactions (as defined in the Electricity Distribution Services Input Methodologies Determination 2012 (Consolidated 20 May 2020) (IM Determination)) during the disclosure year. Table 1 also summarises the principal activities of the related parties and the total annual expenditure incurred.

AEL does have other subsidiaries and joint venture relationships which are not included in Table 1 below. AEL did not procure or sell any assets or good or services from or to these related parties for the supply of electricity distribution services. For a full list of all related parties, refer to AEL's Annual Report for the year ended 31 March 2022, as publicly disclosed on AELs website<sup>1</sup>.

Related Party	Relationship	Annual expenditure \$'000	Principal Activities of the Related Party
<b>Timaru District Council (TDC)</b>	Shareholder - 47.5% ownership (through a 100% ownership in Timaru District Holdings Limited).	\$68	TDC is the territorial authority for the Timaru District area in accordance with the Local Government Act 2002. TDC provides infrastructure and regulatory services, community facilities and promotes the social, cultural, economic, and environmental wellbeing of the Timaru District community.
<b>Waimate District Council (WDC)</b>	Shareholder - 7.54% ownership	\$23	WDC is the territorial authority for the Waimate District area in accordance with the Local Government Act 2002. WDC provides infrastructure and regulatory services, community facilities and promotes the social, cultural, economic, and environmental wellbeing of the Waimate District community.
<b>Mackenzie District Council (MDC)</b>	Shareholder - 4.96% ownership	\$26	MDC is the territorial authority for the Mackenzie District area in accordance with the Local Government Act 2002. MDC provides infrastructure and regulatory services, community facilities and promotes the social, cultural, economic, and environmental wellbeing of the Mackenzie District community
<b>NETCon Ltd (NCL)</b>	Subsidiary - 100% ownership	\$16,814	NCL constructs and maintains substations, overhead and underground lines, and associated equipment, and vegetation management services across South Canterbury and Nelson.

**Table 1 - Related party relationships and principal activities of the related parties**

<sup>1</sup>[https://www.alpineenergy.co.nz/\\_\\_data/assets/pdf\\_file/0029/18299/AEL\\_2021\\_22-Annual-Report.pdf](https://www.alpineenergy.co.nz/__data/assets/pdf_file/0029/18299/AEL_2021_22-Annual-Report.pdf)

### 3. SUMMARY OF PROCUREMENT POLICY

In accordance with clause 2.3.10(1) of the ID Determination, AEL publicly discloses a summary of the current Procurement Policy in respect of the procurement of assets or goods or services from related parties. AEL does not distinguish between the external contractors and related parties in applying its procurement policy, however, a Master Services Agreement is in place with NETcon.

#### Principles underpinning the Procurement Policy

Alpine Energy's Procurement Policy was adopted November 2019 (and reviewed during 2021) to establish a framework for AEL's procurement. The current Procurement Policy outlines the principles to be followed when procuring goods and services for AEL. These principles are summarised in below.

##### Advancement of AEL Strategic Objective

Putting our network and consumers first when securing value for money. Through procurement, we contribute to the achievement of Alpine's strategic objectives with the vision of empowering our community.

##### Integrity, Probity & Accountability

We undertake our procurement with integrity, ensuring probity and accountability for our outcomes. We respect the trust placed in us by the community.

##### Working Together to Achieve Outcomes

We take a collaborative approach to planning and managing categories of expenditure. We work together across our business units to improve procurement outcomes.

##### Value for Money

We drive value for money in our procurement. We do this through sustainable procurement behaviour focusing on our environment and community.

We use our procurement to advance our region's economic, environmental, and social objectives, supporting the long-term wellbeing of our community.

### **Master Service Agreement with NETcon**

Where AEL procures from NCL, it is based on the terms in the Master Service Agreement ('MSA') dated 1 October 2020 (effective 1 October 2020).

In broad terms, the MSA includes provisions that specify the parties' obligations:

- Nothing in the agreement prevents AEL from purchasing from any third party, or from using its own resources to provide services of any kind, including any services which are the same or like the services; and
- Neither does the agreement restrict NCL from supplying nor offering to supply any services of any kind, including services which are the same as or similar as the services, to any other person.

The objectives of entering into an agreement are to ensure that the services are provided in a way that:

- Is safe, for all AEL personnel, all NCL personnel, all users of the network and all members of the public;
- Supports the efficient delivery of reliable services by AEL to users of the network;
- Provides a fair and competitive price to AEL, for the services provided, and a fair return to NCL on its investment in providing the services; and
- Complies with all relevant regulatory requirements.

In accordance with the Procurement Policy and the Master Services Agreement, AEL continues to use NCL as the main contractor for the construction and maintenance services to most of our network, including all fault response. These services are based on independent industry verified rate cards to ensure efficient expenditure. Where rate cards are not possible for complex and varied work scopes, AEL will go to the market to obtain the most cost-effective solution, through open market tender.

## 4. APPLICATION OF PROCUREMENT POLICY

In accordance with clause 2.3.12 (1) of the ID Determination, AEL publicly discloses a description of how the current Procurement Policy is applied in practice to the procurement of assets or goods or services from related parties.

In practice, the Procurement Policy is applied differently between expenditure categories, as outlined in Table 2 below:

EXPENDITURE CATEGORY	PRACTICAL APPLICATION OF PROCUREMENT POLICY
<b>CAPITAL EXPENDITURE (CAPEX)</b>	
<b>CONSUMER CONNECTIONS</b>	Considering the principles of procurement, contracts will be awarded to NCL (or other contractor) when: <ul style="list-style-type: none"> <li>• Two quotes are obtained from contractors</li> <li>• A project manager evaluates the quotes</li> <li>• The quotes are disclosed to the customer to select their contractor of choice</li> </ul>
<b>SYSTEM GROWTH &amp; ASSET RELOCATION</b>	Considering the principles of procurement, contracts will be awarded to NCL (or other contractor), and be subject to the provisions in the MSA: <ul style="list-style-type: none"> <li>• A quote is requested</li> <li>• AEL will review the quotes for reasonability</li> </ul>
<b>ASSET REPLACEMENT &amp; RENEWAL</b>	Considering the principles of procurement, contracts will be awarded to NCL (or other contractor), and be subject to the provisions in the MSA: <ul style="list-style-type: none"> <li>• A quote is requested</li> <li>• AEL will review the quotes for reasonability</li> </ul>
<b>OTHER RELIABILITY, SAFETY &amp; ENVIRONMENT</b>	Considering the principles of procurement, contracts will be awarded to NCL (or other contractor), and be subject to the provisions in the MSA: <ul style="list-style-type: none"> <li>• A quote is requested</li> <li>• AEL will review the quotes for reasonability</li> </ul>

EXPENDITURE CATEGORY	PRACTICAL APPLICATION OF PROCUREMENT POLICY
<b>OPERATIONAL EXPENDITURE (OPEX)</b>	
<b>ASSET REPLACEMENT &amp; RENEWAL</b>	<p>Considering the principles of procurement, contracts will be awarded to NCL (or other contractor), and be subject to the provisions in the MSA:</p> <ul style="list-style-type: none"> <li>• An invoice is received from NCL (or other contractor)</li> <li>• AEL will review the invoices for reasonability</li> </ul>
<b>ROUTINE &amp; CORRECTIVE MAINTENANCE &amp; INSPECTION</b>	<p>Considering the principles of procurement, contracts will be awarded to NCL (or other contractor), and be subject to the provisions in the MSA:</p> <ul style="list-style-type: none"> <li>• An invoice is received from NCL (or other contractor)</li> <li>• AEL will review the invoices for reasonability</li> </ul>
<b>SERVICE INTERRUPTIONS &amp; EMERGENCIES</b>	<p>This is awarded to NCL or other contractor, considering the principles of procurement, and is subject to the provisions in the MSA:</p> <ul style="list-style-type: none"> <li>• The NCL (or other contractor) will issue AEL with an invoice on a monthly basis on a time and materials basis</li> <li>• The NCL (or other contractor) will issue AEL with an invoice after the emergency works are complete</li> <li>• AEL will review the invoice for reasonability</li> </ul>
<b>SYSTEM OPERATIONS &amp; NETWORK SUPPORT</b>	<p>This is awarded to NCL, considering the principles of procurement, and is subject to the provisions in the MSA. This forms part of the customer contract within the consumer connections process.</p>



EXPENDITURE CATEGORY	PRACTICAL APPLICATION OF PROCUREMENT POLICY
<b>OPERATIONAL EXPENDITURE (OPEX)</b>	
<b>VEGETATION MANAGEMENT</b>	<p>Our current Vegetation Management Policy states that any approved arborist can carry out vegetation management on our network. The cost of the “first cut” or trim work is borne by AEL, while the cost of second and subsequent vegetation management is borne by the consumer. Consumers required to undertake tree trimming work to protect the network, are free to choose from a preferred contractor list.</p> <p><b>First Cut</b>  AEL has geographically divided the network between North and South Regions.</p> <p>The South Region is awarded to NCL, considering the principles of procurement, and is subject to the provisions in the MSA:</p> <ul style="list-style-type: none"> <li>• Send a “first-cut” trim notice</li> <li>• Receive approval from landowner</li> <li>• Request a quote</li> <li>• AEL will review the quote for reasonability</li> </ul> <p>North Region, all work is awarded to our second contractor and the below is the process we follow:</p> <ul style="list-style-type: none"> <li>• Send a “first cut” trim notice</li> <li>• Receive approval from landowner</li> <li>• Request a quote</li> <li>• AEL will review the quote for reasonability</li> </ul> <p><b>Subsequent Trim Notices</b>  Subsequent trim notices are in general sent out after vegetation has had a first trim. A trim notice is sent to the landowner, to which the customer will return the notice with their selected network approved contractor and provide a date that the work may be completed by.</p> <p>The customer liaises with the contractor directly and is billed accordingly.</p>

**Table 2: Practical application of the Procurement Policy**

## 5. REPRESENTATIVE EXAMPLE TRANSACTIONS

In accordance with clauses 2.3.12(3) - (5) of the ID Determination, AEL publicly discloses separate representative example transactions in each expenditure category to evidence how the current Procurement Policy is applied in practice and to disclose how and when AEL last tested the arm's length terms of those transactions, as summarised in Table 3 below.

EXPENDITURE CATEGORY	DETAILS OF REPRESENTATIVE SAMPLE		MOST RECENT EXAMPLE OF MARKET TESTING
<b>CAPITAL EXPENDITURE (CAPEX)</b>			
<b>CONSUMER CONNECTION</b>	<b>Work order</b>	A00009507	Two quotes were received and reviewed for each project in this category, which AEL uses for benchmarking of each project.
	<b>DESCRIPTION OF WORK</b>	Carrols Road, Glenavy - Undergrounding and Transformer Upgrade	
	<b>PROJECT EXPENDITURE</b>	\$17,394	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• Quotes were received from two contractors:               <ul style="list-style-type: none"> <li>○ NCL: \$10,757</li> <li>○ Contractor A: \$11,473</li> </ul> </li> <li>• The quotes were reviewed by the project manager and submitted to the customer</li> <li>• The customer accepted the quote from NCL totalling \$17394 (with additional costs including materials, design, and drawing)</li> </ul>	

EXPENDITURE CATEGORY	DETAILS OF REPRESENTATIVE SAMPLE		MOST RECENT EXAMPLE OF MARKET TESTING
<b>CAPITAL EXPENDITURE (CAPEX)</b>			
<b>SYSTEM GROWTH &amp; ASSET RELOCATIONS</b>	<b>WORK ORDER</b>	A00009963	Two quotes were received and reviewed for each project in this category, which AEL uses for benchmarking of each project.
	<b>DESCRIPTION OF WORK</b>	William Street, Timaru, New Ring Main Unit	
	<b>PROJECT EXPENDITURE</b>	\$106,069	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• Quotes were received from two contractors:               <ul style="list-style-type: none"> <li>◦ Lemacon: \$78,230</li> <li>◦ NCL: \$82,938</li> </ul> </li> <li>• Quotes were reviewed by the project manager.</li> <li>• Quotes agreed with Lemacon</li> </ul>	
<b>ASSET REPLACEMENT AND RENEWAL</b>	<b>WORK ORDER</b>	A00009151	Engaged an independent industry expert during the current disclosure year (2022) to review the labour costing rates, which makes up the majority of the NCL quotes.  Based on the review, the rates fall within the expected market rate for each trade group.
	<b>DESCRIPTION OF WORK</b>	Pages Road Cable	
	<b>PROJECT EXPENDITURE</b>	\$ 419,943	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• Quote received from NCL for \$355,130</li> <li>• A quote was sought from a second contractor, but they were unable to offer their services due to COVID-19</li> <li>• Quotes were reviewed by the project manager</li> <li>• Quotes agreed with NCL</li> </ul>	
<b>OTHER RELIABILITY, SAFETY AND ENVIRONMENT</b>	<b>WORK ORDER</b>	A00008248	Engaged an independent industry expert during the current disclosure year (2022) to review the labour costing rates, which makes up the majority of the NCL quotes.  Based on the review, the rates fall within the expected market rate for each trade group.
	<b>DESCRIPTION OF WORK</b>	Fit out testing of Haldon Lilybank Transformer	
	<b>PROJECT EXPENDITURE</b>	\$1,424	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• Quote received from NCL for \$1,424</li> <li>• Quotes were reviewed by the project manager</li> <li>• Quotes agreed with NCL</li> </ul>	

EXPENDITURE CATEGORY	DETAILS OF REPRESENTATIVE SAMPLE		MOST RECENT EXAMPLE OF MARKET TESTING
<b>OPERATIONAL EXPENDITURE (OPEX)</b>			
<b>OPEX: ASSET REPLACEMENT AND RENEWAL</b>	<b>WORK ORDER</b>	A00010291	Engaged an independent industry expert during the current disclosure year (2022) to review the labour costing rates, which makes up the majority of the NCL quotes.  Based on the review, the rates fall within the expected market rate for each trade group.
	<b>DESCRIPTION OF WORK</b>	Waituna School Road - Leaning Poles	
	<b>PROJECT EXPENDITURE</b>	\$ 2,240	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• A quote was sought from NCL based on rate cards.</li> <li>• NCL Quote: \$1,543</li> <li>• Invoice received and assessed for reasonability by the project manager</li> </ul>	
<b>VEGETATION MANAGEMENT</b>	<b>WORK ORDER</b>	A00008875	Management assessment of pricing between NCL and our second contractor is monitored on a continuous basis and used to benchmark prices charged by NCL.  As we use two contractors, we are naturally benchmarking but we have also looked at the hourly rate we are charged by our second contractor vs the hourly rate we are charged by NC, which AEL uses for benchmarking of each project.
	<b>DESCRIPTION OF WORK</b>	Vegetation management - Hedge Clearance Park/Mitchell Road	
	<b>PROJECT EXPENDITURE</b>	\$1,283	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• Quote received from NCL: \$1163</li> <li>• Quotes were reviewed by the project manager</li> <li>• Quotes agreed with NCL</li> </ul>	

EXPENDITURE CATEGORY	DETAILS OF REPRESENTATIVE SAMPLE		MOST RECENT EXAMPLE OF MARKET TESTING
<b>OPERATIONAL EXPENDITURE (OPEX)</b>			
<b>ROUTINE AND CORRECTIVE MAINTENANCE AND INSPECTION</b>	<b>WORK ORDER</b>	A00010334	<p>Engaged an independent industry expert in this disclosure year to review the standard work costing rates, which makes up the majority of the NCL quote.</p> <p>Based on the review, the rates fall within the expected market rate for each standard routine and corrective maintenance job.</p>
	<b>DESCRIPTION OF WORK</b>	RMU maintenance	
	<b>PROJECT EXPENDITURE</b>	\$3,279	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• Work was issued to NCL on a rate card price</li> <li>• Invoice: \$3279</li> <li>• Invoice received and assessed for reasonability by the project manager against a unit price</li> </ul>	
<b>SERVICE INTERRUPTIONS AND EMERGENCY</b>	<b>WORK ORDER</b>	A00009546	<p>Engaged an independent industry expert in this disclosure year to review the labour costing rates, which makes up the majority of the NCL quote.</p> <p>Based on the review, the rates fall within the expected market rate for each trade group.</p>
	<b>DESCRIPTION OF WORK</b>	Pleasant Point Substation Rat Interference	
	<b>PROJECT EXPENDITURE</b>	\$1,085	
	<b>PRACTICAL APPLICATION OF PROCUREMENT POLICY</b>	<ul style="list-style-type: none"> <li>• Work was issued to NCL on a time and material basis</li> <li>• Invoice received and assessed for reasonability by the project manager against a unit price</li> </ul>	

**Table 3: Representative examples of the practical application of the Procurement Policy and most recent market testing**

## 6. POLICIES OR PROCEDURES REQUIRING PURCHASE

In accordance with clause 2.3.12(2) of the ID Determination, AEL publicly discloses that AEL has no policies or procedures that require consumers to purchase assets or goods or services from a related party.

AEL's capital contribution policy<sup>2</sup> requires consumers to contribute to assets which AEL own. The customer is free to choose who undertakes any work on their property, provided that the person/entity undertaking the work is qualified to do so and approvals have been sought.

The current vegetation management policy<sup>3</sup> states that any approved arborist can carry out vegetation management on our network. The cost of the "first cut" or trim work is borne by AEL, while the cost of second and subsequent vegetation management is borne by the consumer. Consumers required to undertake tree trimming work to protect the network, are free to choose from a preferred contractor list.

Our notices to consumers notifying them of work required on their privately owned land, notices state that they are free to choose who undertakes the work.

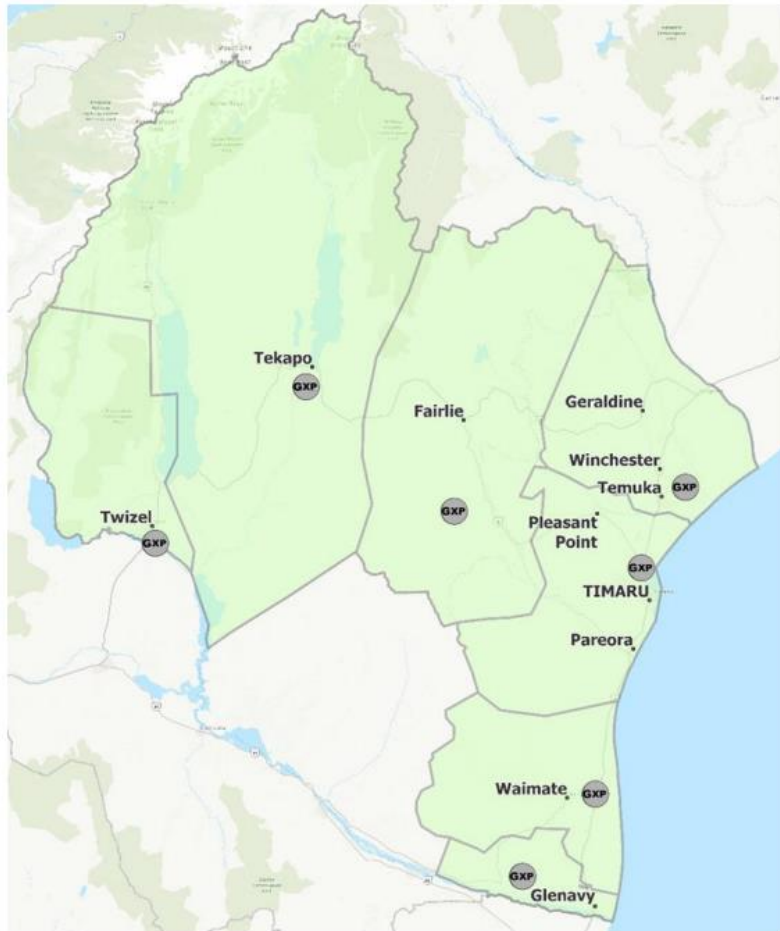
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<sup>2</sup> <https://www.alpineenergy.co.nz/contractors-and-developers>

<sup>3</sup> <https://www.alpineenergy.co.nz/customers/tree-management>

## 7. MAP OF THE NETWORK

In accordance with clause 2.3.13 of the ID Determination, the map below shows the electricity distribution service territory. Descriptions of forecast operational expenditure projects, capital expenditure projects and possible future network or equipment constraints are provided in the tables in Sections 8 and 9.



## 8. LARGEST FORECAST OPERATIONAL EXPENDITURE PROJECTS

In accordance with clauses 2.3.13 (1), 2.3.14 (1), and 2.3.15 (1) of the ID Determination, Table 4 below details all AEL’s forecast operational expenditure projects in the AMP planning period, including the likely timing, value, and location of the projects, and identifies whether the forecast expenditure is already subject to a contract or forecast to require the supply of assets, goods, or services by a related party.

OPEX PROJECT	DESCRIPTION	TIMING	AVERAGE VALUE	LOCATION	RELATED PARTIES
<b>ROUTINE AND CORRECTIVE MAINTENANCE AND INSPECTION</b>	Routine servicing and inspections to prevent failure, condition assessments, fault restoration, repairs, and maintenance.	Annual	\$3.3M	Network wide	The majority of this work programme will likely be delivered by NCL. We engaged an independent industry expert to review the labour costing rates, which makes up most of a quote. Based on the review, the rates fall within the expected market rate for each trade group. The remaining work will be procured from other specialist service providers in accordance with our policy.
<b>SERVICE INTERRUPTIONS AND EMERGENCIES</b>	Reactive interventions in response to unplanned network events	Annual	\$2.05M	Network wide	The majority of this work programme will likely be delivered by NCL. We engaged an independent industry expert to review the labour costing rates, which makes up most of a quote. Based on the review, the rates fall within the expected market rate for each trade group. The remaining work will be procured from other specialist service providers in accordance with our policy.



OPEX PROJECT	DESCRIPTION	TIMING	AVERAGE VALUE	LOCATION	RELATED PARTIES
<b>VEGETATION MANAGEMENT</b>	Clearing vegetation from lines and other infrastructure	Annual	\$820k	Network Wide	This programme of work is divided geographically, with NCL undertaking the work in the Southern region. It is expected that NCL will continue to undertake this work during the AMP planning period.
<b>ASSET REPLACEMENT AND RENEWALS</b>	Minor asset replacement and renewals	Annual	\$290k	Network Wide	This programme is delivered by NCL or by another contractor. We specify the work on a case-by-case basis and request multiple quotes or tenders for the works. The work will be procured in accordance with our policy.

**Table 4: Large forecast OPEX projects**

## 9. LARGEST FORECAST CAPITAL EXPENDITURE PROJECTS

In accordance with clauses 2.3.13 (2) and 2.3.14 (1), the table below details AEL's 10 largest forecast capital expenditure projects in the AMP planning period, including the likely timing, value, and location of the projects, and identifies whether the forecast expenditure is already subject to a contract or forecast to require the supply of assets, goods, or services by a related party. Where a project addresses any possible future network or equipment constraint this is identified in accordance with section 2.3.13 (3) and (4).

CAPEX PROJECT	DESCRIPTION, (INCLUDING POSSIBLE NETWORK OR EQUIPMENT CONSTRAINT THAT THE PROJECT ADDRESSES)	TIMING (FY)	AVERAGE VALUE	LOCATION	RELATED PARTIES
<b>TWO-POLE DISTRIBUTION SUBSTATION REPLACEMENT</b>	Replace two-pole distribution substations	2023-31	\$6.5M	Network Wide	NCL have been awarded 6 two-pole replacement jobs in FY23 following the market tender process. Further jobs will also be awarded following a market tender process. NCL would be issued if they are the preferred contractor after the tender review process.
<b>TIMARU GRID EXIT POINT UPGRADE</b>	Upgrade to include 33kV. This project addresses network constraints in the Timaru region.	2023-27	\$4.3M	Timaru	There is potential for this project to be awarded to NCL under rate card conditions, in accordance with our Master Services Agreement and the Procurement Policy.
<b>TWIZEL VILLAGE ZONE SUBSTATION</b>	Renew Twizel substation.	2023-24	\$2.6 M	Twizel	This project will be awarded following a market tender process. NCL would be issued if they are the preferred contractor after the tender review process.

<b>CAPEX PROJECT</b>	<b>DESCRIPTION, (INCLUDING POSSIBLE NETWORK OR EQUIPMENT CONSTRAINT THAT THE PROJECT ADDRESSES)</b>	<b>TIMING (FY)</b>	<b>AVERAGE VALUE</b>	<b>LOCATION</b>	<b>RELATED PARTIES</b>
<b>TEKAPO SUBSTATION TRANSFORMER UPGRADE</b>	Replace and upgrade existing transformer and potential security upgrade. This project addresses network constraints in the Tekapo region.	2022	\$1.2M	Tekapo	This project will be awarded following a market tender process. NCL would be issued if they are the preferred contractor after the tender review process.
<b>SUPPLY TO TIMARU SHOW GROUNDS DEVELOPMENT</b>	Upgrade Show Grounds Underground Cable. This project addresses network constraints due to a large commercial development.	2023-24	\$1.2M	Timaru	This project will not be delivered by NCL. It has been awarded to another contractor after a market tender process.
<b>TIMARU CITY O/H LINE REFURBISHMENT</b>	Replace and renew 1104 poles in Timaru MED	2023	\$1.2M	Timaru	It is forecast that NCL will deliver this project through the rate card process, in accordance with our Master Services Agreement and the Procurement Policy.
<b>GROUND MOUNTED SUBSTATION SYSTEM GROWTH</b>	Wool Works Underground Cable. This project addresses network constraints due to the decarbonisation of a large industrial customer.	2023	\$1.1M	Timaru	This project will be awarded following a market tender process. NCL would be issued if they are the preferred contractor after the tender review process.
<b>TIMARU CITY O/H LINE REFURBISHMENT</b>	Replace and renew 1040 poles in Timaru SCP	2024	\$1.1M	Timaru	It is forecast that NCL will deliver this project through the rate card process, in accordance with our Master Services Agreement and the Procurement Policy.

<b>CAPEX PROJECT</b>	<b>DESCRIPTION, (INCLUDING POSSIBLE NETWORK OR EQUIPMENT CONSTRAINT THAT THE PROJECT ADDRESSES)</b>	<b>TIMING (FY)</b>	<b>AVERAGE VALUE</b>	<b>LOCATION</b>	<b>RELATED PARTIES</b>
<b>SIMONS PASS O/H LINE REFURBISHMENT</b>	Simons Pass - 42km	2023	\$1.1M	Tekapo	It is forecast that NCL will deliver this project through the rate card process, in accordance with our Master Services Agreement and the Procurement Policy.
<b>TEKAPO TOWNSHIP FEEDER UPGRADE AND UNDERGROUNDING</b>	Tekapo township feeder undergrounding and increase 11kV capacity. This project addresses network constraints in the Tekapo Township.	2023	\$950k	Tekapo	This project will be awarded following a market tender process. NCL would be issued if they are the preferred contractor after the tender review process.
<b>LILYBANK O/H LINE REFURBISHMENT GENERAL</b>	Lilybank Rd line refurbishment (37km)	2023	\$900k	Tekapo	It is forecast that NCL will deliver this project through the rate card process, in accordance with our Master Services Agreement and the Procurement Policy.
<b>WILSON STREET UNDERGROUNDING</b>	Wilson St Undergrounding	2024	\$810k	Timaru	This project will be awarded following a market tender process. NCL would be issued if they are the preferred contractor after the tender review process.

**Table 5: Large forecast CAPEX projects**