

Auckland Energy Consumer Trust  
Mark Bogle  
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Dear Trustees

The 'New Deed Recording Essential Operating Requirements' between Vector and the Auckland Energy Consumers Trust (AECT) requires an independent annual review of the Auckland network. The review must cover;

- The state of the Company's electricity lines with regard to maintenance programmes and expenditure;
- Any need for upgrading the Company's electricity lines;
- The capacity of the Company's electricity lines in relation to forecast demand; and
- Any security risks to the Company's lines

I, Steve Blanch, CEO of Dellwind Pty Ltd was commissioned to carry out the review, which is a follow up to last year's high level strategic review of Vectors network planning and performance. I have had over 45 years experience in Australasian and International utility industries and was the technical expert on the review panel that evaluated the Queensland electricity distribution system following the disastrous performance of the networks in the storms of 2004.

#### **KEY FINDINGS OF THE REVIEW**

- The Auckland network is being well managed and is operating within acceptable design standards.
- Planning processes are thorough and comprehensive. The methodologies do not put the network at risk as there is a very detailed knowledge of the performance of all key assets.
- Vector has a detailed knowledge of the poor performing feeders and has plans in place to improve performance of these feeders.
- Maintenance is carried out effectively.
- Vector uses a sensible work prioritisation process to ensure that Capital is spent in the right place. This process is part of the development of the annual network management plan, and it appears to deliver a well thought through annual and 10 year capex and opex plan.
- Vector has some of the best network management tools available.
- Availability of resources to perform work remains an issue.
- The CBD network is relatively secure, with a very strong cable backbone; however there are some areas where Vector needs to do more. This is known by Vector and additional work is planned.
- In order to maintain network security and reliability standards at the current level Vector will need to continue investing significantly in the Auckland network going forwards.



Stephen Blanch  
Chief Executive Officer, Dellwind Pty Ltd.