

RFI 1 - Moa Point and Eastern Cable Project

Reopener application Request for Information (RFI)

Q#	Details
1	Unforeseen nature of project The application states: WELL considers that all items could not have been reasonably foreseen due to the project requirements being unknown at the time WELL submitted its capex forecasts for DPP4. Please clarify why the Moa point connection project could not be included in the 2024 AMP, noting that the connection request from WCC was received a year earlier (March 2023) and detailed design on the project had commenced (approval 2 November 2023 as per section 3.2 of the application).
	The project scope was insufficiently understood within the timeframes required for delivering the 31 March 2024 AMP. In addition, there was interaction with other potential major customer projects on the same zone substation, discussed in response to Question 6, which had uncertain scopes and timing, making it difficult to define and estimate the total integrated solution for all of these requests.
2	Commissioning dates Please provide a table of the forecast Value of Commissioned Assets (VCA) by regulatory year relating to this project (i.e. the assets that would be included in the RAB and excluding capital contributions).
	The works on the Moa Point site itself were commissioned in March 2026, with a VCA of \$8.92m, while the Eastern cable was commissioned in April 2026, with a VCA of \$5.22m.
3	Moa point treatment facility on 4 February 2026 On the 4th of February 2026 there was a significant incident at the Moa Point treatment facility that led to equipment failure and the plant needing to be shut down.¹ What impact has this incident, or related developments, had on the reopener project? Please note anything that may be relevant to evaluating the reopener application.
	The incident is at a separate area within Moa Point to the WELL project so had minimal impact on the WELL portion of the project.
4	Timing of application

¹ See Wellington Water updates here <https://www.wellingtonwater.co.nz/moa-point-info-hub/updates>

Given the project timeline (below), why did WELL submit the reopener application towards the end of Q4 2025 (9 March 2026) rather than earlier in the project development?

Table 5 – Project timetable

Project step	Delivery date (calendar years)
Detailed design	Q4 2024
Construction commencement	Q2 2025
Procurement of major equipment	Q3 2025
Electrical connection available	Q4 2025
Electrical network work completion	Q1 2026
Construction finishes and assets commissioned	Q1-Q2 2026

We were waiting on a signed contract with WCC which took significantly longer than expected. We wanted to ensure that cost allocation between customer groups was agreed with WCC before submission.

5 Preferred solutions

What additional steps were taken to optimise the costs of the preferred solutions? i.e. value engineering exercises, standardisation of equipment etc.

There was significant re-use of design and procurement activities from the Evans Bay project. Building design for switchgear, and switchboard design were all recycled in this project. The transformer arrangement is similar to the completed Parliamentary Services project.

A significant level of design costs, enabling works costs and asset costs (transformers) were recovered from WCC via our connection policies and relocation policies.

6 Cost line items

- Please provide a more detailed breakdown of what costs are included in 'enabling works' and 'procurement'?
- What cost contingencies have been included in forecast costs?
- How much of the total cost was already incurred at the time of application?

- Spreadsheet attached
- None, as most of the costs had already occurred
- See b)

7 Procurement strategy

- a) Which elements of the project (and their total value) were tendered?
- b) Which elements of the project (and their total value) could not be tendered?
- c) Did the short timeframe to deliver the project impact WELL's ability to tender?
- d) Please list elements that could not be tendered, and the alternative method applied for each to determine a reasonable market price (i.e. benchmarking, expert review etc).
- e) for project management, when were rates last renegotiated and/or benchmarked? Please provide evidence/example of benchmarking.

Project timelines prevented a normal level of tendering. The reuse of designs from the Evans Bay and Parliament projects required the use of the same suppliers, in addition these suppliers were able to meet delivery dates. The equipment used is commonly purchased by us and we purchase from a number of suppliers and understand their pricing.

Electrical construction activities were completed by the one contractor for all phases due to familiarity with the site and availability of resources to meet the time line.

The civil works for cable trenching and site foundations were tendered.

Project management is outsourced on this project. We use a number of different consultancies for these services. The rate we pay is determined by the skill and experience of the engineer providing the service, the level of skill required is based on the technical and commercial complexity of the project.

8 Capital contribution and direct tariff calculations

The application provides the formula below for calculating the customer capital contribution

$$\text{Customer capital contribution} = \text{NPV} \left[\text{Incremental cost of connecting} \text{ plus } \text{Contribution towards shared costs} \text{ less } \text{Incremental revenue} \right]$$

- a) Please provide the calculation and figures used to determine the capital contribution and direct tariff (i.e. spreadsheet).
- b) What is the sum of the project costs attributable to connect costs? What is WCC's % contribution to connection costs?
- c) Will WCC be contributing to the network growth component of the project? To what extent? What is the rationale behind the level of contribution?

	d) Please provide evidence/justification why the \$7.2 million of direct tariffs paid by WCC towards the project is an appropriate apportionment of costs between parties (as per clause 4.5.9 (1)(o)).
	a) The spreadsheet has been attached b) The Moa Point electrical upgrade is the connection portion of the project c) WCC will be contributing to the network growth component of the Eastern cable according to its proportion of demand. (WELL Pricing Methodology) d) WCC have agreed to pay for the direct costs associated with the connection, as well as their demand share of upstream costs. Note that WCC tariffs will reduce after those assets are paid for.
9	Consumer Bill impact Please clarify why the impact on the average residential customer bill has been provided as a range, rather than a single number (see section 6 of the application).
	As we are in a period of transition in regards to cost allocation between customer groups, we thought it prudent to state a range of customer impacts. This is particularly important with changes to regulations, such as the LFC phaseout, as well as WELL's tariff reform plans.