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Commerce Commission
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Dear Keston

Submission on scope of CPP fast track amendments for the IM review

Wellington Electricity Lines Limited (**WELL**) welcomes the opportunity to contribute to the Commerce Commission's (**Commission**) process for considering the fast tracking of amendments for the IM review.

WELL supports the principle of streamlining the CPP IM process and information requirements and the proposal to do so in a fast tracked manner. A fast tracked approach would enable CPP applications to be made under a new streamlined process from 2016. It would also provide increased certainty regarding the requirements for CPP applications made in 2017 onwards.

The scope of the fast tracked review should focus on the material areas of concern with the current CPP process. WELL considers these to be:

- Removing the DPP/CPP WACC differential – this is currently a key impediment to CPP proposals;
- Enabling proposals for CPP IM variations and approaches to EDB specific key issues e.g. revenue cap and CPRG forecasting to be agreed prior to CPP applications being completed and submitted – this would provide greater certainty to suppliers of the rules;
- Enabling CPP applications to be limited to certain matters – this would reduce the costs to suppliers, the Commission and ultimately consumers of making and assessing CPP applications;
- Removing information and process requirements that increase the costs of applying for a CPP and are not necessary to support the proposal. Ideally CPP applications should be able to be completed, assessed and given a final determination within a 6 – 12 month period;
- Providing clarity regarding Commission expectations in relation to suppliers consumer consultation requirements and how consumer consultation are to be incorporated in the assessment process, including if future CPP applications can be limited to certain matters; and
- Addressing process and timing matters that inhibit the effectiveness of developing and submitting a CPP proposal.

It is important however to acknowledge that fast tracked amendments to the CPP IMs will have implications for suppliers proposing CPPs in 2016 and in subsequent years. It is therefore essential that the Commission's fast tracked process is transparent and adequate time should be given for consultation. The timeframe proposed by the Commission is very tight and should be extended where possible to ensure there is sufficient time for the material items to be properly considered.

WELL welcomes the opportunity to engage further in the Commission's CPP fast track process. Please do not hesitate to contact Megan Willcox, Regulatory Projects Manager, on MWillcox@welectricity.co.nz if you have any queries.

Yours faithfully



Greg Skelton
CHIEF EXECUTIVE OFFICER