

Keston Ruxton  
Manager, Input Methodologies Review  
Regulation Branch  
Commerce Commission

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Dear Keston

**Re: Opportunities to Improve the Way Default and Customised Price-quality Paths Work Together**

First State Investments (FSI) is pleased to make this submission on the Commerce Commission's (Commission) paper setting out emerging views on the interaction of default (DPP) and customised (CPP) price-quality paths.

FSI's principal concern is to ensure that the regulatory settings are able to address issues like major capital expenditure projects and other events in a fit for purpose way that meets the regulatory intent.

We are encouraged by the Commission's emerging view that DPP 're-openers' can be a flexible tool to address matters not foreseen by or able to be considered at the time of a DPP decision. We see the DPP re-opener as an appropriate tool for addressing situations that meet the criteria outlined by the Commission. In particular, we agree that where an issue arises that primarily affects one input into the DPP, then using a DPP re-opener is a better outcome for consumers and suppliers than a full CPP and its significant associated costs.

We consider that DPP re-openers are likely to offer particular benefits for gas transmission, where there will be only one regulated supplier. In this sector, any re-opener will not have resulting implications for other regulated businesses under the same DPP and will have relatively contained impacts on other aspects of the DPP that applies to gas transmission.

Thank you for the opportunity to make this submission. We look forward to continuing our engagement with the Commission on developing and applying the regulatory settings for gas pipelines in New Zealand.

Yours sincerely



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Director, Unlisted Infrastructure Investment  
Colonial First State Global Asset Management