

2 October 2018



Sue Begg,
Deputy Chair Commerce Commission
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Dear Sue,

Vector's request that the DPP be re-opened

1. On 5 September 2018, the Commerce Commission released its initial view on the request by Vector Limited to re-open the Electricity Distribution Services Default Price Quality Path Determination 2015 (DPP). In that letter, the Commission set out its initial view that Vector's Live Lines and Downed Lines Policies were not necessitated by a new or changed legislative or regulatory requirement. In this letter, Electrix Limited provides some further context and information in support of Vector's position and in response to the Commission's initial view.
2. By way of background, Electrix provides engineering, construction and maintenance services to asset owners in the utility, industrial, commercial, resources and infrastructure sectors. Electrix is one of two Field Services Providers contracted by Vector to undertake field operations on certain parts of its electrical transmission and distribution network.
3. Electrix's fundamental principle, "*Home Without Harm – Everyone Everyday*", helps ensure that each person at Electrix considers the health, safety and environmental impact of their decisions at work. It aligns with the significant financial and operational resource that Electrix commits to health and safety as well as the company's focus on keeping workers safe more generally. Electrix has a leadership role in the industry and is well-placed to comment on the implications of the change in the health and safety framework in April 2016.
4. We note the comment in the Commission's letter to Vector that the Health and Safety at Work Act 2015 did not necessitate changes to work practices. We disagree. As you will be aware, the HSWA replaced the previous requirement to take "all practicable steps" with a new requirement to do whatever is reasonably practicable to ensure health and safety in the workplace. The way in which reasonable practicability applies under the HSWA differs to its operation under the 1992 Act (where all practicable steps meant "all steps to achieve the result that it is reasonably practicable to take in the circumstances"). In particular, the new test:
 - (a) improved certainty;
 - (b) clarified that risk-based decision-making, as opposed to hazard-based, is required; and
 - (c) created a presumption in favour of health and safety.
5. Significantly, unlike the 1992 Act, the 2015 Act does not treat cost as an equivalent factor to other considerations when deciding what is "reasonably practicable". Instead, there is a clear presumption in favour of safety ahead of cost.
6. On a practical level, this change in the legislative scheme required network owners to alter the way in which work is carried out on their networks. This has included ensuring that there is a

focus on risk as opposed to hazards and harm in their decision-making. Vector has responded actively to this more stringent requirement by taking operational practices to the “next level” to help ensure the health and safety of workers operating on its network. This emphasis on eliminating risk, which was not a focus of the previous legislation, has Electrix’s full support.



7. Implementing Vector's Live Lines Policy and Downed Lines Policy has led to additional costs and outage durations in our maintenance work for Vector. In turn, this has increased SAIDI and SAIFI minutes. However, Electrix continues to work proactively with Vector to minimise the impact of its policies on customers.
8. We trust that Electrix's insight assists the Commission in its further consideration of Vector's request that the DPP be re-opened. Please do not hesitate to let me know if Electrix can be of further assistance to the Commission. For your convenience, I can be contacted at mornez.green@electrix.co.nz

Yours faithfully

ELECTRIX LIMITED

A handwritten signature in black ink, appearing to read 'Morne Green', with a long horizontal stroke extending to the right.

Mornez Green

Perimeter Director – Distribution Services