

9 November 2018

To:

All suppliers of electricity distribution services that are not exempt from default/customised price-quality regulation under section 54G of the Commerce Act 1986

Notice to supply information to the Commerce Commission under section 53ZD(e) of the Commerce Act 1986

Background

1. In our September 2018 process update on the default price-quality paths for electricity distribution businesses (EDBs) from 1 April 2020 (DPP reset), we (the Commerce Commission) indicated that we intended to issue information requests under section 53ZD of the Commerce Act 1986 (the Act) to EDBs.¹
2. Our September process update proposed two rounds of information gathering, comprising:²
 - 2.1 an initial request in late 2018 for information relating to EDBs' quality of service over a period up to 31 March 2018, without audit and certification requirements, which we will use for analysis supporting our draft decision for the DPP reset; and
 - 2.2 an additional request in mid-2019, adding information up to 31 March 2019, with audit and certification requirements, which we will use for any further analysis and for the final decision on the DPP reset.³
3. This section 53ZD(e) notice (the Notice) is the initial request referred to above.

Purpose of the Notice

4. Under section 53ZD(e) of the Act, we require each EDB that is not exempt from default/customised price-quality regulation under section 54G of the Act (non-exempt EDB) to provide us with the information specified in Schedule A.

¹ Commerce Commission "Default price-quality paths for electricity distribution businesses from 1 April 2020 – process update" (6 September 2018), para 14, available at: https://comcom.govt.nz/_data/assets/pdf_file/0026/95552/Process-update-paper-EDB-DPP-2020-2025-6-September-2018.PDF.

² Ibid, at para 14 and 17.

³ We intend to provide further information on our additional request in Q2 of 2019.

5. We require this information for the purpose of carrying out our function of resetting the DPP under section 53P of the Act. In particular, the historic information required under the Notice concerning non-exempt EDBs' quality of service will inform and assist our decision-making concerning the quality standards and any incentives we set for non-exempt EDBs as part of the DPP reset.

Date, place and format of responses

6. Each non-exempt EDB must provide the information as set out in Schedule A as a response to the Notice in an 'unlocked' electronic Excel spreadsheet format by email to regulation.branch@comcom.govt.nz.
7. The email must be addressed to Dane Gunnell, with the subject "[EDB name] - Response to section 53ZD(e) Notice – 2020 DPP reset: quality of service", by no later than **5:30pm on Friday 21 December 2018**.

Interpretation

8. In the Notice, unless the context requires otherwise:
- 8.1 a word that denotes the singular also denotes the plural, and vice versa;
- 8.2 words in **bold** type have the following meanings:
- 8.2.1 **adverse environment** means an **unplanned interruption** where the primary cause is an adverse environment, such as a slip or a seismic event
- 8.2.2 **adverse weather** means an **unplanned interruption** where the primary cause is adverse weather conditions, other than **lightning, vegetation** contact or **adverse environment**
- 8.2.3 **cause** means one of either:
- (a) **lightning;**
 - (b) **vegetation;**
 - (c) **adverse weather;**
 - (d) **adverse environment;**
 - (e) **third party interference;**
 - (f) **wildlife;**
 - (g) **human error;**
 - (h) **defective equipment;**
 - (i) **other cause;**

- (j) **unknown**; or
- (k) **planned interruption**

- 8.2.4 **consumer** has the same meaning as defined in the **IM determination**
- 8.2.5 **defective equipment** has the same meaning as defined in the **ID determination**
- 8.2.6 **EDB** has the same meaning as defined in the **IM determination**
- 8.2.7 **human error** has the same meaning as defined in the **ID determination**
- 8.2.8 **ICP** has the same meaning as defined in the **ID determination**
- 8.2.9 **ICP minutes** means the total sum of minutes an **interruption** **interrupts** electricity supply to each **ICP** affected by the **interruption**
- 8.2.10 **ID determination** means the Electricity Distribution Information Disclosure Determination [2012] NZCC 22, including amendments in effect at the date of the Notice
- 8.2.11 **IM determination** means the Electricity Distribution Services Input Methodologies Determination 2012 [2012] NZCC 26, including amendments in effect at the date of the Notice
- 8.2.12 **interruption** has the same meaning as defined in the **ID determination**, and **interrupts** and **interrupted** have corresponding meanings
- 8.2.13 **interruption identifier** means the unique reference used by an **EDB** to record an **interruption**
- 8.2.14 **lightning** has the same meaning as defined in the **ID determination**
- 8.2.15 **location** means the name of a circuit on which an **interruption** originated
- 8.2.16 **low voltage (LV)** has the same meaning as defined in the **ID determination**
- 8.2.17 **network** has the same meaning as defined in the **ID determination**
- 8.2.18 **other cause** means an **unplanned interruption** for which the primary cause is not **lightning**, **vegetation**, **adverse weather**, **adverse environment**, **third party interference**, **wildlife**, **human error**, or **defective equipment**
- 8.2.19 **planned interruption** means an **interruption** in respect of which not less than 24 hours' notice was given, either to the public or to all electricity **consumers** affected by the **interruption**, where that **interruption** was initiated by either—

- (a) the **EDB**; or
- (b) **Transpower** in respect of an asset that is now owned by the **EDB**

8.2.20 **SAIDI value** means the system average interruption duration index value based on **planned interruptions** and **unplanned interruptions**

8.2.21 **SAIFI value** means the system average interruption frequency index value based on **planned interruptions** and **unplanned interruptions**

8.2.22 **third party interference** has the same meaning as defined in the **ID determination**

8.2.23 **Transpower** has the same meaning as defined in section 54B of the Act

8.2.24 **unknown** means all **unplanned interruptions** where the cause is not known

8.2.25 **unplanned interruption** means an **interruption** that is not a **planned interruption**, but which originated from either:

- (a) the **EDB's network**; or
- (b) an asset owned by **Transpower** that is now owned by the **EDB**

8.2.26 **vegetation** has the same meaning as defined in the **ID determination**

8.2.27 **wildlife** has the same meaning as defined in the **ID determination**.

Use of supplied information and confidentiality

9. We do not currently intend to publish EDBs' responses to this Notice. However, as part of our decision-making on the DPP reset, we may use and publicly refer to particular information EDBs provide in responding to the Notice – for example, in decision documents we publish on the DPP reset.
10. If you consider that, for confidentiality reasons, we should not publicly refer to any particular part of your response, please:
 - 10.1 specify the relevant part; and
 - 10.2 give clear reasons why you consider that part is confidential.
11. If you indicate that we should not publicly refer to part of your response, we will discuss with you before deciding whether not to do so.
12. However, please note that all responses we receive, including any parts that we do not publish, can be requested under the Official Information Act 1982. This means we would be required to release material that we do not publish unless good reason

existed under the Official Information Act to withhold it. We would normally consult with you before releasing any material that you said should not be published.

Dated at Wellington: 9 November 2018

Signed by:

A handwritten signature in blue ink, appearing to read "Sue Begg". The signature is written in a cursive style with a long, sweeping underline.

Sue Begg
Commission Deputy Chair

Schedule A: information required

1. For each **interruption** from 1 April 2008 to 31 March 2018, the **EDB** must provide the information specified in clause 1(a)-(m) of Attachment A, in chronological order starting with the first **interruption** after 1 April 2008:
 - (a) '**interruption identifier**';
 - (b) '**location**';
 - (c) 'start date (dd/mm/yyyy)';
 - (d) 'start time (hh:mm:ss am/pm)';
 - (e) 'end date (dd/mm/yyyy)';
 - (f) 'end time (hh:mm:ss am/pm)';
 - (g) '**SAIDI value**';
 - (h) '**SAIFI value**';
 - (i) 'number of **ICPs interrupted**';
 - (j) '**ICP minutes**';
 - (k) whether the **interruption** was an **unplanned interruption** or a **planned interruption**;
 - (l) '**interruption cause**'; and
 - (m) an explanation of the specific details of the **cause** E.g. for **adverse weather**, specific details could be 'gusts of up to 120kmph'.

2. For each **interruption** from 1 April 2008 to 31 March 2018, the **EDB** may provide the information specified in clause 2(a)-(c) of Attachment A, in chronological order starting with the first **interruption** after 1 April 2008:
 - (a) whether the **interruption** was solely due to a change in the **EDB's** policy on working on live lines after the Health and Safety at Work Act 2015 came into force (Yes/No);
 - (b) the **SAIDI value** attributable to a change in **EDB's** policy on working on live lines after the Health and Safety at Work Act 2015 came into force; and
 - (c) any other information the **EDB** considers would help clarify the context of the **interruption**.