

20 December 2016

Graeme Peters
Chief Executive
Electricity Networks Association
PO Box 1017
Wellington 6140

Dear Graeme

Re: Impact of a reduction of live line work on Non-Exempt EDBs under the Default and Customised Price Quality Path

1. Thank you for your letter of 13 October 2016 relating to the impact of proposed guidelines for live line work in the electricity industry.¹
2. Your letter suggests that certain changes being proposed as part of the IM review provided an opportunity to deal with the issues raised by the recent changes in legislation and the subsequent draft guidelines.
3. We see the draft guidelines as a positive development for the electricity industry and acknowledge your concerns relating to EDB compliance with price-quality paths. However, given your concerns were raised at a late stage of the IM review, we have been unable to consult on a problem definition or draft changes relating to the issues as part of the IM review, and would like to better understand them before identifying and implementing potential solutions. In light of this we have not reached any conclusions in relation to your suggestions as part of the IM review.
4. Notwithstanding this, we have provided views on some of the specific points raised in submissions on this topic in the Report on the IM review.² This includes our view of our powers to amend price-quality paths mid-period, and when any amendment relating to re-opener provisions can apply to price-quality paths.
5. We intend to work with the ENA, its members, and Worksafe, in 2017, once the draft guidelines are finalised and the ENA has had an opportunity to consider any implications from implementing the guidelines. In the interim, we'd appreciate viewing the draft guidelines so we are better prepared to consider the issue next year.

¹ We also note subsequent submissions by ENA and its members on the IM review process relating to this topic.

² See Attachment C of Commerce Commission "Input methodologies review decisions: Report on the IM review" (20 December 2016).

6. I look forward to hearing more from you in the New Year to determine next steps for further work in response to your concerns.

Yours sincerely



Sue Begg

Deputy Chair