

8 August 2018

John Findlay
Transpower New Zealand Ltd
22 Boulcott Street,
Wellington 6011

by email

Dear John

Transpower New Zealand Ltd – exemption in relation to clause 13.1 of the Transpower ID Disclosure – Schedule G6 - Asset health and age

1. We refer to your email of 17 July 2018 in which you requested the Commerce Commission (Commission) grant an exemption to Transpower New Zealand Ltd (Transpower) from the requirement to disclose particular information under clause 13.1 of the Transpower Information Disclosure Determination 2014, as amended (ID Determination).

Request for exemption

2. Clause 13.1 of the ID Determination requires Transpower to complete and disclose Schedule G6 - Asset Health and Age. This includes completing and disclosing information relating to “Asset Health/Remaining Expected Life” in Schedule G6(i): Asset health, under columns S to X of the ID schedule templates.¹ It is from the requirement to complete and disclose this information (relating to remaining expected life of assets) that you sought an exemption.
3. In your email you indicated that in place of the “remaining expected life” you would like to substitute the “Asset Health Index” at an aggregate level for each asset category.
4. You consider that this would allow you to (in part) maintain consistency with your:
 - 4.1 current asset health modelling;
 - 4.2 pilot reporting under clause 17 of the RCP2 Individual Price-Quality Path Determination (IPP); and
 - 4.3 proposed Grid Output Measures for the RCP3 IPP.

¹ Available at <http://www.comcom.govt.nz/dmsdocument/11523>

5. You also indicated that since Transpower no longer uses or models remaining expected life as a measure of asset health, it would not be easy to reconstruct such a measure.

Exemption granted with one condition

6. The Commission has assessed your exemption request and, in view of the changes in asset health pilot reporting requirements, considers it reasonable.
7. Accordingly, under clause 22.1 of the ID Determination, the Commission grants Transpower an exemption from the requirement under clause 13.1 of the ID Determination to complete and disclose the information on “remaining expected life” under columns S to X of Schedule G6(i). The Commission grants the exemption on the condition that, in place of the information on “remaining expected life”, Transpower discloses the “Asset Health Index” at an aggregate level for each asset category in the Schedule.
8. The exemption applies to the disclosure years ending 30 June 2018, 30 June 2019 and 30 June 2020.

Further information

9. The exemption may be revoked or amended in accordance with clause 22.2 of the ID Determination.
10. A copy of this letter will be published on the Commission’s website.
11. For any further questions relating to this letter, please contact Vedika Sachan on (04) 924 3728 or vedika.sachan@comcom.govt.nz.

Yours sincerely



Sue Begg

Deputy Chair