



10 May 2021

Mr Andy Burgess
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Dear Andy,

Aurora ID Draft Decision – Vector submission

1. We recognise the need from the Commission to develop more detailed reporting for the monitoring of Aurora's commitments for its Customised Price-Quality Path (CPP). The Commission is using its powers for Information Disclosure under Part 4 of the Commerce Act – which apply across all 29 electricity distribution businesses (EDBs) to further develop its monitoring of Aurora's progress through the CPP period. The use of additional reporting does provide more comfort that the submitted business plan programme of work is occurring and delivering the expected benefits forecast.
2. Nonetheless, Vector considers there are practical challenges with the proposed approach adopted by the Commission and document our concerns below.

Amending the Electricity Distribution Information Disclosure Determination (EID Determination) for Aurora's Reporting Requirements

3. The Commission has chosen to enhance its reporting requirements for Aurora by amending the EID Determination which applies to all EDBs with a series of Aurora specific information reporting disclosures. We consider this approach to be cumbersome and unwieldy. It will make the EID Determination even less accessible, especially for members of the general public. Rather, Vector recommends the Commission consider a Supplementary Information Disclosure Determination for Aurora where all the enhanced reporting requirements relevant to the CPP are clearly identified and accessible for stakeholders.

Reporting on safety related expenditure

4. We have some concerns on the Commission's requirements around additional reporting in Aurora's Annual Delivery Report on safety related expenditure. We note that safety is an integral part of an EDB's responsibilities and so the requirement for Aurora to compartmentalise its safety expenditure does appear misaligned with how expenditure is discharged. Indeed, most network maintenance and capital works are delivered with healthy and safety as a driver for activity. Safety may be either a primary or secondary driver for discharging works or undertaking maintenance on assets, but all programmes of work are delivered with a need to improve both community and worker safety.
5. We discourage the practice of requiring Aurora to compartmentalise safety expenditure as this would be an extraordinarily difficult task with significant value judgements on what parts of Aurora's maintenance and capital programmes were safety related versus other requirements for works.

SAIDI N – notification of planned outages, improving customer communications and safety risks for planned works

6. The Commission's DPP3 Reasons Paper discussed the relative benefit of planned outages over unplanned events is due to the forewarning of customers of the planned event. The SAIDI N regime was designed with this purpose in mind. However, the framework was implemented without any meaningful input from stakeholders and suffers from the lack of engagement.
7. Vector has implemented changes to our customer communications at considerable cost to comply with the framework for SAIDI N. Given the complexity of the framework and no forewarning about the design of the framework prior to the Final DPP Determination – the resourcing and effort to redesign our customer notification process occupied company resources at significant cost to meet the 1 April 2020 timeline. This is an area where the changes were not signalled in advance through Information Disclosure. The stepping-stone of Information Disclosure would have provided an opportunity for EDBs to manage their process development and helped ensure requirements that were fit for purpose for inclusion in the DPP.
8. While the driver for SAIDI N was to encourage better communications including for planned work cancellations, the regime does not consider the competing interests of EDBs for

executing planned works. This is where stakeholder involvement in the design of the SAIDI N framework could have avoided the challenges with the scheme as currently designed.

9. A key parameter for planned works is having the right weather conditions to perform the required maintenance or capital works. Accordingly, in conditions such as storms or high winds there will be days (including on an alternate day) where the weather will not permit work to be done without compromising the safety of field staff. In this respect, we see the punitive framework as part of SAIDI N for cancelled works to be excessive where advanced notice of cancellation must be provided for.
10. We believe there is an opportunity for the Commission to reform the SAIDI N framework which provides a fairer balance between the legitimate concerns of the community where planned works are cancelled without adequate notice and the safety of field crews where weather conditions on-the-day are not conducive to performing planned works.
11. We recommend the Commission develop an understanding of the influence weather and adverse conditions have on cancellations of planned works.

Power Quality

12. We have reservations about the Commission requiring Aurora to provide a plan around its voltage quality monitoring processes for its low voltage network. The requirement for LV reporting for voltage performance is a significant undertaking which is resource intensive and should have been considered as part of the CPP assessment (trade-off) process. The requirement to develop an improvement plan for its LV voltage monitoring activity is effectively enforcing a new requirement on Aurora after it has been through the price-quality assessment process. LV voltage monitoring plans are resource intensive so do need to be recognised in the expenditure trade-off analysis.
13. Greater LV visibility is an important feature of future networks which includes the management of power-quality for low voltage network customers. However, this is a significant shift of the current design of networks and the focus of both regulation and power-system management over an extended time.
14. We are encouraged by the Commission seeing greater focus on the development of LV networks including the measurement of power-quality at low voltage, but this should be done in collaboration with stakeholders, so a meaningful pathway is developed.
15. Importantly, any defined pathway needs to consider both the technical development pathway, the quality of the visibility improvement, the benefits to both customers and

suppliers from better visibility and how to best recognise the cost and effort in the trade-off discussion.

Yours sincerely



Richard Sharp
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