

18 September 2018

Michelle Allfrey
Revenue Manager
WEL Networks Limited
11 Maui Street
Hamilton 3240

by email

Dear Michelle

WEL Networks: 2019 Information Disclosure exemption request response

1. We refer to your letter dated 11 September 2018 in which you requested the Commerce Commission (Commission) to grant an exemption to WEL Networks (WEL) from the requirements of clause 2.4.19(2) of the Electricity Distribution Information Disclosure Determination 2012, as amended in December 2017 (ID Determination).

Background to the request

2. WEL has several embedded networks in the Auckland region, totalling 1700 ICPs.
3. Clause 2.4.19 of the ID Determination outlines the steps that an EDB needs to take at least 20 working days before changing or withdrawing a price, or introducing a new price.
4. In addition to publically disclosing the price, clause 2.4.19(2) requires that EDBs also give a written notice to the consumers or notify consumers by newspaper / online news media.

Exemptions requested

5. In your letter you have indicated that in the previous years, WEL contacted consumers directly as the most cost effective means of communication, with the majority being notified via email.
6. You further state that notifying consumers of price changes is becoming increasingly challenging because of the following reasons:
 - 6.1 Receiving the price change notice from the lines business and not the retailer causes confusion for consumers. Moreover, retailers may not necessarily pass on WEL's pricing change to the consumers.

- 6.2 Timing is also problematic, since retailers also contact consumers at the same time as when WEL is required to communicate with the consumers.
 - 6.3 The cost of publishing prices in two separate editions of newspapers is prohibitively high.
 - 6.4 Retailers don't always share the customer contact information to EDBs, which then requires WEL to send out physical letters to consumers which is neither cost nor time efficient.
- 7. Additionally, you also point out that the intent of the disclosure was to ensure transparency in pricing. Since WEL Networks' prices are available on the website, interested parties can continue to access this information.
 - 8. For all of these reasons, you have requested that WEL be granted an exemption from the requirements of clause 2.4.19(2).

Exemptions granted

- 9. We recognise that retailers have no obligation to provide WEL Networks with individual consumer details under Information Disclosure.
- 10. Given the challenges of notifying consumers on the embedded network including mailing of letters, higher cost of notification by newspapers and potentially creating confusion for consumers we consider that the exemption request by WEL Networks is reasonable.
- 11. Under clause 2.11.1 of the ID Determination, the Commission grants WEL Networks exemption from the requirements of clause 2.4.19(2).
- 12. This exemption only applies to disclosure years 2019 and 2020.

Further information

- 13. This exemption may be revoked or amended in accordance with clause 2.11.1(2) of the ID Determination.
- 14. A copy of this exemption response letter will be published on the Commission's website.
- 15. For any further questions relating to this letter, please contact regulation.branch@comcom.govt.nz.

Yours sincerely



Sue Begg

Deputy Chair