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EDB Targeted ID Review

Targeted Information Disclosure Review – Electricity Distribution Businesses – Draft Decision paper

1. Introduction

Wellington Electricity Lines Limited (**WELL**) welcomed the opportunity to make a submission in response to the Commerce Commissions (**Commission**) Draft Decision paper “Targeted Information Disclosure Review – Electricity Distribution Businesses” published on 3 August 2022. This submission refers to this paper as the “Draft Decision paper”. We are also pleased to have the opportunity to provide this cross-submission to responses from other stakeholders.

We note that most submissions are aligned on most topics. We agree with the general themes that:

- Additional information is needed to support EDB’s emissions reduction programmes and the rapid uptake of Distributed Energy Resources like EV chargers and solar.
- That changes are needed to ensure that the information disclosure measures align with measures used in other regulatory determinations like the Default Price Path.
- Care must be taken when designing new measures to ensure they capture information that can provide useful insights or provide a meaningful benchmark to measure an EDBs changing performance. Examples where we agree with submissions that further clarification of the measures are needed include the proposed connection time measure and the definition of 'overhead circuit requiring vegetation management'. Our original submission provided details of the changes needed.
- General support for disclosures that share innovation projects and their results, encouraging collaboration between network operators and other industry participants.
- Concerns that the proposed timeframes are too tight for some measures – some networks may not be able to retrospectively capture data for this disclosure year which is nearly half completed. Data recording processes should be in place before the data collection process starts.

SAIFI - recording successive interruptions

We agree with Network Tasman's submission point that the issue of how successive interruptions are to be recorded, was not clarified in the 2019 DPP consultation (page 4 of Network Tasman's Submission) and at that time, the Commission said they would address the issue in the upcoming ID consultation. This consultation has not occurred, and we support Network Tasman's submission on this point of needing further discussion.

The Commission's 7 October 2019 consultation "*Default price-quality paths for electricity distribution businesses from 1 April 2020 – Recording of successive interruptions for SAIFI*" supported the view that the issue was not settled, stating in consultation point 16 "*There are no definitions or provisions in the current DPP that specifically address how an EDB should record a successive interruption that relates to restoration procedures necessary for restoring supply. The current definition of 'interruption' may not appropriately capture some of the practical complexities of restoring electricity supply. This appears to have led EDBs to adopt and apply differing interpretations of 'interruption'.*"

As we submitted in the DPP3 consultations addressing this issue, we disagree with the approach of recording successive outages as it does not align with customer quality of supply priorities on the Wellington network – customers want the power to be returned as quickly as possible after an outage and find successive interruptions caused by sectionalising less important.

Like other large networks, WELL sectionalises the network to isolate a fault which allows customers in sections not impacted by the fault to have their power restored quickly. The network may trip a second time as the exact network section where the fault is located is narrowed down. The second tripping is typically much shorter as the field operators and faultmen are onsite and can make the network reconfiguration changes quickly. Sectionalising the feeder will increase SAIFI (repeated outages) but will reduce SAIDI (fewer minutes of outages) as customers initially interrupted are restored earlier as the fault section is minimised ahead of repair. Feedback from our customers is consistent in their reliability messaging – "don't let the lights go off, if they do, get it back quickly and don't put your prices up" – that is SAIDI should be prioritised ahead of SAIFI. Changing the focus to SAIFI, would incentivise network operators to not restore a healthy section of the network until the fault was repaired, avoiding a repeat outage to the same customers and therefore improving SAIFI at the expense of SAIDI.

We understand that customers will have different priorities on different networks and that our views on recording successive interruptions will not be held by other EDBs. We believe that EDBs should be able to choose which measurement method to use so that they are incentivised to provide a level of quality that matches customer preferences. Networks should be consistent in how they record SAIFI historically so that fluctuations in quality performance can be measured and addressed.

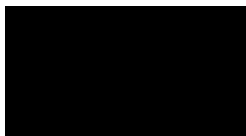
We also believe that there is more value in providing this flexibility in choosing a measurement methodology than it is to provide a consistent measure between networks. Network characteristics create large differences in SAIDI and SAIFI measures between networks. WELL's normalised SAIFI for the year ending 31 March 2021 was 0.43 times, 330% less than the industry average of 1.88 times for the same period. Restating SAIFI to include successive interruptions would change the comparison by a small amount (The SAIDI different for the same period was over 400%, indicating there would still be a large difference), but not enough to allow any meaningful conclusions to be drawn. We see there being little value in comparing network quality performance at the level detailed that differences in how measuring successive interruptions would influence.

As highlighted in Network Tasman's submission, we have been waiting and expecting the Commission to consult on the measurement methodology as part of the ID consultation process. We do not agree with the Commission's statement that the correct way of measuring successive interruptions has been resolved.

2. Closing

WELL appreciates the opportunity to provide a cross-submission on the Commerce Commission's Draft Decision paper "Targeted Information Disclosure Review – Electricity Distribution Businesses". If you have any questions or there are aspects you would like to discuss, please don't hesitate to contact Scott Scrimgeour, Commercial and Regulatory Manager, at [REDACTED]

Yours sincerely

A black rectangular redaction box covering the signature of Greg Skelton.

Greg Skelton

Chief Executive Officer