

17 July 2018

Keston Ruxton  
Manager, Price-Quality Regulation  
Regulation Branch  
Commerce Commission

By email – [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz)

Dear Keston

**RE: EDB DPP 2020 Process Paper**

1. We welcome the opportunity to provide feedback to the Commerce Commission (“Commission”) on the *Default price-quality paths for electricity distribution businesses from 1 April 2020 - Proposed process paper* released 14 June 2018.
2. We appreciate the Commission setting out the proposed process in advance in order to receive feedback on the timing of the consultation process that the Commission is intending to undertake.
3. We note the Commission has indicated that it is intended that the suite of models used in the 2020 reset will be substantially similar to those used in the 2015 reset process, and that it is therefore not necessary to release a preliminary model as early in the process, as was done in 2013.
4. While we appreciate the Commission may be using a suite of models substantially similar to those used in the 2015 reset process, many Electricity Distribution Businesses (“EDBs”) will have staff that were not involved in the 2015 reset process, and therefore these staff will be encountering the models for the first time.
5. We would therefore encourage the Commission to follow similar timings to that provided in the 2015 reset process to provide sufficient time for EDB staff to develop an understanding the models.
6. We note the Commission has proposed Q1 2019 for the timing of the information gathering request on quality of service information, which we assume would include unaudited quality information for the 2019 assessment period.
7. We suggest EDBs will likely take the balance of April and May to have 2019 assessment period quality information collated and approved by Directors, therefore suggest having timing of returns in early June 2019.

8. We note that the Commission has proposed the use of the 2018-2028 Asset Management Plans (“AMP”) as the basis for the draft decision, with subsequent draft and final decisions to use the 2019-2029 AMP updates.
9. We recognise the proposed timing of the draft decision requires the use of the 2018-2018 AMP and support this approach provided that the updated draft decision will consider the 2019-2029 AMPs fully, such as where EDBs may have sustained changes in investments profiles, for example arising from a transfer of assets from Transpower.
10. We note the work the Commission is completing as an observer within the Electricity Networks Association Quality of Supply working group, and look forward to a productive outcome of this work stream that may be used to inform the Commission’s views on an improved framework for measuring quality standards.
11. We note and appreciate the Commission’s considering of a DPP knowledge sharing session early in the consultation process as this will be an opportunity for EDB staff less familiar with the DPP setting process to be educated accordingly.
12. Equally the proposed use and timings of workshops is appreciated, and we encourage the Commission to hold various levels of workshops, where some workshops may focus on the technical workings of the models and other workshops may focus on the draft determination outcomes.
13. Thank you for the opportunity to provide feedback and we hope our comments are useful for the Commission in finalising the process for the 2020 reset.

Yours sincerely

Kiran Watkins  
General Manager Commercial and Technology