
Submission

Commerce Commission: Default price-quality paths for electricity distribution businesses from 1 April 2020 – Recording of successive interruptions for SAIFI

18 October 2019



Table of Contents

- 1 Introduction 1
- 2 Support for alternative approach 1

1 Introduction

- 1.1 Aurora Energy welcomes the opportunity to submit on the Commerce Commission's (Commission) "*Default price-quality paths for electricity distribution businesses from 1 April 2020 – Recording of successive interruptions for SAIFI – Consultation Paper*" (Consultation Paper).
- 1.2 No part of our submission is confidential, and we are happy for it to be publicly released.
- 1.3 If the Commission has any queries regarding this submission, please do not hesitate to contact:

Alec Findlater
General Manager Regulatory and Commercial
Aurora Energy Limited
alec.findlater@auroraenergy.nz
027-222-2169

2 Support for alternative approach

- 2.1 We support the alternative approach that is proposed in paragraphs 38 to 49 of the Consultation Paper, which requires recording of successive interruptions if restoration of supply occurs for longer than a certain amount of time (Multi-count Approach).
- 2.2 In our view, the Multi-count Approach is the correct approach to the recording of successive interruptions and is the approach that the Commission should adopt for the purposes of setting DPP3. The Multi-count Approach is, in our view, consistent with the definition of "*Interruption*" in the Electricity Distribution Services Default Price-Quality Path Determination 2015. We do, however, acknowledge that what constitutes restoration should be clarified.
- 2.3 Our historic practice has been to:
 - internally record customer interruptions using the Multi-count Approach; and
 - extract and report customer interruptions on an overall outage event basis, rather than counting customer interruptions by stages within that outage event (e.g., if a customer was interrupted multiple times because of sectionalising and fault finding, then the customer was only recorded as being interrupted once) (Aggregation Approach). We do not believe that that was the correct method of reporting customer interruptions.
- 2.4 As at 31 March 2019, we were still reporting on an Aggregation Approach; however, we have since taken steps to:
 - restate our quality data as far back as 1 April 2003, using the Multi-count Approach (Restated Quality Data); and
 - amend our internal reporting so that we are now consistently using the Multi-count Approach.
- 2.5 The unaudited dataset that we submitted to the Commission pursuant to its section 53ZD notice issued on 28 June 2019, was prepared using the Restated Quality Data. This same dataset, once audited, will be submitted to the Commission pursuant to its most recent section 53ZD notice, issued on 8 October 2019, which the Commission has confirmed allows SAIFI to be reported on using either the Multi-count Approach or the Aggregated Approach.
- 2.6 Furthermore, we intend to use the Restated Quality Data in the preparation of our customised price-quality path proposal.
- 2.7 Having changed our business practices significantly to accommodate the Multi-count Approach, we consider that we have no other practical option than to support the adoption of the alternative approach that is proposed in the Consultation Paper.