

31 August 2022

Commerce Commission

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**TARGETED INFORMATION DISCLOSURE REVIEW – ELECTRICITY DISTRIBUTION
BUSINESSES – Draft decision paper – Tranche 1**

Network Waitaki welcomes the opportunity to provide comments (in Appendix 1) on the draft decision paper regarding the targeted Information Disclosure (ID) review. We also support the submission by the Electricity Networks Association.

Network Waitaki appreciates the intention of the Commission to update and improve the IDs in a way that it remains fit for purpose in the current changing environment.

We agree with providing more information where it will be useful for interested parties and in line with meeting the objectives of Part 4 of the Commerce Act, and with the ultimate goal of being able to demonstrate we are meeting customer service expectations, enabling decarbonisation, and ensuring good asset management practices.

It was pleasing to note that the Commission considered all the comments and inputs received and have reduced the proposed amendments and additional reporting areas to those that are necessary to meet Part 4 objectives. The amendments in certain cases have been designed in such a way that EDBs could address data access challenges by instead providing narrative descriptions on certain disclosures which enables contextualising disclosed information.

We provide the following high-level comments:

- **Clarity of definitions.** While we agree with many of the proposed amendments, we believe the ‘devil will be in the detail’ and that it is essential that there be no ambiguity on any of the amendments that could provide scope for inconsistent interpretations and reporting. Appendix 1 contains detailed comments, however an example of a definition that is not sufficiently clear relates to ‘overhead circuit requiring vegetation management’. The concern here is that any ambiguity will lead to the same situation as we are currently in namely different interpretations and inconsistent reporting by EDBs and thus very little value to interested parties.
- **Retrospective disclosures.** The retrospective nature of some of the proposed amendments is concerning, i.e. quantitative measures required to be reported on for the current reporting year (1 April 2022 to 31 March 2023). In our view, this is not achievable, and the quality of data created (where that data isn’t currently being collected or used by the business) in a retrospective manner will not be at a required standard for either audit purposes or director certification. For example, Network Waitaki has not anticipated having to report on matters such as for example Q3 relating to “time taken to set up new connections”, as our internal measures differ from what is required to be disclosed. Should this become a requirement in the next round of disclosures (August 2023) it will mean that information for the initial months of the current year being reported on will not be correct because the ‘rules of the game’ have essentially changed halfway through the reporting year. We acknowledge that in the case of this example of Q3 the applicable schedules are not audited per se but correctness of information is still vital.

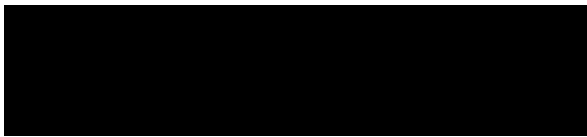
We request the Commission to apply transitional provisions for all new amendments that require reporting of quantitative values to allow EDBs to accurately record information for the whole reporting year, and for new requirements such as this to take effect for the year commencing 1 April 2023.

- **Clarification of audit and director certification requirements.** Clarification of audit and director certification requirements for each amendment will be helpful to ensure we know to what extent and detail to report to ensure cost effectiveness for our consumers.

As always, we welcome further engagement with the Commission on any of the matters in this submission and invite the Commission to meet with us to better understand how our business operates and the alignment between 'real world' EDB operations and the proposed ID review.

Please be in contact for any questions on this submission.

Sincerely



Cornel van Basten
Regulatory Manager

Appendix 1

	Description	Date	Comment
Q1	AMENDMENT Q1 – expand ID requirements related to how much notice of planned interruptions is given to consumers		
	<p>New Schedule 10(vi) of the electricity distribution information disclosures:</p> <ul style="list-style-type: none"> the number of planned interruptions that were cancelled with short notice; and the number of unplanned interruptions that the EDB intentionally initiated to carry out work on its network that did not directly relate to a fault, 	<p>31 Aug 24</p> <p>ID template Schedule 10(vii)</p>	<p>Support.</p> <p>Recommendation: Clarification required on the definition of “planned interruptions cancelled...” as it currently refers to Aurora.</p>
	<p>New Schedule 10(vii) of the electricity distribution information disclosures:</p> <ul style="list-style-type: none"> the proportion of planned interruptions proceeding on date notified and completed within the notified interruption window. 	<p>31 Aug 24</p> <p>ID template Sc 10(vii)</p>	<p>Support</p>
	Requirement for EDBs to describe how it provides notice and communicates planned and unplanned interruptions, including any plans for changes.	<p>30 June 2023</p> <p>AMP or standalone</p>	<p>Support</p>
Q2	Amendment Q2 – add ID requirements on power quality		
	<p>Add a requirement for EDBs to describe their practices for monitoring voltage quality (including any plans for improvements) including:</p> <ul style="list-style-type: none"> what the EDB is doing to develop and improve practices for monitoring voltage quality on its LV network; work it is doing on their LV network to address any non-compliance with the applicable voltage requirements of the Electricity (Safety) Regulations 2010; how it is responding to voltage quality issues when they are identified; and communicating the work it is doing on voltage quality on its LV network to affected consumers." 	<p>30 June 2023</p> <p>AMP or standalone</p>	<p>Support</p>

	Description	Date	Comment
Q3	Amendment Q3 – add ID requirements on time taken to set up new connections		
	<p>Require EDBs to disclose the following information in Schedule 9e(i) of the electricity distribution information disclosures:</p> <ul style="list-style-type: none"> • average time taken to give a quote for a new ICP; • average time taken to make a new ICP; • average time taken to give a quote for alterations to be made to an existing ICP; and • average time taken to make alterations to an existing ICP." <p>EDBs are required to break down this information by the consumer classes it defines, aggregated to a maximum of 10 where applicable.</p>	<p>31 Aug 2023 ID template Schedule 9e(i)</p>	<p>Qualified support</p> <p>Network Waitaki still disagree that this is a meaningful measure for comparison and benchmarking due to the large number of variances between connection types and unique characteristics of each connection type.</p> <p>In our view this is an important matter, but the focus should rather be on the customer and their experience. We support the ENA view for a metric that captures customer experience of the connection process, rather than the overall time taken which we believe won't add any value due to the large amount of variables in the process.</p> <p>A similar differentiation in different types of applications to part 6 of the Electricity Industry Participation Code should be considered where requirements differ for less than 10kW Distributed Generation (DG) connections and larger than 10kW DG connections, namely:</p> <ul style="list-style-type: none"> • Disclosure of the proposed metric in the draft decision for small standard residential type connections; and • For rural and large connection applications, consideration be given for EDBs to rather disclose and be measured against "service levels agreed with customers". This will provide information on the customer's experience of the EDB process and performance. <p>We disagree with par. 4.49 that an EDB is ultimately responsible for the process from start to finish. Retailers, customers and their agents such as electricians and electrical inspectors are responsible for certain components of the process. There are thus multiple parties involved in the process which will skew the results if purely based on "time taken" and will reflect on the EDB's performance, whereas the EDB is not in control of the process in its entirety.</p>

	Description	Date	Comment
			<p>The definitions included still leaves scope for different interpretations, e.g.:</p> <ul style="list-style-type: none"> • “Time take to quote new connections...” – measured as <i>beginning with the EDB’s receipt of request and ending with customer receipt of quote</i>. The period can be very long if the customer does not provide further information on request by the EDB to enable the EDB to give a comprehensive quote. <p>The definition should then rather be “<i>beginning from the later of EDB’s receipt of request and full supporting information provided by the customer and ending with customer receipt of quote</i>”.</p> <p>As an example, one of the large connection applications on our network has been going back and forth for an extended period for various reasons, including customer changes in request, design changes and analysis of the impact on the network and on other customers. Therefore, although we have provided various quotes during the process, it is not clear which quote will be applicable for purposes of this disclosure.</p> <p>Furthermore, some customers may approach the company for a quote well in advance of their requirement for a connection, and so whilst the elapsed time to provide the new connection may appear above average, it may entirely meet the customers’ expectations. This is common with seasonal loads such as irrigation customers, as well as land developers with large scale subdivisions who take some time to commence works on site.</p> <ul style="list-style-type: none"> • ‘Time taken to install new connections...’ – The starting point includes “<i>readying of site by the customer</i>” – this can potentially have different meanings for different EDBs. Also, the end point includes the issuing of a Certificate of Compliance, but electricity inspectors provide certificates of compliance for new connections not the EDB per se.

	Description	Date	Comment
			<p>It is further noted that this information will be required on a retrospective basis for the year starting 1 April 2022 to 31 March 2023 to be disclosed by 31 August 2023. Although Network Waitaki does keep records of connections it will not have sufficient detail to comply with the definitions of Schedule 16 for the first few months of FY2023.</p> <p>Schedule 9 is not an audited schedule per se, but the accuracy of information reported is still of importance if it is to be used for performance measurement and analysis.</p> <p>Recommendation:</p> <ul style="list-style-type: none"> • The Commission to focus on the experience of the customer and a metric on that, i.e. consider disclosure based on Service levels agreed with customers and process followed rather than “time taken”. • Definitions must be very clear to avoid any ambiguity and inconsistent reporting. • The Commission to consider providing for transitional arrangements, similar to the allowance on reporting of successive interruptions (Q11), as the reporting year is already in progress. Provision of information on a retrospective basis is hard to achieve and will invariably not be correct. Any quantitative metrics should only be required for the reporting year commencing 1 April 2023.
	<p>Require EDBs to describe their customer connection practices, including:</p> <ul style="list-style-type: none"> • the EDB’s approach to planning and management of new or altered connections (load and injection connections); • how the EDB is seeking to minimise the cost of new or altered connections for consumers; and • the EDB’s approach to planning and managing communication with consumers about new or altered connections. 	30 June 2023 AMP or standalone	Support.
Q4	Amendment Q4 – add ID requirements on customer service, eg, customer complaints		
	Add a requirement for EDBs to describe their current customer service practices including:	30 June 2023 AMP or standalone	Support.

	Description	Date	Comment
	<ul style="list-style-type: none"> the EDB's customer engagement protocols and customer service measures – including customer satisfaction with the EDB's supply of electricity distribution services; and the EDB's approach to planning and managing customer complaint resolution;" 		
Q5	Amendment Q5 – add ID requirements on information about customer charters and guaranteed service level (customer compensation) schemes		
	<p>EDBs to maintain up to date copies of the following on their website:</p> <ul style="list-style-type: none"> the EDB's existing customer charters including guaranteed service levels, if any; and information about existing customer compensation schemes (if any) that it has in place" <p>EDBs to provide this information to Commission as annual disclosure</p>	<p>31 Mar 2023</p> <p>If any - Website disclosure</p>	<p>It is noted that this is required if an EDB have any customer charters and customer compensation schemes in place.</p> <p>Network Waitaki's guaranteed service levels are contained in Default Distributor Agreements published on our website. These agreements are between retailers and Network Waitaki.</p>
Q11	Amendment Q11 – refine ID requirements on interruptions by clarifying definitions to ensure successive interruptions are recorded consistently		
	<p>Modify the definition of SAIFI values and SAIDI values to ensure EDBs record successive interruptions as an additional SAIFI value or SAIDI value if restoration of supply occurs for longer than one minute.</p> <p>Transitional reporting requirement in Schedule 10(i), for the 2023 and 2024 disclosure years, where EDBs that do not currently record their SAIFI and SAIDI values using the 'multi-count' approach continue to record their SAIFI and SAIDI values on the same basis that they employed as at 31 March 2022.</p>	<p>31 Aug 2023</p> <p>ID template Schedule 10(i) (Transitional arrangement – 2023 and 2024))</p>	<p>Network Waitaki requires the full transitional period as the company will need to invest in and implement system enhancements to record where customers have experienced multiple interruptions as part of the restoration sequence.</p>
Q13	Amendment Q13 – refine ID requirements on third party interference interruptions by breaking down into more specific categories		

	Description	Date	Comment
	<p>Require EDBs to break down reporting of interruptions caused by third-party interference in Schedule 10(ii) to include commonly occurring interruptions resulting from external contractors or members of the public.</p> <p>The new table of additional third party reporting categories includes:</p> <ul style="list-style-type: none"> • 'Dig-In': means any unintended damage to any underground network asset caused by a third party. • Overhead Contact: means any form of unintended damage to any above ground network asset caused by contact that is not related to vegetation, animals, or ground vehicles. • Vandalism: means any unintended destruction of, or damage to, any network asset • Vehicle Damage: means any unintended damage to any network asset caused by a ground vehicle. • Other 	31 Aug 2023 ID template Schedule 10(ii)	Support.
D2	Amendment D2 – add reporting requirements on new network loads likely to have a significant impact on network operations or asset management priorities		
	<p>Require EDBs to disclose a description of:</p> <ul style="list-style-type: none"> • how the EDB assesses the impact that new network loads will have on its network, including: <ul style="list-style-type: none"> ○ how the EDB measures the scale and impact of new network loads; ○ how the EDB takes the timing and uncertainty of new network loads into account; and ○ how the EDB takes other factors into account, eg the network location of new loads; and • how the EDB assesses and manages the risk posed by uncertainty regarding new network loads. 	30 Jun 2023 AMP or standalone on website	Support.
D4	Amendment D4 – add reporting requirements on EDBs' innovation practices		
	Require EDBs to describe their innovation practices, including:	30 Jun 2023 AMP or standalone	Support

	Description	Date	Comment
	<ul style="list-style-type: none"> • innovation practices the EDB has planned or undertaken since the last AMP was published, including case studies and trials; • the basis on which the EDB makes decisions regarding innovation practices, including how the EDB decides to commence, adopt commercially and continue these practices; • how the EDB's decision-making and innovation practices depend on the work of other companies, including other EDBs and providers of non-network solutions; and • the types of information the EDB has to inform or enable innovation practices, and their approach to seeking that information 		
AM6	Amendment AM6 – Amend the definition of 'overhead circuit requiring vegetation management'		
	<p>Draft decision is to define 'overhead circuit requiring vegetation management', as those circuits around which vegetation falls within the 'notice zone' as defined in the Electricity (Hazards from Trees) Regulations 2003.</p> <p>The amendment would be dependent on the definition from these regulations, meaning if the "notice zone" distance definition changed, then the distance within which vegetation is deemed to be affecting overhead circuits in this amendment would also automatically change to align with the new 'notice zone' definition</p>	31 Aug 2024 ID template Schedule 9(c)	<p>We agree that the definition needs to be clarified to enable sensible comparative analysis where required by stakeholders.</p> <p>However, the current proposed definition as per the draft decision is not clear or practical and we do not support the use of the "notice zone" distance between vegetation and an overhead circuit as being an appropriate metric. This definition is overly complex, and will require mainly because of the complexity, extensive need for inspection and surveying and costs to measure this and collect data.</p> <p>The use of "Notice zone" is a regulatory measure to set limits and define a process for tree owners and businesses on tree management. These limits do not relate to vegetation management practices of EDBs. EDBs manage vegetation irrespective of whether they fall within a certain distance of overhead circuits. Vegetation management includes an assessment of the risk of the vegetation to overhead circuits through inspections and patrols, identifying potential issues, and recording information which includes the density and type of vegetation</p> <p>The current amendment to the definition is unclear. For example:</p>

	Description	Date	Comment
			<ul style="list-style-type: none"> • Where several trees close to each other are recorded as being within the 'notice zone' of an overhead circuit, is the whole circuit to be included as requiring vegetation management or just the portion of circuit underneath the these trees? • Where a dense lane of trees under overhead circuits fall just outside of the notice zone, does it mean that these circuits should not be disclosed as requiring vegetation management, although they will require ongoing monitoring and inspection over the years until such time as they become 'notice zone' trees? <p>Par. 4.148 outlines the intent of the metric, namely: <i>OH circuit length that requires long term, ongoing vegetation management by EDBs, i.e. all the vegetation which EDBs would intend to cut as part of their multi-year rotation cycle across their whole network.</i></p> <p>In our view density and type of vegetation play a big role to achieve the intent of par. 4.148.</p> <p>Recommendation:</p> <p>That the Commission defer this decision until a practical definition has been determined which should include in addition to circuit length also density and type of vegetation.</p>
AM7A/ AM7B	Amendment AM7A/AM7B – improve lifecycle asset management planning provisions (vegetation, assumptions)		
AM7A	Information on vegetation management-related maintenance; and summary discussion of the modelling approaches used, assumptions used to inform the model used, and economic justifications that underpin the model used	31 Mar 2024 AMP	<p>Not supported.</p> <p>Although we support the concept of transparency of expenditure on particular asset activities and note that the requirements have been scaled back, discussion of modelling approaches and assumptions are an excessive requirement for the scale of some EDB operations.</p> <p>Network Waitaki is supportive of providing information on our vegetation management strategy and approaches applied.</p> <p>Recommendation:</p>

	Description	Date	Comment
			Consider amending the requirement to provision of information on the vegetation strategy and approaches to vegetation management applied by an EDB.
AM7B	AM7B The modelling approach, and rationale used to inform capital expenditure forecasts for their assets.	31 Mar 2024 AMP	<p>Not supported.</p> <p>Similar to AM7A Network Waitaki supports transparency on providing information on strategy and approach applied in capital expenditure forecasts, but do not see the need to go into this level of detail for no apparent benefit to consumers.</p> <p>Recommendation: The Commission to consider removing this requirement or at least scale it back to a high-level report on strategy and approach applied in capital expenditure forecasts.</p>
AM8A/ AM8B	Amendment AM8A/AM8B – improve lifecycle asset management planning provisions (processes, forecast assumptions) and provide additional information on data and models)		
AM8A	<p>Amending clause 3.11 of Attachment A to require EDBs to provide a description of:</p> <ul style="list-style-type: none"> • how asset management data informs the models that an EDB develops and uses to assess asset health; and • how the outputs of these models are used in developing capital expenditure projections. 	31 Mar 2024 AMP	Support.
AM8B	<p>Amending Part 12 of Attachment A to include a requirement that EDBs provide information regarding its consideration of non-network solutions to inform its expenditure projections, which must include:</p> <ul style="list-style-type: none"> • the modelling of non-network solutions the EDB used to inform these expenditure projections; and 	31 Mar 2024 AMP	Support.

	Description	Date	Comment
	<ul style="list-style-type: none"> the assumptions used to inform the modelling of non-network solutions. 		
AM9	Amendment AM9 – add explanation and exploration of scenarios, in addition to providing a single point forecast in forecasting schedules		
	Retain the requirement for EDBs to release single point forecast estimates and create a place in Schedule 11a(i) and 11(b) for EDBs to voluntarily describe the options and considerations made in their assessment of forecasting scenarios.	31 Mar 2023 AMP: Voluntary	Support.
AM10	Amendment AM10 – disconnections data		
	Include disconnections data in the information EDBs are required to disclose. Under current requirements, EDBs disclose actual and forecast new connections on their networks but not disconnections.	31 Aug 2023 ID template 9e(1) – actual disconnections	Support. Recommendation: Include definition of “disconnections” as per the ENA recommendation of a definition that captures permanent removal of ICPs rather than temporary disconnections for non-payment, vacant properties or construction works.
	Require EDBs to disclose forecast and actual disconnections (in Schedules 9e(1) and 12C(1) of the electricity distribution information disclosures, respectively) for both individual connection points (ICPs) and distributed generation consistent with disclosures on new connections.	31 Mar 2024 ID template 12c(1) in AMP schedule – forecast disconnections	Support.
AM13	Amendment AM13 – require EDBs to make a confidential disclosure of operational expenditure on cybersecurity		
	Require EDBs to disclose to the Commission their actual and forecast cybersecurity operational expenditure in Schedule 6b(ii) and Schedule 11b respectively. Only disclosed to Commission.	31 Aug 2023 ID template Sch. 6b(ii) – actual 31 Mar 2024	Support.

	Description	Date	Comment
	Define cybersecurity as: “The application of technologies, processes and controls to protect systems, networks, programmes, devices, and data.”	ID template Sch. 11b (AMP) - forecast	
			Support.
A1	Amendment A1 – changes to recoverable and pass-through costs definition		
	Updates to definitions: <ul style="list-style-type: none"> • ‘pass-through cost’ shall have the meaning as specified in clause 3.1.2(1) of the electricity distribution input methodologies (EDB IMs); • ‘recoverable cost’ shall have the meaning as specified in clause 3.1.3(1) of the EDB IMs. 	31 Aug 2023 ID determination	Support