

Regulation Branch
Commerce Commission
PO Box 2351
Wellington
(via email to regulation.branch@comcom.govt.nz)

28 November 2017

RE: Submission on the Commission’s proposed approach to assessing Wellington Electricity’s proposal for additional expenditure to improve its resilience and response to a major earthquake

1. This is a brief submission on behalf of the Major Gas Users Group (MGUG). MGUG was established in 2010 as a consumer voice for the interests of a number of industrial companies who are major consumers of natural gas. Membership of MGUG comprises:
 - Ballance Agri-Nutrients Ltd
 - Oji Fibre Solutions (NZ) Ltd
 - Fonterra Co-operative Group
 - New Zealand Steel Ltd
 - Refining NZ
2. Nothing in this submission is confidential.
3. While this specific matter does not directly impact on our members we are concerned to ensure, that in developing a ‘streamlined’ CPP the Commission’s particular approach does not undermine the overall regime for setting a CPP or key elements which are important to it. The key features of the streamlined proposal are significant deviations including:
 - a. Removing the requirement for independent verification;
 - b. Modifying the requirement to consult;
 - c. Focussing only on the additional resilience expenditure.
4. In some respects these may make sense, because of the specific nature and urgency of the WELL’s circumstances. However MGUG would be concerned if these features were to be argued more widely, potentially undermining the framework e.g. the level of scrutiny to be applied to expenditure. The Commission needs to take care to ensure that bespoke solutions are not seen as opportunities to alter the framework.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hale' with a stylized flourish at the end.

Richard Hale/Len Houwers
Hale & Twomey Ltd/Arete Consulting Ltd
Secretariat for the Major Gas Users Group