

29 March 2019



Mr Dane Gunnell  
Manager Price Quality Regulation  
Regulation Branch  
Commerce Commission  
**44 the Terrace, Wellington 6011**

**VECTOR LIMITED**  
101 CARLTON GORE ROAD  
PO BOX 99882  
AUCKLAND 1149  
NEW ZEALAND  
**+64 9 978 7788 / VECTOR.CO.NZ**

E: [Dane.Gunnell@comcom.govt.nz](mailto:Dane.Gunnell@comcom.govt.nz)  
CC: [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz)

Dear Dane,

**Section 53ZD Notice health and safety information – review of Vector SAIDI and SAIFI Adjustment Methodology**

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2. On 9 November 2018, the Commerce Commission (Commission) issued a section 53ZD to non-exempt electricity distribution businesses (EDB) request for information under the Commerce Act 1986 (the Act) to assist the Commission with setting system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI) for the next Default Price Path (DPP).
3. As part of the request for information, the Commission sought specific information on health and safety (H&S) changes adopted by electricity distribution businesses (EDBs) and how they have affected their SAIDI and SAIFI indices.
4. In our response to the request, we have quantified the impact significant H&S changes have had on our SAIDI and SAIFI performance. In undertaking this task, Vector developed a SAIDI and SAIFI Adjustment Methodology to isolate the H&S impact on historical outages. This is because the specific impact of H&S on outage records has not been part of our historical interruption recording processes.
5. To ensure our SAIDI and SAIFI Adjustment Methodology was robust and reasonable for isolating health and safety changes, we engaged WSP to review the methodology for its reasonableness and accuracy for isolating H&S changes. Attached to this letter is a report from WSP in which they provide their conclusions on the Vector SAIDI and SAIFI Adjustment Methodology. We welcome the opportunity to further discuss our SAIDI and SAIFI Adjustment Methodology and review further with the Commission.

Kind regards

A handwritten signature in blue ink, appearing to read "Richard Sharp".

**Richard Sharp**  
Head of Regulation and Pricing