

14 September 2023

Commerce Commission

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### TARGETED INFORMATION DISCLOSURE REVIEW (2024)

Network Waitaki welcomes the opportunity to provide detailed comments (in Appendix 1) on the draft decision paper regarding the Targeted Information Disclosure (ID) Review (2024).

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 in the target areas of decarbonisation, asset management and quality of service where it will be useful for interested parties to assess EDB performance and in line with meeting the objectives of Part 4 of the Commerce Act.

- **Timing.** Our main concern is around the timing of disclosing the new requirements, several of which is expected to be disclosed for the Disclosure Year (DYE) 31 March 2025 (i.e. on 31 August 2025). We note the intention from the Commission to publish the final decision on the ID review (2024) only early in 2024.

This will mean that quantitative measures required to be reported on for DYE 2025 will only be known once the final decision is made in early 2024. In our view, achieving this timeline will be challenging - especially to get it into a required standard for either audit purposes or director certification.

We request the Commission to consider transitional provisions (e.g. not require auditing) for all new amendments that require reporting of quantitative values to allow EDBs to record information in a format adequate for auditing purposes.

- **Clarity of definitions.** It is essential that there be no ambiguity on any of the amendments that could provide scope for inconsistent interpretations and reporting. There are several terms used that require clarity. Appendix 1 contains detailed comments.

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.

Sincerely



Cornel van Basten  
Regulatory Manager

## Appendix 1

	Description	Date to be reported	Comment
<b>D3</b>	<b>AMENDMENT D3 – Network Constraints</b>		
D3.1	<p>Disclose the following information for each existing zone substation in <b>Schedule 12b(i)</b>:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> the current peak load period (ie, the season current peak load occurred);</li> <li><input type="checkbox"/> the installed operating capacity (at the zone substation’s assigned security level);</li> <li><input type="checkbox"/> whether it is constrained or forecast to be constrained (ie, by selecting a “Current constraint type” or “Forecast constraint type”);</li> <li><input type="checkbox"/> if a zone substation is currently or forecast to be constrained: <ul style="list-style-type: none"> <li><input type="checkbox"/> whether it is a capacity or security constraint;</li> <li><input type="checkbox"/> the cause of the constraint;</li> <li><input type="checkbox"/> the type of solution (where known) to the constraint; and</li> <li><input type="checkbox"/> if the solution is temporary, how long it is expected to be in place (required for current constraints only).</li> </ul> </li> <li><input type="checkbox"/> if a zone substation is not currently constrained, the available capacity before it becomes constrained;</li> <li><input type="checkbox"/> forecast available capacity in 5 years and an approximate range of forecast available capacity in 10 and 20 years; and</li> <li><input type="checkbox"/> forecast peak load period and forecast security of supply classification in 5 and 10 years.</li> </ul>	<p><b>31 Mar 25</b></p> <p>AMP Schedule 12b(i)</p> <p>Subject to Director certification</p>	<p>The overall concern on this proposed disclosure is that it considers zone substations in isolation and not as an integrated part of a network. Security, capacity, and demands are more nuanced than the simplistic options allowed for in the proposal. For example, there is no defined approach for disclosing capacity associated with fast transfer/special protection schemes or other automated load response options. Anything that is not “vanilla” then must be explained in the notes.</p> <p>The proposed amendments to Schedule 12b(i), although extremely detailed, will thus not provide sufficient information for an interested party – to understand the intricacies of the network an interested party will have to engage with the relevant Electricity Distribution Business about capacity availability, network conditions and so forth.</p> <p>Forecasting over a 20-year period is a very long time and the forecasted capacity is subject to a high level of uncertainty.</p> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> That the Commission considers <b>limiting forecasts to 10 years</b>. We agree that consideration and discussion of different scenarios are meaningful for longer terms but 20-year forecasts of capacity will result in low confidence forecasting given the range of options available and be relatively meaningless at the degree of granularity used in the schedule.</li> <li><input type="checkbox"/> There is also a potential inconsistency where capacity is not disclosed seasonally but demand will be. We propose that <b>terms be clearly defined so that there is no ambiguity</b>, e.g. “seasons” are not defined but using the month would avoid any vagueness. Also for example, the options under constraint primary causes (column X in S12b) should be defined, for example Transpower forms part of the options and could for argument’s sake be selected</li> </ul>

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			as the primary cause for almost all constraints since it can't deliver the full non-diversified capacity.
D3.2	<p>Amendment to <b>Schedule 9e(iii)</b> to improve comparability with capacity in Schedule 12b(i):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Zone substation transformer capacity reported as EDB owned capacity and non-EDB owned capacity.</li> </ul>	<p><b>31 Aug 24</b> (DYE 31 March 2024)</p> <p>ID template <b>Sch. 9e(iii)</b></p> <p>Subject to <del>audit</del> and director certification</p>	<p>Schedule 9e(iii) is subject to director certification, <b>not audit certification as indicated on page 25 of the “Draft decision – Reasons paper”</b>.</p>
D3.3	<p>EDBs to disclose data about networks in a <b>generic geospatial file</b> format (such as Geopackage or Shapefile). For each zone substation:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Its name,</li> <li><input type="checkbox"/> location (in coordinates),</li> <li><input type="checkbox"/> the names of any feeders connected to it,</li> <li><input type="checkbox"/> the voltage(s) it primarily transforms, and</li> <li><input type="checkbox"/> the boundary of the area it serves.</li> </ul>	<p><b>31 Aug 24</b> (DYE 31 March 2024)</p> <p>Geospatial file format</p> <p>Subject to Director certification</p>	<p>This can be provided with some system changes and at a cost.</p> <p>However, it is not clear what the value is that this will add. This disclosure will present information for a zone substation at a particular point in time. For example, the boundary of the area served can change, it is a dynamic situation. We note the Commission's expectation in footnote 96 of the Reasons paper (p. 51) that zone substation attributes do not change often for most EDBs.</p> <p>What will the consequence be if zone substation attributes do change and the geospatial file is not updated? This brings into question the value to the public.</p> <p><b>Recommendation:</b></p> <p>The Commission to consider making this a <b>requirement for EDBs to have a geospatial file available on request from an interested party to obtain a snapshot of a zone substation attributes at a point in time.</b></p>
D3.4	<p>Amendment of Attachment A of the Determination to require EDBs to provide the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> a description of any policies or practices for providing sufficient information on current and forecast constraints (including LV network constraints where known) to inform the decision-</li> </ul>	<p>Narrative info as required by cl. 17.2.2 of Attachment A of ID - <b>31 Aug 24</b> (DYE 31 March 2024)</p>	<p>No comment</p>

	Description	Date to be reported	Comment
	<p>making of potential consumers connecting to the network and potential providers of non-traditional network solutions; and</p> <ul style="list-style-type: none"> <li>□ regarding load and injection constraints on LV networks, a description of: <ul style="list-style-type: none"> <li>○ any challenges, and progress, towards collecting or procuring data required to inform the EDB of current and forecast constraints on its LV network, including historic consumption data; and</li> <li>○ any analysis and modelling (including limitations and assumptions) the EDB undertakes, or intends to undertake, with that constraint-related data.</li> </ul> </li> </ul>	<p>Publicly available document on EDB website.</p> <p>Subject to Director certification.</p> <p>Info required (excl. cl. 17.2.2 above) of Attachment A of ID - <b>31 Mar. 2026 (Next mandatory AMP)</b></p>	
D3.5	<p>For each of the new disclosure requirements above, definitions have been added, amended, and removed in <b>Schedule 16</b> of the ID determination.</p>		<p><b>Tariff</b></p> <p>We note the use of the term “tariff” instead of “price”. EDBs have been using standardised terminology<sup>1</sup> since at least 2016 where:</p> <ul style="list-style-type: none"> <li>□ “price” is “the amount charged per unit of measure purchased, e.g. \$0.0468 per kWh....and</li> <li>□ “Charge” is “the amount charged which is the product of the price and the quantity...”</li> </ul> <p>It is not clear what the reason is for the transition to the use of “tariff”.</p> <p><b>Recommendation:</b> To use standardised terminology to avoid confusion on the meaning of various terms.</p> <p><b>Inclement weather</b></p>

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<sup>1</sup> ENA. Pricing guidelines for electricity distributors. A handbook for pricing practitioners (September 2022 replacing the 2016 handbook)

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			This definition is not clear. Can any type of bad weather during which an interruption is caused by vegetation contact be classified as “inclement weather?”
<b>D5</b>	<b>Work and investment on flexibility resources (non-traditional solutions)</b>		
D5.1	Add a requirement for EDBs to disclose the following in the <b>AMP</b> : <input type="checkbox"/> Detailed description of investigations undertaken towards the potential for non-traditional solutions to be more cost effective than network augmentations and vice versa. <input type="checkbox"/> Should specify if any non-related parties were approached in relation to non-traditional solutions. (excl. commercially sensitive or confidential information)	Next AMP. Next mandatory full AMP due by <b>31 Mar 2026</b> .  Subject to director certification.	This information can be provided.  Network Waitaki objectively considers multiple factors when determining the option that provides the best value solution – irrespective of whether it is traditional or non-traditional. We perform whole-of-life economic analysis on viable options so we can demonstrate that the solution is in the best interest of our customers.
D5.2	To replace all instances of “non-network solutions” with “non-traditional solutions” and  A <b>definition</b> for “ <b>non-traditional solutions</b> ” in <b>cl. 1.4.3.</b> of ID determination:  <i>“means a non-traditional solution to a network constraint or risk, and includes distributed generation, electricity storage, demand response and resilience measures”</i>		Demand response and resilience measures have always formed part of network solutions and have been around for a long time, i.e. these are “traditional” non-network solutions.  <b>Recommendation:</b>  <b>To avoid ambiguity and ensure consistent reporting more clarity on the definition of non-traditional solutions will be necessary.</b>
D5.3	To insert cl. 4.2.7 in Attachment A:  4.2 a description of the network configuration, including:  4.2.7 the capacity of any non-traditional solutions: (a) provided by a third-party provider; and (b) not provided by a third-party provider	Next AMP. Next mandatory full AMP due by <b>31 Mar 2026</b> .  Subject to director certification.	No comment.
D5.4	To replace the term ‘distributed generation’ with the term “non-traditional solutions” where mentioned in Attachment A.		See our recommendation above in D5.2.
D5.5	EDBs to disclose “non-traditional solutions” as a separate operational expenditure (opex) line item in Sch. 5b(i) and (iii), 5d(i), 5f, 6b(i), 7(iii).	<b>31 Aug 24</b> (DYE 31 March 2024)  ID template	This will require changes to our financial system.  In terms of timing, with the final decision on the ID review (2024) only expected in the first quarter of 2024 changing systems to accommodate this requirement will be challenging.

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		Sch. 5b(i) and (iii), 5d(i), 5f, 6b(i), 7(iii)  Subject to audit and director certification	<b>Recommendation:</b>  <b>To postpone the requirement to next ID period, i.e. 31 Aug 2025.</b>
D5.6	EDBs to disclose “non-traditional solutions” as a separate operational expenditure (opex) line item in Sch. 11b.	<b>31 Mar 25</b>  AMP <b>Sch. 11b</b>  Subject to director certification	See our comment in D5.2 regarding the need to be very clear on the definition of “non-traditional solutions”.  At what point does “traditional” change to “non-traditional” (seasonal-dynamic ratings, load management-demand response). Solutions continually evolve. For example, Ripple Control from 50+ years ago added in Load Response agreements using 3 <sup>rd</sup> Party Aggregators 15+ years ago with Flexibility Contracts coming into the mix over the last 5 years. The binary approach does not reflect the dynamic changes within in the industry and will lag current practise. Is the intent that “traditional” means the addition or replacement of asset types that are currently allowed for in the RAB and “non-traditional” is anything else?
<b>D6</b>	<b>Standardised pricing components including transmission costs</b>		
	To amend the following requirements in Schedules 8(i) and (ii) of the ID determination:: <input type="checkbox"/> Addition of standardized connection types, with an option of “other”. <input type="checkbox"/> Addition of standardized price components, with an option of “other”. <input type="checkbox"/> Disaggregate the “distribution” and “transmission” components of the billed quantities and line charge revenue fields. <input type="checkbox"/> Removal of the “unit charging basis” and “rate” yields – as these would be built into the standardized price components. In Sch. 8(ii) remove the field “notional revenue foregone from posted discounts (if applicable)”. In Sch. 16 include definitions for each standardized connection type and price component.	<b>31 Aug 24</b> (DYE 31 March 2024)  ID template <b>Sch 8</b>  Subject to director certification	<b>Schedule 8(i) recommendation:</b>  <b>The schedule should not add Distribution billed quantity and Transmission billed quantity for the same price component as it will overstate the quantities billed.</b>  We found the addition of set standardised connection types classified by meter category strange as this does not have any bearing on pricing. In Network Waitaki’s case our pricing approach is load agnostic. Hence, we do not distinguish between residential, commercial, agriculture and other connection types similar to the set options provided in the proposed Schedule 8. A customer’s price depends on the size connection required for the electricity demand needs.

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			For the new proposed Column E input Network Waitaki will have to select “Other connection type” and then clarify in column G what the different “other connection types” are.
<b>AM6</b>	<b>Vegetation management reporting</b>		
AM6.1	Requirement to publicly disclose new information in <b>Sch. 6b(i), 9c and 10(ii)</b> .	<b>31 Aug 2025</b> (DYE 31 March 2025)	
AM6.2	<p>In <b>Sch. 6b(i)</b> to disclose <b>opex</b> relating to <b>vegetation</b> at a further disaggregated level for the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> service interruptions and emergencies, which is vegetation-related;</li> <li><input type="checkbox"/> routine and corrective maintenance and inspection which relates originally to a vegetation-caused fault; and</li> <li><input type="checkbox"/> vegetation management in new subcategories (assessment and notification costs, felling or trimming vegetation – in-zone, felling or trimming vegetation – out-of-zone, and other).</li> </ul> <p><b>No disclosure of this disaggregated information in Sch. 5b, 5d, 7 or 11b.</b></p>	<p><b>31 Aug 2025</b> (DYE 31 March 2025)</p> <p>ID template <b>Sch. 6b(i)</b></p> <p>Subject to audit and director certification</p>	<p>We are concerned about this requirement. More specifically the third bullet - it will be difficult to disaggregate costs into the proposed separate categories as the various work is often bundled to minimise disruption to customers. The likely result will be that we will either incur significant additional administrative cost to comply or the disaggregation will be subject to individual interpretation and unauditible.</p> <p>As this is an audited schedule these disclosures will be compared to invoices received from contractors. Hence, process, administration and system changes at significant cost will be required to ensure these disaggregated categories can be extracted and reported in an auditable standard.</p> <p>We also foresee that it will be challenging to separate in-zone and out-of-zone costs. For example, inconsistent application can occur – take a scenario where 6 trees are felled, 5 is in-zone and 1 is out-of-zone.</p> <p>Furthermore, we note the point that that the ID requirements can be updated again in future if need be to align to any changes made to the Electricity (Hazards from Trees) Regulations 2003 by MBIE. However, we maintain that changes to the ID requirements do not come at no cost – which consumers must bear ultimately.</p> <p>At the very least the Commission should try to align with tree regulation amendments and instead of pre-empting regulatory change liaise with MBIE to obtain clarity on expected timelines of</p>

	Description	Date to be reported	Comment
			completion of the tree regulations. This will be more efficient and prevent unnecessary ID amendments.
	<p>In <b>Sch. 9c</b>, EDBs to disclose the number of overhead circuit sites on their network that are at high risk from vegetation damage.</p> <p><b>Definition</b> for the new requirement:  <i>“overhead circuit sites for which an EDB has</i></p> <p><i>a) identified a hazard tree; or</i>  <i>b) given a cut or trim notice or a hazard warning notice to a tree owner under the Electricity (Hazards from Trees) Regulations 2003”.</i></p> <p>The different categories of “sites” can be <b>described</b> by each EDB, and EDBs will be required to <b>set out the number of sites within each category</b>, and <b>number of sites involving critical assets within each category</b>, in a table within the schedule.</p> <p><i>This requirement will replace the existing metric in Schedule 9c, “overhead circuit requiring vegetation management (km/%)”.</i></p>	<p><b>31 Aug 2025</b> (DYE 31 March 2025)</p> <p>ID template  <b>Sch. 9c</b></p> <p>Subject to director certification</p>	<p>We appreciate the effort from the Commission to clarify the definition relating to vegetation management in Sch. 9 and we will be able to provide this information as it is defined.</p>
	<p>In <b>Sch. 10</b>, EDBs will be required to disclose information on causes of unplanned interruptions at a further disaggregated level, i.e. to break down reporting of <b>Class C interruptions caused by vegetation</b> in <b>Sch. 10(ii)</b> including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in-zone,</li> <li><input type="checkbox"/> out-of zone,</li> <li><input type="checkbox"/> wind-borne debris,</li> <li><input type="checkbox"/> related to inclement weather, and</li> <li><input type="checkbox"/> other.</li> </ul>	<p><b>31 Aug 2025</b> (DYE 31 March 2025)</p> <p>ID template  <b>Sch. 10(ii)</b></p> <p>Subject to audit and director certification</p>	<p>As commented in D3.5, we are not clear on the definition of “inclement weather” and predict that there will be inconsistent applications among EDBs and even within an EDB. “Inclement weather” is a broad term and what is “inclement weather” for one person or company might not necessarily be so for the next person or company.</p> <p>The only clear disaggregation that makes sense is in-zone and out-of-zone. Wind-borne debris, inclement weather will probably be all “out-of-zone in any event.</p> <p><b>Recommendation:</b></p>



	Description	Date to be reported	Comment
	<p>As appropriate, for each of the new disclosure requirements <b>new definitions</b> are proposed in <b>Sch 16</b> of the ID determination.</p> <p><b>One clarification change</b> to the existing definition of “<b>routine and corrective maintenance and inspection</b>” is proposed in the <b>interpretation section</b> of the ID determination.</p>		<b>To limit the disaggregated causes to “in-zone” and “out-of-zone”.</b>
<b>Q14</b>	<b>Expand ID requirements to include raw interruption data and information on worst-performing feeders</b>		
	<p>EDBs to publicly disclose the following each year:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Raw interruption data, consistent with that provided by non-exempt EDBs in advance of PQ resets, including location, cause and SAIDI and SAIFI values as well as other data, in a new <b>Sch 10a</b>;</li> <li><input type="checkbox"/> information on the worst-performing feeders in the distribution network in Schedule 10 (new section 10(vi)). Worst-performing feeders are defined as: <ul style="list-style-type: none"> <li><i>the feeder lines on an EDB’s network that, in respect of the most recent disclosure year, are in the 90th percentile or higher for one or both of: (a) feeder SAIDI and (b) feeder SAIFI.</i></li> </ul> </li> </ul> <p>Removing of the existing requirement for disclosure of normalised SAIFI and SAIDI from Schedule 10(i).</p> <p>Propose adding an additional cause category termed “<i>other cause</i>” to the breakdown of SAIDI and SAIFI in Schedule 10(ii), to align with the cause categories proposed in the raw interruption data in new <b>Sch 10a</b>.</p>	<p><b>31 Aug 2025</b> (DYE 31 March 2025)</p> <p>ID template <b>Sch. 10(ii)</b></p> <p>Subject to audit and director certification</p>	<p><b>Raw interruption data</b></p> <p>Raw interruption data can be provided, although it is hard to see what value (except for the Commission who have access already and consultants/researchers) will be derived from this very detailed reporting especially if the requirement for normalised SAIDI and SAIFI is removed with no way for stakeholders to make an easy comparison among EDBs.</p> <p>Additionally, provision of raw data can lead to a lack of context and underlying contributors (e.g., storms, major events) and risks being misinterpreted.</p> <p><b>Worst-performing feeders</b></p> <p>Regarding information on worst-performing feeders. In our view the focus should be on the customer’s experience. Network Waitaki’s main aim is to deliver a good and reliable service to customers in our supply area. We agree that the current SAIDI and SAIFI measures do not give visibility of what a customer experiences at their premises or connection point and whose who experience a significant number of outages (either planned or unplanned).</p> <p>If the definition of worst-performing feeders is used it can’t be based only on SAIDI and SAIFI, but must also include the total number of outages (planned &amp; unplanned) experienced and performance against specified service levels.</p>

	Description	Date to be reported	Comment
			<p>Aggregation to the level of “worst-performing” feeders (or feeders contributing to most outages) will not achieve the intent of identifying the actual worst served customers per se. A “feeder” is an arbitrary grouping of assets determined by switch positions and exists within a dynamic system that is constantly changing to respond to customer/network requirements. For example, feeder coverage will change in response to changing load and can vary not only from year-to-year but in some cases from season-to season. The only clear and consistent denominators are System and ICP.</p> <p><b>Recommendation:</b></p> <p><b>We acknowledge that there are limitations on access to ICP level customer data (e.g. through smart meter data) that is not currently available but manual systems can be applied to analyse and report on worst served customers. This should be the aim, i.e. did an EDB meet the performance standards agreed with the customers on its network.</b></p>
<b>A3</b>	<b>Amend the definition of ‘gains / (losses) on asset disposals’</b>		
	<p>Amend the <b>Sch 16</b> definition of “gains / (losses) on asset disposals” to clarify the rules around asset disposal to a related party. This will reduce the risk of EDBs misinterpreting the accounting rules around asset sales to related parties.</p> <p>Also propose to remove the definition “<i>Asset disposals (other than below)</i>” as it is no longer required.</p>	<b>31 Aug 24</b> (DYE 31 March 2024)	No comment
<b>X</b>	<b>Other changes – Update assurance standards</b>		
	<p>To amend clause 1.4.3 to update the definitions of “ISAE (NZ) 3000” and “SAE 3100” to the current version of these assurance standards.</p> <p>These standards are incorporated by reference under Schedule 5 of the Commerce Act into the ID determination. We must consult</p>	Entry into force date – <b>1 April 2024</b>	No comment.

	<b>Description</b>	<b>Date to be reported</b>	<b>Comment</b>
	<p>on this amendment, which we will do at the same time as we consult on the TIDR (2024) draft decision.</p> <p>We also propose to remove the definition for “ISA (NZ) 550” as this term is not needed.</p>		
<b>XX</b>	<b>Other changes – Align existing audit and director certification obligations to the verification framework</b>		
	To align existing audit and director certification obligations in the ID determination to the verification framework. Proposed amendments are explained from paragraph 3.242.	Entry into force date – <b>1 April 2024</b>	No comment.