

Transpower IPP – 14 November 2019 final decisions: Requests for Information

1. To help inform our reset of the Transpower individual price-quality path (IPP) for the Regulatory Control Period starting 1 April 2020 (RCP3), we requested additional information from Transpower. These Requests for Information (RFIs) followed a structured process agreed between Transpower and us.
2. We issued these RFIs where we identified areas for us to perform further analysis in relation to our evaluation of Transpower’s proposal. The information from these RFIs, along with Transpower’s RCP3 proposal,¹ the Verifier’s report,² EMCA’s report on Transpower’s ICT expenditure,³ EMCA’s supplementary report on Transpower’s ICT expenditure,⁴ other supporting documents provided by Transpower as part of its proposal, and submissions we received from interested persons, has helped inform our decisions.
3. The following table sets out the number and title of the RFIs we made to Transpower.

Table 1: List of RFIs

RFI Number	RFI title
Q001	Reports on cost estimating
Q002	Process of estimating costs for RCP3
Q003	ICT document request
Q004	Insurance subsidiary financials
Q005	Waterfall chart of consultation changes
Q006	Indexation of RAB
Q007	Efficiency of opex base year
Q008	Transpower's performance measures historically
Q009	Incentive strength for performance measures
Q010	Predictive maintenance

¹ Transpower *Securing our Energy Future 2020–2025* (RCP3 Proposal, November 2018).

² Synergies Economic Consulting and GHD Advisory *Independent Verification Report – Transpower’s RCP3 Expenditure Proposal (2020-25)* (12 October 2018).

³ EMCA “Transpower Regulatory Control Period 3 Proposal – Review of aspects of the Proposed ICT Expenditure” (May 2019).

⁴ EMCA “Transpower Individual Price-Quality Path 2020-25: Review of aspects of Transpower’s response to the Draft Decisions and Reasons Paper – ICT” (August 2019).

RFI Number	RFI title
Q011	Customer consultation – Base capex projects over \$20M
Q012	Customer consultation – Articulation of ongoing engagement
Q013	Transition in staff roles
Q014	Deliverability - Efficiency gains
Q015	Deliverability - Works deferred from RCP2
Q016	Deliverability - Risks of deliverability adjustments
Q017	Deliverability - Opex adjustment
Q018	Asset management practices - risk model
Q019	Asset management practices - asset condition data
Q020	Asset health and criticality and future investment need
Q021	E&D base capex adjustment
Q022	E&D base capex reconciliation
Q023	Grid performance measures modelling
Q024	HVDC pole 2 life extension work
Q025	HVDC and Reactive assets – reactive assets
Q026	Insurance subsidiary dividend
Q027	AC substations – Indoor Outdoor conversions
Q028	Email request for additional documents - IST capex
Q029	Secondary assets – SA Protection, Battery Systems and Revenue Meters
Q030	Cost estimating - efficiencies due to bundling
Q031	Output incentive model - 2018 data
Q032	Interruption normalisation
Q033	N-security transformer swap out time
Q034	ICT capex benefits driven projects

RFI Number	RFI title
Q035	HVDC and Reactive Assets – Reactive Assets
Q036	Request for documents referred to in Verifier report and Opex Overviews
Q037	AP1 data
Q038	Asset health asset classes
Q039	Asset health measures
Q040	IST in business support including cybersecurity
Q041	Mapping of RCP2 opex categories to RCP3 proposed expenditure
Q041a	Clarification of Q041
Q042	Risk informed maintenance and predictive maintenance step change
Q043	Secondary assets – SA Protection, Battery Systems and Revenue Meters
Q044	Price path smoothing and capex approved in RCP3
Q045	Allocation of staff resources to projects
Q046	Asset Management and Operations totex
Q047	RCP ICT benefits document request
Q048	ICT - ICT performance in RCP2 (EMCa)
Q049	ICT - Benefits realisation (EMCa)
Q050	ICT - Business cases (EMCa)
Q051	ICT - Risk Management Policy (EMCa)
Q052	ICT - Benefits analysis (EMCa)
Q053	ICT - Portfolio Planning Tool (EMCa)
Q054	ICT - Lifecycle-driven projects - risk assessment (EMCa)
Q055	ICT - Lifecycle-driven projects - cost estimates (EMCa)
Q056	ICT - Deliverability of program (EMCa)

RFI Number	RFI title
Q057	ICT - Leading investments (EMCa)
Q058	ICT – Risk assessment methodologies (EMCa)
Q059	Secondary assets – SA Protection, Battery Systems and Revenue Meters – follow up questions to RFI029
Q060	Pass-through costs – Energy Complaints Scheme levies
Q061	ICT – RCP2 ICT business cases (EMCa)
Q062	ICT – capex reconciliation (EMCa)
Q063	Quality – Asset health measures and momentary interruptions
Q064	Quality – Forced unavailability data for 2018
Q065	Price path inputs - Conversion of real terms opex and capex into nominal
Q066	Quality – Probability of breaching quality standards [analysis of 2 out of 6 measures approach (draft decision)]
Q067	Price path inputs – Pecuniary penalties [request for historical information]
Q068	Recoverable costs – forecast IRIS baseline adjustment term [updated inputs used in Transpower analysis]
Q069	Change in forecast actual opex