



# MAJOR ELECTRICITY USERS' GROUP

7 November 2014

Dane Gunnell  
Senior Analyst  
Commerce Commission  
By email to [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz)

Dear Dane

## Submission on Proposed Transpower IM Amendments October 2014

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Commerce Commission draft reasons paper<sup>1</sup> "Draft amendments to input methodologies for Transpower 2014 (No. 2)", dated 23<sup>rd</sup> October 2014 and draft determination published the same day. Members of MEUG have been consulted in the preparation of this submission. This submission is not confidential.
2. One of our initial concerns was<sup>2</sup> (the text in brackets has been added to assist understanding) "... the Commission in considering a request for approval (ie approval of a listed project) should require Transpower to disclose any consequential or supplementary incremental savings in opex or capex from the existing plan or economies of scope with existing work." The requirement in the IM amendment for Transpower's application to have evidence of having consulted with interested parties (cl. 3.2.4(2) (g)) and undertake a cost benefit analysis (cl. 3.2.4(2) (f)) should allow MEUG and others to pursue that line of questioning should Transpower not volunteer the information.
3. MEUG therefore support the proposed amendment to the IM. Transpower is to be congratulated for initially suggesting that the 5 listed large asset replacement and asset refurbishment projects that are subject to uncertain timing should be separated from the IPP base capex proposal for RCP2. This one off adjustment to the IMs for RCP2 is a pragmatic solution.

Yours sincerely

Ralph Matthes  
Executive Director

<sup>1</sup> Document URL <http://www.comcom.govt.nz/dmsdocument/12609> found at <http://www.comcom.govt.nz/regulated-industries/input-methodologies-2/amendments-and-clarifications/>

<sup>2</sup> MEUG to CC, Transpower IPP submission, 27<sup>th</sup> June 2014, paragraph 11 e)