File note - Meeting

Date of meeting:	1 December 2023
Location:	Microsoft Teams (online)
Parties:	Commerce Commission (TIDR (2024) team), Vector Limited
Subject:	TIDR (2024) – EDB/FSP meetings – AM6 Vegetation management reporting

Attendees:

Ali Scholes (Commerce Commission – Senior Analyst)
Sean McCready (Commerce Commission – Principal Advisor, Engineer)
Kaleb Boyce (Commerce Commission – Assistant Analyst)
Susannah Garwell (Vector – Senior Regulation and Pricing Specialist)
Marko Simunac (Vector – GM, Electricity Operations and Maintenance)
Jonathan Bishop (Northpower – GM, Northern Contracting)

Meeting discussion points:

- Workability of the proposed changes to vegetation-related opex reporting.
- Workability of the proposed changes to vegetation-related interruptions reporting.

Workability of the proposed changes to vegetation-related opex reporting:

The proposed changes are detailed in the TIDR (2024) draft decision *(amendments to Schedule 6b(i).*

Vegetation management opex:

1. Vector uses an external contractor who carry out the vegetation assessment/network surveying work. The risk assessment follows the Quantified Tree Risk Assessment (QTRA) model.

2. This "assessment contractor" is an independent arborist, and they are used for the assessment/scoping work, but they do not carry out any of the trimming/felling work. They also manage the notification/negotiation process with tree owners and assess and deal with any resource management issues around managing vegetation.

    2.1 The assessment contractor uses the assessment information to create a "work pack", which will be issued to the "arborist contractor" who will carry out the work.

    2.2 In a vegetation assessment, the focus is on the health of the tree and risk to network Whether the tree is in-zone or out-of-zone is not always relevant or is not necessarily the main driver for work. They identify every tree in an

area, in-zone and out- of-zone, and the highest risk tree will trigger the work order for vegetation cutting.

2.3 The assessment contractor will consider all the prospective work from an efficiency perspective (including any traffic management requirements) before finalising the work pack. This includes consideration of the best outcome for the tree owner, and the best outcome for Vector financially (which is usually to remove the tree).

2.4 It can be challenging where there are multiple customers on one work pack. Vector's preference is engaging with customers verbally (rather than via written notices only). Work packs are currently tied to the nearest asset (typically a pole). Vector are working towards using spans (between poles) instead.

2.5 Invoices from both the assessment contractor, and the arborist contractor are tied to the work pack.

3. The work pack information does not include whether a tree is in-zone or out-of-zone. It was noted that there are often two different growth limit zones for the same tree (where there are lines of more than one voltage in an area).

4. For "maintenance trim" type work (trimming that is closer to the lines, to maintain clearance of the growth limit zone), vegetation is usually cut back beyond the growth limit zone, and to the most logical spot on the tree.

5. Vector has previously tried to enforce "first cuts", but ran into challenges, particularly where there has been a change in property ownership. As a result, usually Vector bears the cost of in-zone trimming/felling work.

6. It was noted that in rural areas, customers tend to be more welcoming to expanding the work pack scope.

7. It was noted that large system/process changes would be required to get the cost breakdown to in-zone/out-of-zone work onto contractor invoices. However an assumption of cost could be made based on the work pack.

Service interruptions and emergencies (Vegetation-related):

8. Field staff (Northpower response crew) attending the fault make an assessment of the cause of the interruption (including, whether it was caused by vegetation).

9. The Northpower response crew will engage the arborist contractor to cut/remove vegetation if this is required but will clear vegetation themselves if it is safe to do so.

10. Speaking to the workability of the proposed disaggregated opex disclosure, billing by Northpower follows two different models:

10.1 Fixed cap/fixed monthly bill (fault service model):

10.1.1 The monthly invoice details the tasks completed, but there is no cost linkage to these tasks.

10.2 Unit rates by fault:

10.2.1 There are some instances where a fault would come through to Northpower as a separate service request (i.e., would not go through with the fixed monthly billing, and would be invoiced separately). An example is significant weather events, or where a large tree has come down and an arborist is required to clear vegetation before the lines can be re-livened.

11. It was noted that if damage is caused by a private tree, Vector bears the cost for repairs. If it was caused by a tree owned by a public sector third party, the process for recoveries can be complicated.

12. It was also noted that traffic management costs are often a large portion of the overall cost (sometimes up to 40% of the cost for fixing a fault). These costs would come through on the Northpower invoice.

Workability of the proposed changes to vegetation-related interruptions reporting:

The proposed changes are detailed in the TIDR (2024) draft decision *(amendments to Schedule 10(ii).*

13. Vector already record and use some additional internal subcategories for vegetation-caused interruptions. These include debris, HV/LV contact, and fallen tree. The assessment of an interruption's cause is made by field staff (the Northpower response crew), and the interruption cause is then reported to the control room. The cause recorded is the best estimate at that point in time.

14. Sometimes an interruption cause will be recorded as "vegetation" and then "unconfirmed" for the subcategory. In this case, the control room staff would review other information (e.g., weather reports, trimming in the area etc.) to make an estimate of the subcategory classification for the interruption.