



Corporate Office

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Keston Ruxton
Manager, Price-Quality Regulation
Commerce Commission
By email: regulation.branch@comcom.govt.nz

Dear Keston

EDB DPP 2020 Process Paper

Powerco appreciates the opportunity to provide feedback on the Commerce Commission's proposed process for assessing default price-quality paths (DPPs) for electricity distribution businesses (EDBs).

Although we're on a CPP, we're engaged with the DPP. Although Powerco is in the early days of its Customised Price Path (CPP) journey, we will be following and contributing to the DPP reset process. This is because it may affect our business when the CPP ends in March 2023, and because some decisions have the potential to affect our business/customers before that time eg, quality paths. The Commission's process paper provides opportunity for parties to plan for resourcing. The only difficulty we foresee is the overlap between consultation on the draft DPP decision and completing Information Disclosure over the same period. We can't see any way to avoid this – the advance notice is appreciated.

Powerco supports proposed workshops. The Commission's paper includes an indicative process for developing and making the DPP decision in November 2019. We support the intention to hold workshops (para 22 and 24). There will be a range of issues to be discussed, so we suggest these workshops remain focused on those that are complex and/or high value. Also, some topics may benefit from a follow-up discussion on selected aspects rather than attempting to resolve them in real time during a workshop.

Take advantage of ENA working group input. The Commission intends to account for the ENA's 'quality of service' working group prior to September 2018. We encourage the Commission to have a process that can leverage insights and solutions from this group beyond this cut-off date because its recommendations will involve further work after September. Examples of this work include definitions, implementation issues, and potential information gathering and analysis related to refined or new quality of service measures. Essential to this being a meaningful and successful process will be ongoing consultation between ENA and the Commission.

If you have any questions about this submission, please contact Andrew Kerr (andrew.kerr@powerco.co.nz).

Yours sincerely

A handwritten signature in blue ink, appearing to be "Stuart Marshall".

Stuart Marshall
General Manager Regulation and Commercial