

21 December 2017

Robert Bernau
Head of Energy, Airports and Dairy Regulation
Commerce Commission
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Dear Robert

Commerce Commission Open Letter of 9 November 2017

Thanks for your email of 9 November and the open letter outlining the Commerce Commission priorities for the electricity distribution sector through to the DPP in 2020.

The letter contains a very comprehensive outline of activities and the areas targeted to promote long term efficiencies and consumer benefit. EEA appreciated you approaching us as there are a number of key asset management, engineering and safety areas where we would like to engage with the Commission particularly around the range of non-statutory (and statutory) tools that may be applied. EEA has worked closely with other regulators to explore and develop co-regulatory opportunities so believe we can contribute in this area.

While we have an interest in many of the areas outlined in your letter, and will monitor and contribute as appropriate, the area of asset management is a key focus area for us. We have been very active in asset management capability and practices and have produced and maintain a number of industry guides on asset management maturity (based on ISO 55000) and asset health indicators both aimed at improving asset management information, analysis and practices. The EEA have also made a significant commitment to asset management training to ensure engineers and asset managers have better skills and knowledge around the good practice of modern asset management standards and practices.

Another area where we wish to improve expertise in the industry is in asset information management. The EEA was involved in a 'pilot' Asset Information Managers forum in 2017, and due to positive feedback from the professionals involved, are planning to put resource into developing a regular forum. We have also been investigating international guidance on asset information good practice, with the view of making this guidance more readily accessible to our members. We see asset information as a key resource to enable good asset management practice, and to adapt to changes in technology, especially in the LV Network.

The EEA Asset Management Group (AMG) have already identified asset criticality as a key work area in their 2018/19 business programme, with plans to develop further guidance that will leverage off the existing EEA Asset Health Indicator (AHI) Guides. We also see asset resilience as an area that could benefit greatly from industry collaboration, and will focus on working with industry, yourselves, other stakeholders and infrastructure industries to look at guidance options.

As AMG develop a terms of reference and work programme for these two projects we will include key areas identified in your letter and would welcome the opportunity to liaise with you. We will also be

reviewing and updating existing Guides with a focus on our members experience of the impact of new technologies, improved customer engagement, better asset data information and analysis, and how these changes relate to existing assets and their technical/economic life cycles.

EEA's strong focus on health and safety also means we can contribute to the debate on changing work practices and their possible impact upon asset management and operation.

EEA supports the proposed open and consultative process that has been outlined in your letter and looks forward to working with the Commission, industry and other stakeholders to understand the opportunities of new technologies and deliver sustainable quality service to meet customers' needs.

If you wish to discuss this brief submission, please contact the undersigned.

We thank you for the opportunity to provide feedback and look forward to working with you going forward.

Yours sincerely

A handwritten signature in black ink that reads "Peter Berry". The signature is written in a cursive style with a long horizontal stroke at the end.

Peter Berry
Executive Director