

26 March 2018

Andre Botha
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Dear Andre

Exemption request response: 2018 asset management plan extension for Vector Limited

1. We refer to your letter of 28 February 2018 in which you requested the Commerce Commission (Commission) grant Vector Limited (Vector) a four week extension in publically disclosing its 2018 Asset Management Plan (AMP) as required by clause 2.6.1 of the Electricity Distribution Information Disclosure Determination 2012, as amended (ID Determination).

Background to the request

2. Clause 2.6.1 of the ID Determination requires that Electricity Distribution Businesses (EDBs) complete and disclose an AMP before the start of the disclosure year. Clause 2.6.6 of the ID Determination requires EDBs to provide forecast schedules with their AMP.
3. Vector notes that rapid changes in the industry have created challenges in finalising values which form inputs to the AMP (eg, demand forecasts, expenditures and future work programs). This has resulted in additional executive and Board level challenge, and the extension is requested to allow for any recommended actions to be executed and reported back before publication of the AMP.

Exemptions requested

4. Vector has requested the Commission grant it a four week extension in publically disclosing its 2018 AMP required by clause 2.6.1 (and related forecast schedules (Schedule 11a – 12d as required by clause 2.6.6) of the ID Determination.

Commission consideration

5. We appreciate the complexity which Vector has faced in considering future uncertainties when forecasting expenditure and then making them publically available.
6. Although we consider granting the extension is appropriate, the Commission notes that Vector's deadline for submitting its 2018 AMP has been known for several years. In future we expect Vector to allow additional time for challenge and review when undertaking significant changes in regulatory reporting.

Exemption granted

7. Under clause 2.11.1 of the ID Determination the Commission grants Vector an exemption from the requirement in clauses 2.6.1 and 2.6.6 of the ID Determination. This exemption is granted on the condition that Vector:
 - 7.1 notes on its website by 31 March 2018 that it has been granted this exemption;
 - 7.2 completes and publicly discloses the 2018 AMP, including the forecast schedules (Schedule 11a – 12d) by Tuesday 1 May 2018; and
 - 7.3 notes that it has been granted this exemption with the publication of the disclosures referred to in paragraph 7.2 above.
8. This exemption only applies to the 2018 AMP.

Further information

9. This exemption may be revoked or amended in accordance with clause 2.11.1(2) of the ID Determination.
10. A copy of this exemption response letter will be published on the Commission's website.
11. For any further questions relating to this letter, please contact Alison Young on (04) 924 3823 or Alison.Young@comcom.govt.nz.

Yours sincerely



Sue Begg
Deputy Chair