17 November 2017

The Commissioners,
Regulation Branch
NZ Commerce Commission
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Letter of Support – Proposed Approach for a Streamlined CPP.

Wellington City Council (WCC) is pleased to provide a letter of support for The Commerce Commission's (Com-Com) proposed approach to considering Wellington Electricity's (WE*) application for a special price path readiness project. WCC has supported in principal WE*'s application pending the high level business case yet to be submitted.

In particular WCC appreciates the balance of the proposed approach by Com-Com. Consumers do rely heavily on the regulatory oversight of this very complex industry. WCC considers the proposed approach will provide a streamlined process while maintaining appropriate and proportionate scrutiny. This is consistent with the intent of the Government Policy Statement issued September 2017.

WCC agrees with the view noted in the discussion paper, that the long term solution for resilience initiatives is a full customised price path (CPP) application. WCC acknowledges that this special application is a first step and we consider it is appropriate given the current increased seismic risk profile for the Wellington region.

Longer term resilience is a complex integration of Transpower WE* and related lifeline initiatives, WCC will continue to work with the parties on this more comprehensive package that we would expect to result in a full CPP sometime in the future.

In response to the matter raised in para 34 of the discussion paper regarding appropriate quality measures, WCC would note that the bulk of the intended WE*'s initiatives are physical assets, we consider that procurement progress, state of these assets and progress of the system enhancements should be reported separately as part of WE* reporting regime. We anticipate a detailed timeline for the programme will be part of the WE* business case.

Yours sincerely

Derek Baxter
City Engineer
WELLINGTON CITY COUNCIL.

Copy to: Mayor Justin Lester
          CEO Kevin Lavery