From: Stephen France [stephenrfrance@gmail.com]
Sent: 17/01/2021 11:28:18 a.m.
To: Feedback Aurora Plan [feedbackauroraplan@comcom.govt.nz]; Dane Gunnell [Dane.Gunnell@comcom.govt.nz]
CC: [redacted]
Subject: Cross submission - Aurora

Hi Dane,

I wanted to offer some final cross submission commentary on the Aurora CPP draft decision.

While the global intent of Aurora's investment plan has been examined more or less thoroughly during the process, I have ongoing concerns that the majority of the specific cost components have not been afforded the same level of detailed scrutiny. The Aurora investment plan itself glosses over these details, offering at best a broad overview rather than a finer grained technical analysis of the risk, costs and benefits of each individual proposal, as should be the case for this level of CAPEX.

The majority of the capital projects are within the Dunedin area and deal with deferred maintenance, stretching back decades, in some cases well prior to the acquisition of the electrically separate Central Otago network in 1999. The proposed investment plan cost will be applied equally to all users throughout the Aurora geographical area, in particular Central Otago, who will not receive any direct or even indirect benefits from the Dunedin projects.

As an amateur historian with an interest in early New Zealand infrastructure development, and as a Central Otago property owner facing a significant future service price increase, I have provided an example of a Dunedin area CAPEX project below, which due to the length of the deferred maintenance, is particularly inequitable to be funded, even in in part, by Central Otago electricity end users:

- Aurora has signaled an intention to rebuild the 33,000 volt Waipori A/B/C lines, as noted within Aurora's 2020 AMP. This is forecast to cost in the region of 20-25 million dollars, or roughly 4 percent of the total investment plan.

- The A / B lines were commissioned by the DCC in 1907. They were the longest and highest voltage power lines in the southern hemisphere at the time, and I believe the first use of electricity pylons in NZ. They used a mix of copper cable, some of which was purchased for this project, and the rest that the DCC already owned from a prior uncompleted project. The C line was added in 1934.

- By 1949 the A/B lines in particular were aging and full replacement was proposed. This is noted in an ODT article dated 8 July 1949 – ("PLANS FOR MAJOR EXPANSION OF CITY ELECTRIC SYSTEM" - Issue 27127 - https://paperspast.natlib.govt.nz/newspapers/ODT19490708.2.63) where the city electrical engineer states in part: "the time seems to be opportune to modernise the [Waipori] transmission system. In addition, his report continues, there will be a considerable saving in maintenance. On the existing system this is high as the age of the lines is considerable and the number of poles and insulators great."

- However, these lines were never "modernised" or replaced. They still stand in their original locations today and that original copper conductor is still being used after 114 years of service.

- As mentioned earlier, Aurora is now desiring to replace these lines, at quite some expense – <u>over 70 years after this was first recommended</u> by the DCC Chief Electrical Engineer!

- Given that Aurora didn't acquire the Central Otago network until 1999 – it is extremely concerning we are all expected to fund a project costing 4% of the total spend to deal with an issue that was first publicly identified 50 years prior to this acquisition. It has absolutely nothing to do with Central Otago.

I would therefore respectfully request that the Commerce Commission look again at the concept of a geographical charging regime for specific projects prior to issuing final investment approval. I believe would go a very long way to assuaging the obvious end user anger from Central Otago residents that has arisen during the consultation process.

Alternatively, I wonder even at this late stage if a forced divestment of Aurora's Central Otago assets might make better sense. This would allow Aurora to return to its Dunedin and DCC roots, as it were, and allow full concentration on their aging Dunedin assets. It would also likely provide a needed infusion of capital to offset the investment plan expenditure. Perhaps a Central Otago lines company owned by a local community trust?

Kind regards,

Stephen France