



23 June 2023

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Ben Woodham
Manager, Electricity Distribution
Commerce Commission
PO Box 2351
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Sent via email: infrastructure.regulation@comcom.govt.nz

Dear Ben

EDB DPP 2025 Process paper

Firstgas Group welcomes the opportunity to submit on the Commerce Commission (Commission's) proposed process for Default price-quality path (DPP) 4 for Electricity Distribution Businesses (EDB's) from 1 April 2025.

Firstgas Group consists of Firstgas, Firstlight network, First Renewables, Rockgas, Flexgas and Gas Services NZ. Firstlight Network is a non-exempt EDB and is subject to the Default price-quality path.

We acknowledge the Commission is seeking feedback on the proposed scope and the process for DPP reset; we have outlined our considerations and perspective in this submission. Firstlight Network is a member of Electricity Networks Aotearoa (ENA), and our submission is supportive of and closely corresponds to the submission made by the ENA.

No part of this submission is considered confidential.

Overall timeline and feedback window on DPP4 Issues Paper

We are comfortable with the overall process timeline delineated by the Commission as outlined in Table 1 of the process paper. Preserving the sequential progression of these timelines is of utmost importance to ensure that the Commission receives appropriate feedback and gives EDBs ample time to consider decisions.

Given that the DPP4 Issues Paper is expected to incorporate pertinent feedback received through the IM review process, it is imperative to ensure that the industry is afforded sufficient time to respond effectively. Therefore, we recommend that a minimum period of six weeks (instead of four) be provided for stakeholders to provide their input and engage in meaningful dialogue regarding the contents of the DPP4 Issues Paper. This extended duration will enable stakeholders to thoroughly review the proposed information, analyse its implications, and formulate comprehensive and well-considered responses that contribute to the development of informed decisions.



Asset Management Plans and information gathering requests under s53ZD

We acknowledge the challenges of considering the latest Asset Management Plans (AMPs) for the upcoming reset. In particular, the contrast in forward-looking expenditure forecasts across the EDBs. We wish to highlight that an asset management plan is a meticulously prepared document that is board certified and hence undergoes a rigorous review process. However, when it comes to providing out-of-cycle data under s53ZD, challenges may arise due to the preliminary nature of the data and the absence of robust checks and reviews. This poses a potential risk of errors or inaccuracies in the data provided, as it may not have undergone the same level of scrutiny and validation as the certified AMP.

Time to review the robustness of the models and stakeholder workshops

We appreciate the Commission providing a similar suite of models as was provided for DPP3. We would like to emphasise that early provision of these models will allow sufficient time to conduct a comprehensive review of the models. We highly recommend that the Commission considers workshop(s) on the technical workings of the models. Such workshops would provide invaluable benefits by facilitating a thorough understanding of the models' intricacies, which is particularly helpful for those who have not utilised these models in previous resets. Additionally, these workshops may also prove advantageous in identifying any potential errors or discrepancies that may exist within the models.

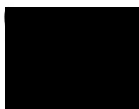
We welcome the opportunity to be involved in stakeholder workshops throughout the reset process. These workshops offer an excellent platform for fostering constructive dialogue and examining a diverse array of factors and perspectives. We look forward to working with the Commission in the upcoming months.

Contact details

Firstgas Group would welcome the opportunity to discuss the points raised in our submission. If you have any questions, please get in touch with Nathan Astwood at

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Yours faithfully



Saba Malik

Regulatory and Policy Manager