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Submission on EDB and
Transpower IM amendments
(reopeners and other matters) –
Draft decision

23 January 2025

1 Submission and contact details

Consultation	Proposed amendments to input methodologies for electricity distribution businesses and Transpower (reopeners and other matters) – Draft decision
Submitted to	Commerce Commission
Submission address	infrastructure.regulation@comcom.govt.nz
Date submitted	23 January 2025
Submitter	Greg Skelton, CEO
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2 Confidential information

There is no confidential information provided in this submission. This submission can be publicly disclosed.

3 Consultation response

Wellington Electricity Lines Limited (**WELL**) welcomes the opportunity to provide a submission on the Commerce Commission (the Commission)'s *“Proposed amendments to input methodologies for electricity distribution businesses and Transpower (reopeners and other matters) – Draft decision”* paper (**the draft decision**). We have also jointly contributed to the submission from the ‘Big Six’ EDBs which contains further detail for consideration.

We support the intent of the draft decision and the proposed changes. Specifically, we support the intent to provide clarity and workability of the IMs, to improve the certainty of the rules and processes for reopeners, and to reduce compliance and regulatory costs for regulated suppliers, other stakeholders, and the Commission.

In making this separate submission, we want to emphasise our concern with the workability of draft decision #1 that results from limiting the cost recovery for foreseen and unforeseen reopener events to after the submission of a reopener application. We consider the draft decision would create an unnecessary barrier to an EDB responding to current and new customers where new additional

network investment is required. In practice, the time period where potential projects (even large projects) transition from being unknown to an EDB having significant uncertainty in scope and timing, to being defined and certain, can be short. These circumstances are often combined with customers or stakeholders seeking tight delivery deadlines. Examples of such projects include customers wishing to scale up operations, significant relocations, and projects triggered by major project announcements from central or local government.

While we do not believe it is the intention of the Commission for EDBs to discourage investment where it is efficient by slowing the process through the timing of a regulatory application, we consider that the drafting is likely to have this effect. As such, we consider that this will not achieve the policy intent presented in the paper.

We also consider that a small change to the drafting is likely to achieve the intended outcome. By allowing for a nominated date for the foreseeable and unforeseeable reopener events which the Commission can test, capex costs incurred pre-application should be available for inclusion in the reopener event.

In addition to the capex cost recovery, we also consider that the opex costs associated with assessing/costing options and developing reopener applications should be available. We note that significant cost can be incurred in assessing options and developing a reopener application that cannot be capitalised.

We would welcome the opportunity to discuss any aspects of this submission further with the Commission.

4 Closing

WELL appreciates the opportunity to provide a submission on the Commission's draft decision, *"Proposed amendments to input methodologies for electricity distribution businesses and Transpower (reopeners and other matters)"*. If you have further questions regarding any aspect of our submission, please contact Ben Tuifao-Jenkinson, Economic Regulation & Pricing Specialist, at [REDACTED].