



MAJOR ELECTRICITY USERS' GROUP

2nd October 2015

Dane Gunnell
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Regulation Branch
Commerce Commission
By email to regulation.branch@comom.govt.nz

Dear Dane

Cross-submission on first limb of CPP IM amendments

1. This is a cross-submission by the Major Electricity Users' Group (MEUG) on the submissions that closed 25th September 2015 by other parties on the Commerce Commission draft decision paper¹ "Input Methodologies review – Proposed amendments to input methodologies for customised price-quality paths, Draft decision for Limb 1 of the CPP fast track" dated 7th September 2015. This submission is not confidential.
2. Proposed² clause 5.1.7 (4) gives discretion to the Commerce Commission whether to seek the views of interested parties on a request to modify or exempt part of the CPP process or content requirements. Powerco (paragraph 10) submitted:

“The proposed IM changes require an EDB to support its modification or exemption application with “a brief description of the key features of its intended CPP proposal” (proposed section 5.1.7(2)(b)(ii)). We assume the Commission has included this provision in order to help it gain a better understanding of the context of the proposed modification or exemption. While we support the principle, we consider the clause needs amending to reflect the fact that information provided at this stage of the CPP decision making process may not be fully developed and, as such should be treated as confidential to the Commission and the party submitting the pre-approval request.”
3. The submission above by Powerco raises the question about confidentiality of one aspect of a request to modify or exempt part of the CPP process or content requirements. In this cross-submission MEUG recommends the Commerce Commission consider the point raised by Powerco in terms of a broader policy on the confidentiality of such requests.

¹ The Commission draft decision and submissions by other parties can be found at <http://comcom.govt.nz/regulated-industries/input-methodologies-2/input-methodologies-review/cpp-fast-track-processes-for-im-review>

² Refer appendix A of the draft decision

4. Powerco submit confidentially for a request for a modification or exemption because "information provided at this stage of the CPP decision making process may not be fully developed." MEUG would be very surprised if a party making a request had a fully worked up application because why go to that effort if approval is given for a request for certain modifications or exemptions and hence certain information may not be required or is acceptable in a different format? In other words MEUG expects any request for a modification or exemption to be part of the pre-finalisation phase of a CPP application and not fully developed.
5. Absent a convincing argument for confidentiality the default position should be all requests should be published as soon as possible after receipt by the Commerce Commission. From that time onwards any correspondence between the applicant and the Commerce Commission should be published promptly. This default approach for full and prompt transparency would apply notwithstanding that the Commerce Commission may elect not to consult on a request for modifications or exemptions.
6. On the other hand if there is a convincing argument that early and or ongoing disclosure of a request pursuant to proposed clause 5.1.7 (1) and any ongoing correspondence after that date will be detrimental to the long term benefit of consumers then a delay to disclosure of all such information is appropriate. We cannot envisage any case for indefinitely withholding such information.
7. MEUG suggest an appropriate clause be added to the proposed text of appendix A of the draft decision clarifying that all requests to modify or exempt part of the CPP process or content requirements will be made public with the Commerce Commission having discretion as to when that should occur.

Yours sincerely



Ralph Matthes
Executive Director