

**From:** David Waugh [david.waugh@enermet.co.nz]  
**Sent:** Thursday, 26 October 2000 12:37  
**To:** 'electricity@comcom.govt.nz'  
**Subject:** Electricity Line Businesses: Preliminary Issues and Process  
Dear Sir/Madam

In response to your request for submissions by 31st October on the above, we wish to submit the attached brief submission which was originally forwarded to the MED in May of this year in response to their request for submissions on revisions to the ODV valuation rules.

Subsequent to that submission, we met with Mr Vogtherr and Mr Deacon to expand on our concern at how, in certain cases, some Distribution companies were abusing the ODV valuation methodology by allowing their load control systems to progressively fall into disrepair, thereby increasing the peak loads on parts of their network, thus permitting a higher ODV than would otherwise be the case.

We also suggested that a simple way of overcoming this abuse would be for the ODV rules to include in the preamble or introduction a simple statement saying " In calculating the peak load on any network or sub-network for the purposes of optimisation, the ELB must assume the use of *best industry practice* with respect to efficient load control on its network".

We note that this suggestion was not adopted in the recently released Handbook.

Our concern , therefore, still remains and we would like this issue to be given consideration in your proposed paper "(b) a paper on asset valuation methodology issues".

Yours faithfully

David Waugh  
Manager NZ  
**ENERMET Ltd**



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