



5 December 2002

Mr Peter Alsop  
Manager Network Performance  
Commerce Commission  
PO Box 2351  
**WELLINGTON**

Email: [peter.alsop@comcom.govt.nz](mailto:peter.alsop@comcom.govt.nz)

Dear Peter

**RE: COMMERCE COMMISSION CONFERENCE ON REVIEW OF ASSET VALUATION  
METHODOLOGIES: VECTOR/UNITEDNETWORKS REPLY**

I refer to the Commission's invitation to parties at the conference to make further submissions on issues, which might otherwise be addressed by way of an oral reply. Our reply comprises:

- A full reply in respect of the written and oral submissions of Simon Terry Associates as foreshadowed in our short cross submission dated 27 November 2002 commenting on their written submissions.
- A reply on particular issues which the Commission put to various parties at the conference. While these issues may be outside the scope of the review of asset valuation methodologies VECTOR/UnitedNetworks wishes to take the opportunity to respond to these now.
- An overview paper on a recommended approach to the Design and Implementation of the Targeted Control Regime for Electricity Lines Businesses. Given the issues raised at the conference in connection with the design of thresholds and other Commission functions under the targeted control regime, VECTOR/UnitedNetworks wishes to respond to the Commission with an overview as to how the targeted control regime could be designed and implemented in an integrated and statutorily compliant manner.

Finally we confirm our written and oral submissions on further process issues relating to the Commission's consultation on threshold design and intended Commission papers.

Yours sincerely

A handwritten signature in black ink, appearing to read "Simon Whyte".

Simon Whyte  
General Manager, Corporate Development and Performance  
**For VECTOR Limited and UnitedNetworks Limited**