



**Submission to the Commerce Commission on  
proposed changes to Information Disclosure  
Determinations for airport services, electricity  
distribution services and gas pipeline services**

**28 July 2017**

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## **1. SUMMARY**

1. Horizon Networks welcomes the opportunity to provide this submission to the Commerce Commission (“Commission”) on the 30 June 2017 Draft Companion Paper *Proposed amendments to information disclosure determinations for airport services, electricity distribution services, and gas pipeline services* (“ID companion paper”) and the *Draft Electricity Distribution Information Disclosure Amendments Determination 2017* (“draft amendments ID”)
2. Horizon Networks submits to the Commission that the requirement that EDBs disclose the closing Regulatory Asset Base (“RAB”) value of each asset class in Schedule 9a will not be practical as historic records may not support reporting values to this level.
3. Horizon Networks supports the amendment to Schedule 9b, adding in columns to record the age profile of network assets beyond disclosure year 2017, however recommends the formatting of this schedule be redesigned to provide an easy to read presentation.
4. Horizon Networks supports the amendment to Schedule 12a, replacing the existing ‘Grade 1’ to ‘Grade 4’ and ‘Grade unknown’ to utilising the Electricity Engineers’ Association (“EEA”) asset health indicator scale using ‘H1’ to ‘H5’ and submits that a ‘Grade unknown’ column should be retained.

## **2. INTRODUCTION**

5. The ID companion paper states the proposed amendments the Commission is looking to make to the Electricity Distribution Information Disclosure Amendments Determination, last amended in 2015.
6. Horizon Networks will provide comments on some of the Commission’s proposed amendments as set out in the ID companion paper. The parts that are discussed further below are the:
  - a) Level of detail in the asset register disclosure in Schedule 9a
  - b) Practical issues of the format of Schedule 9b
  - c) Use of the EEA asset health indicator scale in Schedule 12a

## **3. ASSET REGISTER ASSET CLASS CLOSING RAB VALUES**

7. The Commission is proposing to introduce the requirement for EDBs to disclose the value of each asset class within Schedule 9a at the end of each disclosure year.
8. Horizon Networks understands the Commission wishes to make this change to improve the information available for summary and analysis purposes under Part 4 of the Commerce Act 1986. There does however not seem to be a clear indication from the Commission on how this proposed change would better achieve this objective, compared to the information obtained at the asset category level.
9. Horizon Networks raises concerns regarding the practicality of requiring EDBs to disclose the closing RAB value of each asset class at the end of each disclosure year.

10. The existing data accuracy column used within Schedule 9a already introduces a tolerance for potential inaccuracies on quantity counts, which if closing RAB values were ascribed to the asset class level would be subject to additional uncertainty from historic records held at the asset category level.
11. Horizon Networks recommends the Commission does not proceed with this amendment at this stage and further investigates the practicality of this proposed amendment and the potential for erroneous outcomes, as this would not improve the quality of summary and analysis that the Commission suggests to be seeking.

#### **4. ASSET AGE PROFILE REPORT FORMAT ISSUES**

12. Horizon Networks supports the Commission's amendment to the Asset Age Profile report Schedule 9b, however recommends the design of this report be reformatted to provide a more digestible presentation.
13. A suggestion would be to add only one additional year column to the template for the disclosure year 2018, where in subsequent years an updated schedule could be published annually.

#### **5. ELECTRICITY ENGINEERS' ASSOCIATION ASSET HEALTH INDICATOR SCALE**

14. Horizon Networks supports the amendment to Schedule 12a, replacing the existing 'Grade 1' to 'Grade 4' and 'Grade unknown' to utilising the EEA asset health indicator scale using 'H1' to 'H5' but submits that a 'Grade unknown' column should be retained.
15. There will be circumstances where there is insufficient historical information available to enable an asset health grading to be assessed, where the 'Grade unknown' will still be declared. We would anticipate the use of this category diminishes with time as asset records improve.
16. Thank you for considering this submission. For further discussion on any of the issues within this submission, please contact:

Ken Brown  
Management Accountant  
07 306 2904  
[ken.brown@hegroup.nz](mailto:ken.brown@hegroup.nz)