

29 April 2025

Ben Woodham and Keston Ruxton
Commerce Commission
Wellington 6140

By email to: infrastructure.regulation@comcom.govt.nz

Dear Ben and Keston,

Submission to the Commerce Commission on the *Open letter on Fibre Input Methodologies Review*

Electricity Networks Aotearoa (ENA) appreciates the opportunity to make a submission to the Commerce Commission (Commission) on the consultation paper on the *Open letter on Fibre Input Methodologies Review* (open letter).

ENA is the industry membership body that represents the 29 electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses (our members are listed in Appendix A).

EDBs employ over 7,800 people, deliver energy to more than two million homes and businesses, and have spent or invested \$6.2 billion in network assets over the last five years. ENA harnesses members' collective expertise to promote safe, reliable, and affordable power for our members' customers.

WACC review

This submission is focused on the Commission's proposal to review the methodology for the weighted average cost of capital (WACC) across both Part 4 and Part 6.

ENA does not have anything new to add in relation to WACC at this stage. However, DPP4 reset impacts have highlighted how the current methodology doesn't deliver good outcomes for customers and can result in shocks. Alternative methodologies, such as a trailing average, can improve outcomes for customers.

We encourage the Commission to include views raised in previous recent submissions on WACC, including discussions of alternative methodologies, as part of this review. We particularly refer the Commission to the following:

- ENA's February 2023 submission: [ENA-Rate-of-Return-Issues-Submission-on-IM-Review-CEPA-report-on-cost-of-capital-3-February-2023.pdf](#)
- ENA's July 2023 submission: [Electricity-Networks-Aotearoa-ENA-Submission-on-IM-Review-2023-Draft-Decisions-19-July-2023.pdf](#)
- The report accompanying ENA's July 2023 submission: [Electricity-Networks-Aotearoa-ENA-CEG-Appendix-B-Response-to-2023-IM-draft-decision-on-cost-of-capital-Submission-on-IM-Review-2023-Draft-Decisions-19-July-2023.pdf](#)

- Report from Incenta from July 2022: [Chorus-Measures-to-improve-the-stability-in-WACC-estimates-11-July-2022.pdf](#)

If you have any questions about ENA's submission please contact Gemma Pascall, Regulatory Manager ().

Yours sincerely

Gemma Pascall
Regulatory Manager

Appendix A: ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members, listed below:

- Alpine Energy
- Aurora Energy
- Buller Electricity
- Centralines
- Counties Energy
- Electra
- EA Networks
- Firstlight Network
- Horizon Networks
- Mainpower
- Marlborough Lines
- Nelson Electricity
- Network Tasman
- Network Waitaki
- Northpower
- Orion New Zealand
- Powerco
- PowerNet (which manages The Power Company, Electricity Invercargill, OtagoNet and Lakeland Network)
- Scanpower
- Top Energy
- The Lines Company
- Unison Networks
- Vector
- Waipa Networks
- WEL Networks
- Wellington Electricity
- Westpower