

Pat Duignan - AER Independent Panel - Declaration of Potentially Relevant Regulatory Submissions

- (1) Personal Submission to the New Zealand Commerce Commission regarding the Review of Input Methodologies (16 June 2016)

This personal (ie not remunerated) Submission recommended the New Zealand Commerce Commission obtain further expert advice in its review of the Input Methodologies for Gas Pipeline businesses after the Commission's expert advisor acknowledged errors in his discussion of his views on the relationship between the betas of electricity networks and gas pipelines. (Note: my submission stated *"This submission relates only to process. I am not opining on the numeric value the Commission should use for beta."*)

- (2) Assisting TDB Advisory Limited in preparing an Expert Report for the Electricity Retailers Association of New Zealand regarding an Application by the electricity network company, Powerco, that its price cap be increased to allow for a 40% higher capital expenditure programme (22 September 2017)

The TDB Advisory Limited report argued that the Commission should require preparation of a Cost Benefit Analysis of the proposed increase in capex in its consideration of the application. (The expert report was not concerned with the allowable Rate of Return.)

- (3) Personal Submission (15 December 2017) and Cross-Submission (19 January 2017) at a later stage of the Commission's consideration of the Powerco application.

The Submission and Cross-Submission argued that requiring a Cost Benefit Analysis was consistent with the relevant Input Methodology. (The Submission and Cross-Submission were not concerned with the allowable Rate of Return.)

- (4) Expert Report on Issues Regarding Auckland Airport's Runway Land Charge (28 November 2017)

This report discussed the economics of airport runway constraints and the role of peak pricing for the Board of Airline Representatives New Zealand (BARNZ) relating to the Commission's analysis of price setting by Auckland International Airport Limited (AIAL). My expert report was not concerned with the allowable Rate of Return.

The Commerce Commission's analysis of price setting by AIAL (which is on-going) has included the issue of the level of beta applied by AIAL and specifically the effect on beta of AIAL's proposed capital expenditure on a second runway. I have discussed analytical aspects of this issue with BARNZ personnel but I have not opined on the issue to the Commission. BARNZ have commissioned and submitted to the Commission expert reports on beta issues by John Small (13 April 2017) and by TDB Advisory Limited (26 June 2018). I am not associated with these expert opinions.