

13 March 2000

The Manager,  
Inquiry into the Electricity Industry  
Level 11, Ministry of Commerce Building, 33 Bowen St.  
PO Box 1473  
WELLINGTON

Dear Sir,

**Ministerial Inquiry into the Electricity Industry**

This note serves to register ABB's interest in the current Ministerial Inquiry, its concerns, and the desire of ABB to speak before the panel.

**ABB**

ABB has been a part of the New Zealand Electricity Industry for 75 years, as a supplier, installation and service contractor. Internationally ABB is the largest heavy electrical engineering company in the world, with a turnover of \$70 billion per annum. ABB invests annually approximately \$6 billion in research and development.

ABB New Zealand has a turnover of \$74 million and employs 350 people in New Zealand. The majority of the employees in the ABB New Zealand operation are either manufacturing products used by the electricity industry, or providing highly technical operational or maintenance services to the electrical industry.

The future of ABB in New Zealand is closely linked to an effective Transmission and Distribution marketplace.

**ABB's Concerns**

Firstly, ABB can identify developments in the Electrical Industry which could alter the current balance of power between generation, transmission, distribution and end-use. These developments are driven by new technologies, economies, demand-side management and the increasing emphasis on environmental issues.

Secondly, and on a double negative basis, ABB is aware of counterproductive distortions that can occur in the market with regulatory constraints.

In both areas, commercial sensitivity precludes publication of details.

### **Availability of Mr Bo Normark**

We confirm that we would be interested in speaking before the panel, in particular to outline some of the new technologies that will be affecting the Industry in the short and intermediate term future. In this respect we note that the Chief Executive of ABB group's Power Systems, transmission and cables, international operation, Bo Normark will be in New Zealand late April and is prepared to speak to the panel on current and planned new technologies and their environmental implications.

Yours faithfully  
ABB Ltd

Grant Gillard  
Managing Director