



14 June 2016

Hazel Burns
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Commerce Commission
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Dear Hazel,

This letter is to confirm BARNZ’s previous informal advice that it withdraws the following submission made at page 14 of BARNZ’s 21 August 2015 Submission on the Problem Definition Paper.

Additional issue: asset allocator	The very general principles based IM for allocating assets not directly attributable to the regulated services is not resulting in contestable retail activities meeting an appropriate portion of general circulation and seating space, thus has not been effective in limiting excessive profits from being able to be targeted.	The IM relating to asset allocations needs to be amended to more clearly require that where assets are used for the provision of both regulated and unregulated activities, then those unregulated activities must be allocated a share of the assets that reflects either the relative use made of the assets by the unregulated activity or the relative benefit obtained (directly or indirectly) by the unregulated activity from the joint utilisation of the asset.	IM
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Yours sincerely,

Kristina Cooper
Legal and Regulatory Manager