Gas Transmission Services Default Price-Quality Path (Non-material) Amendments Determination 2018

[2018] NZCC 23

The Commission:  Sue Begg
                  Dr Stephen Gale
                  John Crawford
                  Elisabeth Welson

Date of Decision:  18 December 2018
Gas Transmission Services Default Price-Quality Path (Non-material) Amendments Determination 2018

[Drafting notes:

- This amendments determination amends the Gas Transmission Services Default Price-Quality Path Determination 2017.
- The included amendments are made under s 52Q of the Commerce Act 1986.]
Gas Transmission Services Default Price-Quality Path (Non-material) Amendments Determination 2018

1. Pursuant to Part 4 of the Commerce Act 1986 (the Act) the Commerce Commission makes the following determination:

SHORT TITLE

2. This determination is the Gas Transmission Services Default Price-Quality Path (Non-material) Amendments Determination 2018.

APPLICATION


COMMENCEMENT

4. This determination comes into force on 18 December 2018.

INTERPRETATION

5. Unless the context otherwise requires:

5.1 terms used in this determination that are defined in the Act but not in this determination have the same meanings as in the Act;

5.2 terms used in this determination that are defined in the principal determination have the same meanings as in the principal determination.

AMENDMENTS

6. In Schedule 4 of the principal determination, replace Schedule 4 so that it reads:

Schedule 4: Forecast Net Allowable Revenue

<table>
<thead>
<tr>
<th>Assessment Period ending</th>
<th>Forecast net allowable revenue ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 September 2018</td>
<td>121,596</td>
</tr>
<tr>
<td>30 September 2019</td>
<td>123,904</td>
</tr>
<tr>
<td>30 September 2020</td>
<td>126,456</td>
</tr>
</tbody>
</table>
7. In Schedule 8 of the principal determination, replace Schedule 8 so that it reads:

**Schedule 8: Calculation of Opening Wash-up Account Balance**

1. For purposes of this schedule, the following terms have the following meanings:

   - 67th percentile estimate of post-tax WACC is 5.85%.

2. The *closing wash-up account balance* for the first Assessment Period is nil, and for subsequent Assessment Periods must be calculated in accordance with the formula –

   
   
   \[
   \text{Wash-up Amount for the previous Assessment Period} \times (1 + 67^{th}\ \text{percentile estimate of post-tax WACC})^2
   \]

3. The *opening wash-up account balance* for the first Assessment Period is nil, and for subsequent Assessment Periods is the *closing wash-up account balance* of the previous Assessment Period.

Sue Begg

Deputy Chair

Dated at Wellington this 18th day of December 2018.

COMMERCE COMMISSION