

15 December 2020

Jim Coe
General Manager
GasNet Limited
PO Box 7149
Whanganui 4541
New Zealand

By email: Jim@gasnet.co.nz

Dear Jim,

Deadline for 2020 information disclosures

1. You wrote to us on 6 November 2020 asking for GasNet Limited (**GasNet**) to be exempted from the deadline for its year-end information disclosures (**ID**) under the Gas Distribution Information Disclosure Determination 2012 (**ID Determination**) for the disclosure year ended 30 June 2020 (**DY2020**).

Background to the request

2. Under the ID Determination, each Gas Distribution Business (**GDB**) must, within six months after the end of each disclosure year, complete and publicly disclose information relating to its financial position. This includes:
 - 2.1 under clause 2.3.1, information relating to financial position (Schedules 1, 2, 3, 4, 5a, 5b, 5c, 5d, 5e, 6a, 6b and 7);
 - 2.2 under clause 2.3.2, cost and asset allocation information (Schedules 5f and 5g, to be disclosed to the Commission only);
 - 2.3 under clauses 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, information on related party transactions (information under clause 2.3.11 to be disclosed to the Commission only);
 - 2.4 under clauses 2.4.21 and 2.4.22, information on billed quantities and line charge revenues (Schedule 8);
 - 2.5 under clauses 2.5.1 and 2.5.2, non-financial information relating to network assets (Schedules 9a, 9b, 9c, 9d, 10a and 10b); and

- 2.6 under clauses 2.7.1 and 2.7.3, explanatory notes (Schedules 14 and 15).
3. Under the ID Determination, the deadline for the ID for DY2020, described at paragraph 2, would normally be 18 January 2021.
 4. On 3 November 2020, GasNet told the Commerce Commission (**Commission**) that, in relation to its DY2020 ID, it might not be able to meet the *'within six months after the end of each disclosure year'* deadline.

Exemptions requested

5. On 6 November 2020, you requested an exemption from the deadline to provide ID required under clauses 2.3.1, 2.3.2, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.4.21, 2.4.22, 2.5.1, 2.5.2, 2.7.1 and 2.7.3 of the ID Determination for DY2020.
6. Your reasons for the exemption request were that:
 - 6.1 GasNet's independent auditor had changed the audit deadline for various types of organisations' financial statements, including Council-controlled organisations (which GasNet's independent auditor considers GasNet to be), to 30 November 2020 or later. The change in deadline was based on COVID-19 impacts as allowed under the COVID-19 Response (Further Management Measures) Legislation Act (No 2) 2020.
 - 6.2 GasNet is not able to complete its DY2020 ID requirements as prescribed under the ID Determination until its independent auditor has completed its audit for the 2019/2020 financial year. Once GasNet completes its DY2020 ID, it will also need to be audited before finalisation and disclosure to the public / Commission.
7. You asked for an extension to the deadline for providing the information in paragraph 5 above to **31 March 2021**.
8. Based on our discussions with GasNet in early December 2020, GasNet does not expect its independent auditor to complete:
 - 8.1 its 2019/2020 financial year audit until February 2021; and
 - 8.2 its DY2020 ID audit until late March 2021.

Commission consideration

9. We consider that the exemption requested by GasNet is reasonable given that:
- 9.1 the delay to GasNet's audit for the 2019/2020 financial year is outside of GasNet's control;
 - 9.2 the exemption will not impact the amount of information that GasNet is required to publicly disclose; it will only affect the timeframe in which GasNet is required to disclose it. Therefore, granting the exemption will not alter the amount of information in the public domain, just the timeframe within which it is provided;
 - 9.3 consistent with the purpose of information disclosure under section 53A of the Commerce Act 1986, GasNet's intended timeline for the disclosure of its DY2020 ID will provide sufficient information to interested persons regarding its DY2020 performance; and
 - 9.4 GasNet has indicated that it can provide the Commission with a copy of its unaudited ID for DY2020 by the normal deadline (i.e., 18 January 2021).

Exemption granted

10. Under clause 2.11.1(1) of the ID Determination, the Commission grants GasNet an exemption from the requirements to comply with clauses 2.3.1, 2.3.2, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.4.21, 2.4.22, 2.5.1, 2.5.2, 2.7.1 and 2.7.3 of the ID Determination for DY2020.
11. This exemption is granted on the condition that GasNet:
- 11.1 publicly discloses its ID required under clauses 2.3.1, 2.3.8, 2.3.10, 2.3.12, 2.3.13, 2.4.21, 2.4.22, 2.5.1, 2.5.2, 2.7.1 and 2.7.3 for DY2020 by **5pm 31 March 2021**;
 - 11.2 provides the Commission its ID required under clauses 2.3.2 and 2.3.11 for DY2020 by **5pm 31 March 2021**; and
 - 11.3 provides the Commission a copy of its unaudited ID for DY2020 under the normal ID deadline (i.e., by **5pm 18 January 2021**).

Further information

12. This exemption may be revoked or amended by the Commission in accordance with clause 2.11.1(2) of the ID Determination.
13. A copy of this exemption response letter will be published on the Commission's website.
14. This exemption has been made on an exceptional basis in light of COVID-19-related circumstances outside of GasNet's control.
15. For any further queries relating to this letter, please contact regulation.branch@comcom.govt.nz

Yours sincerely



Andy Burgess

Head of Energy, Airports and Dairy – Regulation