

12 March 2014

«MRMS» «NAME» «SURNAME»
«Job_Title»
«COMPANY»
«PO_BOX»
«CITY»

Dear «MRMS» «SURNAME»

Notice to supply information to the Commerce Commission under section 53ZD of the Commerce Act 1986

1. The Commerce Commission (Commission) requires «COMPANY» («ZZ») to provide us with the information specified in this notice, issued under s 53ZD of the Commerce Act 1986 (the Act). We need this information for the purpose of carrying out our functions and exercising our powers under Part 4 of the Act. Specifically, this information is required to inform our decisions on the reset of the default price-quality paths applying to suppliers of electricity distribution services.
2. The information required by this notice is:
 - 2.1 Information relating to price adjustments including allowable notional revenue (as defined in Schedule 1 of the Electricity Distribution Services Default Price-Quality Path Determination 2012 [2012] NZCC 35), notional revenue, pass-through costs, and recoverable costs (as defined in the Electricity Distribution Services Input Methodology 2012 [2012] NZCC 26, as amended), and total line charge revenue¹;
 - 2.2 Information relating to the actual and forecast acquisition of assets from Transpower for the period from 1 April 2010 to 31 March 2020;
 - 2.3 Quality of supply information consisting of:
 - 2.3.1 2005–09 datasets for class B and C interruptions;²
 - 2.3.2 2010 to 2014 disclosure data.

¹ 'Total line charge revenue' is described in schedule 8 of the Electricity Distribution Information Disclosure Determination 2012 [2012] NZCC 22) as the 'total for all consumers' of 'total line charge revenue in disclosure year'.

² Class B interruptions and Class C interruptions are defined in the Electricity Distribution Services Default Price-Quality Path Determination 2012 [2012] NZCC 35.

3. We previously indicated in the “Proposed process – Default price quality paths from 2015” paper published on 6 September 2013 that we would require this information. To assist with the development of processes and analytical approaches for the draft determination a separate request, for information available before the end of the 2014 disclosure year, was emailed to distributors on 17 February. Responses to that request required no formal audit process or director certification.

Interpretation

4. Unless the context otherwise requires, words in bold type have the following meanings:

Request workbook means the MS Excel workbook provided by the Commission labelled ‘Electricity Distribution Business Price-Quality Regulation 2015–2020 Information Request Workbook v1.1, Issue date 12 March 2014’; and

Independent auditor has the meaning set out in the Electricity Distribution Information Disclosure Determination 2012 [2012] NZCC 22.

Information requirements

Schedules of required information

5. «ZZ» must provide the Commission with the following completed Schedules of the **Request workbook**:
 - 5.1 Schedule A – Information relating to price adjustments;
 - 5.2 Schedule B – Information relating to the acquisition of transmission assets from Transpower.
6. «ZZ» must provide the Commission with a MS Excel file containing the quality of supply information specified in the **Request workbook** in Schedule C – Quality of supply information.

Supporting information

Cover letter

7. The information required by this notice must be provided under cover of a letter on «ZZ»’s company letterhead, signed by a person with the appropriate authority.

Certification

8. «ZZ» must provide the Commission
 - 8.1 with a certificate, signed by an Officer of «ZZ», in the form set out in Attachment A, in respect of the information required in Schedule A of the **Request workbook**;
 - 8.2 with a certificate, signed by two Directors of «ZZ», in the form set out in Attachment A, in respect of the information required in Schedules B and C of the **Request workbook**; and

- 8.3 with an assurance report as specified in Attachment B, prepared by an **independent auditor** in respect of the information required in Schedules B and C of the **Request workbook**.

Information format

9. The information required by paragraph 5 must be supplied in the **Request workbook**.
10. The **Request workbook** must be completed in accordance with the instructions and definitions contained in the **Request workbook**.
11. The data entered in the **Request workbook** must be 'unlocked' in MS Excel format, so that information can be easily transferred (i.e., able to be 'copied and pasted') by the Commission. The format of the **Request workbook** should not be altered unless by agreement with the Commission.
12. The information required by paragraph 6 must be supplied in an 'unlocked' MS Excel file.

Publication of supplied information and confidentiality

13. The Commission may publish the information provided by «ZZ».
14. The **Request workbook** may contain requirements that parties consider require the disclosure of confidential information. If there is information that «ZZ» considers should remain confidential, «ZZ» must:
- 14.1 clearly identify the specific piece of information and set out the reasons why it should remain confidential; and
- 14.2 provide the Commission with both confidential and public versions of its response to this notice. The responsibility for ensuring that confidential information is not included in a public version of a disclosure rests entirely with «ZZ».

Date of response

15. «ZZ» must supply the specified information to the Commission by email to the following address: regulation.branch@comcom.govt.nz by no later than 5pm on 23 May 2014.
16. Should you have any queries on this notice, please send them to Hazel Burns, c/o regulation.branch@comcom.govt.nz.

Dated at Wellington: 12 March 2014

Signed by:

Sue Begg
Commission Deputy Chair

Attachment A: Form of Certification

I, [*insert full name of Officer*], being an Officer of «COMPANY» («ZZ») certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached information complies with the Commerce Commission's requirements in respect of the request for information, which was issued by notice in writing to «ZZ» under section 53ZD of the Commerce Act 1986 on 12 March 2014 *[except in the following respects: [*insert description of non-compliance*]]

[*Signature of Officer(s)*]

[*Date*]

*Delete if inapplicable.

Attachment B: Audit Requirement

In respect of the information provided in response to paragraphs 5 and 6 of this notice, the EDB must-

- (1) Procure an assurance report by an **independent auditor** that is prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards, signed by the **independent auditor** (either in his or her own name or that of his or her firm), that-
 - (a) is addressed to the Commission as the intended user of the assurance report;
 - (b) states-
 - (i) that it has been prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards; and
 - (ii) the work done by the **independent auditor**; and
 - (iii) the scope and limitations of the assurance engagement; and
 - (iv) the existence of any relationship (other than that of auditor) which the **independent auditor** has with, or any interests which the **independent auditor** has in, the EDB or any of its subsidiaries; and
 - (v) whether the **independent auditor** has obtained sufficient recorded evidence and explanations that he or she required and, if not, the information and explanations not obtained;
 - (vi) whether, in the **independent auditor's** opinion, as far as appears from an examination:
 1. the information provided in respect of Schedule B of the **Request workbook** is consistent with the audited disclosure information disclosed by the EDB in accordance with Schedules 6 and 11 of the Electricity Distribution Information Disclosure Determination 2012; and
 2. the information provided in respect of Schedule C of the **Request workbook** is consistent with the audited SAIDI and SAIFI statistics provided to the Commission by the EDB in accordance with the Electricity Distribution Services Default Price-Quality Path Determination [2010] #685 and the Electricity Distribution Services Default Price-Quality Path Determination [2012] NZCC 35; and

- (2) Provide the Commission with the **independent auditor's** assurance report prepared in accordance with clause (1) above at the same time as the EDB provides the Commission with the requested information.