



## COMMERCE COMMISSION

15 December 2011

«MRMS» «NAME» «SURNAME»  
«Job\_Title»  
«COMPANY\_QQ»  
«PO\_BOX»  
«CITY»

Dear «MRMS» «SURNAME»

### Electricity Distribution – Default Price-Quality Path – 2012/13 Pricing Year

1. I am writing to inform you of the Commission's approach to electricity distribution business (EDB) compliance with the default price-quality path (DPP) in the 2012/13 pricing year. We have received a number of enquiries about pricing following the suspension of the process by which the DPP may have been reset. That reset would have potentially taken effect from 1 April 2012.
2. Our expectation is that EDBs will comply with the DPP in the 2012/13 year. While our draft decision in July 2011 proposed price increases for a number of EDBs, that reset has necessarily been superseded by the requirement to develop additional input methodologies. The process for determining the additional input methodologies, and how that process interacts with the potential DPP reset, is set out in the 'Additional Input Methodologies for Default Price-Quality Paths – Process and Issues Paper', which we published last week.
3. We cannot predetermine the outcome of the additional input methodologies or the DPP reset processes. However, if the EDB DPP is reset, our intention—subject to consultation—is to neutralise the impact of the delay in the reset to the extent that we can. That could occur by implementing any reset from 1 April 2013, and applying claw-back for one year (ie, back to 1 April 2012).

Yours sincerely,

Dr Mark Berry  
Chair

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