

18 April 2012

Greg Skelton
Chief Executive Officer
Wellington Electricity Lines Limited
PO Box 31049
LOWER HUTT 5040

Dear Greg

**Notice to supply revenue information to the Commerce Commission
Section 53ZD of the Commerce Act 1986**

1. As part of the process of developing draft additional input methodologies, we are exploring the feasibility of an approach for projecting constant price revenue growth.
2. We require information from electricity distributors on line charge revenue, number of ICPs and energy volumes, all broken down by category of end user. Please fill in the attached spreadsheet on behalf of your business by **5pm on Monday, 30 April 2012**.

Information requirements

3. We require you to provide the information required under Schedule A by completing the templates provided in that Schedule. The information required under Schedule A must be supplied in electronic form in the Microsoft Excel workbook we have provided.
4. The workbook must be provided to the Commission in a form that is accessible (i.e. the workbook is 'unlocked' and data can be easily transferred by the Commission).

Information is required for revenue related to your electricity distribution services as a whole

5. You must provide this information at the distributor level, ie one template with information for your distribution business in total. Please put the name of your business in the top right cell (cell A16).
6. If you wish to provide additional information at a more disaggregated level, please provide copies of the template with information on revenue broken down into relevant regional categories. This breakdown could be, but does not have to be, provided by sub-network as defined in the Draft Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012. The information provided at a regional

AUCKLAND

L19, ASB Building
135 Albert Street
P.O. Box 105-222
AUCKLAND 1143, NEW ZEALAND

WELLINGTON

L6, Vector Building
44 The Terrace
P.O. Box 2351
WELLINGTON 6140, NEW ZEALAND
Tel: (04) 924 3600 Fax: (04) 924 3700
Main Office

CHRISTCHURCH

9 Radley Street
Woolston
P.O. Box 10-199
CHRISTCHURCH 8145, NEW ZEALAND

level must add up to the information provided in total. You are required to put the name of the region or sub-network in cell A17.

You are first required to answer three questions about your information system

7. In the first instance, you are required to answer three questions about the information you can extract from your information system. The information you are required to provide in the rest of this notice is contingent on your answers to each of these questions. Your answers must be selected from the options in cells E9, E10 and E11.
8. You are required to provide explanations for certain answers. For example, in the event that you are unable to split revenue into industrial and commercial users, or identify transmission revenue by customer group, then you are required to briefly explain any constraining factors. You are then required to explain any customer grouping rule that you have used.
9. Cells G17 to V17, G18 to V18, and G19 to V19 require you to provide an explanation of any criteria, allocation methods and assumptions you used in preparing the information. You are only required to fill out the cells that correspond to customer groupings provided in cells D17 to D19.
10. Please note that we have used 'households', 'commercial', and 'industrial' (or 'other users' if provided as a group) to describe the customer groups. We do not tightly define these groups to allow you to tailor the information request to your circumstances. However, we would expect that:
 - 10.1 households are on tariffs with a relatively low capacity and energy consumption.
 - 10.2 the commercial users group comprises a relatively large range of user energy and capacity profiles and, to include businesses from small shops to large businesses in the service sector
 - 10.3 the industrial users group often comprises users on high energy/high capacity tariffs, including businesses in the primary sector of the economy, such as manufacturing and mining.
11. If you consider that the categorisation of information in the current information disclosure requirements can be appropriately mapped on to the three (or two) categories you may use this categorisation. The current information disclosure requirements categorise information according to information by 'small connection points', 'medium connection points', 'large connection points (excluding largest 5 connection points)' and 'largest 5 connection points'.¹⁷

¹⁷ Refer: Commerce Commission, *Electricity Distribution (Information Disclosure) Requirements 2008*, 31 October 2008.

Next, you must fill out the required information by customer group

12. Information is required by customer group in the following rows.

- 12.1 You must fill out the information required in rows 24 and 25 about your quantities supplied (MwH), average number of ICPs, net line charge revenue and transmission line charge revenue, all broken down for the disclosure years 2008 to 2011. You must also fill out row 26 if you can split this information by industrial and commercial users.
- 12.2 You must fill out the information required in rows 34 and 35 about the quantities you rely on for billing, and units you use to bill those quantities, in a consistent form for the disclosure years 2008 to 2011. You must also fill out row 36 if you can split this information by industrial and commercial users. Row 31 is used to specify the types of quantities you rely on for billing. Row 32 is used to specify the units that you use to bill those quantities.
- 12.3 You must fill out the information required in rows 42 and 43 about the amount of revenue received from each type of billed quantity, including revenue received from fixed charges. You must also fill out row 44 if you can split this information by industrial and commercial users. The information required in these rows corresponds to the information provided in rows 34, 35, and (where required) row 36. Revenue can either be net line charge revenue or distribution line revenue (consistent with your answer to E11).

Finally, you must provide an explanation if your breakdown of information does not reconcile to the total

- 13. Row 48 requires you to explain any discrepancies between the information you have provided on total line charge revenue, and the information you have provided on the various components of total line charge revenue.

Confidentiality

- 14. The Commission discourages requests for non-disclosure of information, in whole or in part, on the basis that it is confidential. It is unlikely to agree to any requests that any information provided by Wellington Electricity Lines Limited in response to this notice remains confidential.
- 15. However, the Commission recognises there may be some aspects of Wellington Electricity Lines Limited's disclosures that are confidential. If there is any such information, it should be clearly marked and provided as a separate copy of the disclosure. The responsibility for ensuring that confidential information is included in a separate, clearly marked, copy of the disclosure rests entirely with Wellington Electricity Lines Limited.
- 16. Wellington Electricity Lines Limited can also request that the Commission makes orders under section 100 of the Act in respect of information that is confidential. Any request

for a section 100 order must be made when the relevant information is supplied to the Commission and must identify the reasons why the relevant information is confidential. The Commission will provide further information on section 100 orders if requested by Wellington Electricity Lines Limited, including the principles that are applied when considering requests for such orders. Any section 100 order will apply for a limited time only as specified in the order. Once an order expires, the Commission will follow its usual process in response to any request for information under the Official Information Act 1982.

Disclosure of reports

17. For the purposes of transparency, the Commission intends to publish all information provided by Wellington Electricity Lines Limited in response to this notice.

Date of response

18. Wellington Electricity Lines Limited 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 4 May 2012. The information must be provided under cover of a letter on Wellington Electricity Lines Limited's company letterhead, signed by a person with the appropriate authority.

Dated at Wellington: 18 April 2012

Signed by:



Mark Berry
Chair