



## **Timetable paper – Summary and analysis of information disclosed by 29 electricity distributors in March 2013**

**6 September 2013**

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### **Purpose**

1. This paper sets out a timetable for publishing summary and analysis of information disclosed by 29 electricity distributors in March 2013.

### **Summary and analysis of information disclosed in March 2013**

2. Under Part 4 of the Commerce Act, we are required to publish summary and analysis of information disclosed by electricity distributors. The purpose of summary and analysis is to promote a greater understanding of the performance of each distributor, their relative performance, and the changes in performance over time.

### *Information that suppliers must disclose*

3. The information that each distributor is required to disclose is set out in the disclosure requirements we published on 1 October 2012.<sup>1</sup> The information that suppliers must disclose includes:
  - 3.1 in March, businesses are required to disclose forecast information such as an asset management plan (AMP), financial and operational information (schedules 11-12), and their pricing methodology.<sup>2</sup>
  - 3.2 in August, businesses are required to disclose historical financial and operational information (schedules 1-10).

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<sup>1</sup> Commerce Commission, *Information Disclosure for Electricity Distribution Businesses and Gas Pipeline Businesses: Final Reasons Paper*, 1 October 2012. Attachment I lists the various disclosures and their timings.

<sup>2</sup> Full AMPs are required twice every five years. In the intervening years, an AMP update may be disclosed instead.

4. Summary and analysis of this information will help interested persons assess whether the purpose of Part 4 is being met. The purpose of Part 4 is to promote the long-term benefit of consumers, by promoting outcomes that are consistent with outcomes produced in competitive markets, such that regulated electricity distributors:
  - 4.1 have incentives to innovate and to invest, including in replacement, upgraded, and new assets; and
  - 4.2 have incentives to improve efficiency and provide services at a quality that reflects consumer demands; and
  - 4.3 share with consumers the benefits of efficiency gains in the supply of the regulated goods or services, including through lower prices; and
  - 4.4 are limited in their ability to extract excessive profits.
5. We are required to publish summary and analysis as soon as practicable after the information is disclosed by each distributor.

*Approaches used to analyse disclosed information*

6. Each distributor disclosed information under the new requirements in March 2013, and we are now seeking to refine our approaches for analysing this information. The information disclosed includes:<sup>3</sup>
  - 6.1 Forecasts of expenditure;
  - 6.2 Forecasts of demand;
  - 6.3 Forecasts of service quality; and
  - 6.4 Self-assessments of asset management maturity.

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<sup>3</sup> The Electricity Authority has recently begun a review of distributors' pricing methodologies. That review will provide information about: the information that is disclosed by each distributor about its pricing methodology; the extent to which each distributor's methodology aligns with the Electricity Authority's pricing principles; and whether a distributor's pricing approaches and methods are efficient or inefficient, given specific scenarios.

7. In light of feedback we have received from interested parties, we intend to invite submissions on issues related to the analysis before refining our approaches.<sup>4</sup> To help identify issues and facilitate discussion, we will publish high-level initial observations on the data disclosed in March 2013. We will then use the submissions received to help refine the approaches used to analyse the data.

### Timetable

8. Our timetable for publishing summary and analysis of information disclosed in March 2013 is set out in Table 1.

**Table 1: Indicative dates for key publications and events**

Indicative date	Publication / event	Description
Late October / Early November 2013	Initial observations on information disclosed in March 2013	This paper will set out our initial observations on information disclosed in March 2013. We invite views on these observations and any issues we should consider in refining our analytical approach.
Mid November 2013	Workshop on initial observations	The workshop will provide interested parties with an opportunity to discuss our analytical approaches with Commerce Commission staff.
Mid December 2013	Submissions due on our initial observations	This is an opportunity to provide written views on our initial observations paper.
Late February / Early March 2014	Updated analysis of information disclosed in March 2013	Based on feedback received, we will set out updated analysis for comment.
Early-mid March	Workshop	The workshop will provide interested parties with an opportunity to discuss our analysis with Commerce Commission staff.

9. Following the process set out above, we will update parties on our timetable for publishing summary and analysis of information disclosed annually in August.

<sup>4</sup> Commerce Commission, *Feedback on the process for setting default price-quality paths*, 23 April 2013. Responses to this letter are published on our website, available at <http://www.comcom.govt.nz/2010-2015-default-price-quality-path/>.