

## **Transpower Individual Price-Quality Path Determination Amendment 2013**

Decision No. [2013] NZCC 19

Amendment to Decision 714 made under s52Q of the Commerce Act 1986 updating Transpower's forecast MAR for the pricing year from 1 April 2014 to 31 March 2015 in accordance with Part 3, section 3.3(2) of Decision 714.

The Commission:

S Begg

P Duignan

Dr S Gale

Date of Decision: 30 October 2013

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## Transpower Individual Price-Quality Path Amendment Determination 2013

Pursuant to Part 4 of the Commerce Act 1986 (the Act) the Commerce Commission makes the following determination:

### 1. DETERMINATION AMENDED

This determination amends the *Commerce Act (Transpower Individual Price-Quality Path) Determination 2010* (Commerce Commission Decision No. 714, original decision date 22 December 2010, amended on 1 November 2011 and 31 October 2012) (the **IPP Determination**).

### 2. COMMENCEMENT

This determination comes into force on the day following notice of the determination is given in the New Zealand Gazette under section 52Q(4) of the Commerce Act 1986.

### 3. INTERPRETATION

- 3.1 Terms used in this determination that are defined in the Act or the IPP Determination but not this determination, have the same meaning as in the Act or the IPP Determination, as applicable.
- 3.2 Nothing in this determination limits the **Commission's** authority to amend the Determination in accordance with the Act.

### 4. IPP DETERMINATION AMENDMENTS

- 4.1 In section 3.3.1(c) of the IPP Determination replace "\$959.7 million" with "\$934.6 million".
- 4.2 In Schedule F (Forecast MAR Summary) of the IPP Determination in line 4 under "Second Update of Forecast MAR (incremental impact)" column replace "To be updated November 2013 (F)" with "\$25.1 million".
- 4.3 In Schedule F (Forecast Mar Summary) of the IPP Determination in line 4 of the "Total forecast MAR" column replace "\$959.7 million + F" with "\$934.6 million".
- 4.4 In Schedule F (Forecast MAR Summary) of the IPP Determination in line 4 of the "Status" column replace "Clause 3.3 of this determination – subject to future determination" with "Clause 3.3 of this determination".



Sue Begg, *Deputy Chair*

Dated at Wellington this 30th day of October 2013.

COMMERCE COMMISSION

### **Explanatory Note**

This amendment updates Transpower's forecast MAR for the pricing year from 1 April 2014 to 31 March 2015 in accordance with the requirements of Decision #714.

The Commission set Transpower's maximum allowable revenue on 1 November 2011 for the 2014/15 pricing years. Transpower's maximum allowable revenue for the 2014/15 pricing year was subsequently updated on 31 October 2012 under Part 3, section 3.3(2) of Transpower's individual price quality path determination (Decision #714). The Commission is required to update this maximum allowable revenue amount again to take account of Transpower's performance against its maximum allowable revenue for the 2012/13 year as well as any major capital expenditure adjustments required for the 2012/13 year, and any forecast changes to future capital expenditure.

Transpower published its proposed adjustments to its maximum allowable revenue for the 2014/15 pricing years in its 2012/13 Annual Regulatory Report, which it published on 21 October 2013 on its website. A copy of that report is also available on the Commission's web site.

The Commission has reviewed the adjustments to revenue proposed by Transpower and has agreed with those adjustments. This determination gives effect to those adjustments.

