

## NOTICE OF INTENTION

29 APRIL 2014

### Proposed Amendments to Input Methodologies for Electricity Distribution Services

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1. The purpose of this notice is to advise that the Commerce Commission has begun work on proposed amendments to the input methodologies for Electricity Distribution Services contained in the *Electricity Distribution Services Input Methodologies Determination* [2012] NZCC 26.
2. The amendments primarily relate to changes to the input methodologies relevant to default price-quality paths, and there may be consequential amendments to input methodologies for:
  - 2.1 information disclosure regulation; and
  - 2.2 customised price-quality path regulation.
3. In accordance with sections 52V(1) and 52X of the Commerce Act 1986, this notice outlines the process that will be followed, the proposed time frames for the amendments are set out overleaf. Updates and any process refinements will be published on the Commerce Commission's website as required.
4. We intend to consult on two types of amendment separately.
  - 4.1 The first type of amendment will focus on changes that would primarily affect the model we may use to set starting prices based on the current and projected profitability of each supplier ('financial model').
  - 4.2 The second type of amendment will focus on changes that would affect other aspects of default price-quality paths, eg, definitions of recoverable costs.
5. We have prioritised the amendments that may affect the financial model to allow early release of the model ahead of our draft decision on default price-quality paths.

Process		Indicative time frame
1.	<b>Consultation on first type of proposed amendments</b> Publication of draft reasons paper and draft amendments	16 May 2014
2.	<b>Submissions from interested persons on the first type of proposed amendments</b>	13 June 2014
3.	<b>Consultation on second type of proposed amendments</b> Publication of draft reasons paper and draft amendments	30 June 2014
4.	<b>Submissions from interested persons on the second type of proposed amendments</b>	28 July 2014
5.	<b>Final decision on all amendments</b> Publication of final reasons paper and amendment determination	30 September 2014