13 August 2014

«MRMS» «NAME» «SURNAME»

«Job\_Title»

«COMPANY»

«PO\_BOX»

«CITY»

Dear «MRMS» «SURNAME»

## Notice to supply information to the Commerce Commission under section 53ZD of the Commerce Act 1986

1. The Commerce Commission (Commission) requires «COMPANY» («ZZ») to provide us with the information specified in this notice, issued under s 53ZD of the Commerce Act 1986 (the Act). We require this information for the purpose of carrying out our functions and exercising our powers under Part 4 of the Act. Specifically, this information will inform our decisions on the reset of the default price-quality paths applying to suppliers of electricity distribution services.
2. The information required by this notice is:
	1. line charge revenue,[[1]](#footnote-1) transmission charges, [[2]](#footnote-2) fixed charges,[[3]](#footnote-3) energy supplied,[[4]](#footnote-4) and the number of ICPs,[[5]](#footnote-5) for the disclosure years 2011/12 to 2013/14, broken down into the following supply categories:[[6]](#footnote-6)
		1. residential users;
		2. commercial users; and
		3. industrial users;
	2. forecast capital contributions for disclosure years 2014/15 to 2019/20, in constant 2013/14 prices;[[7]](#footnote-7)
	3. information related to actual and forecast acquisitions of transmission assets (or groups of assets) from Transpower for the disclosure years 2009/10 to 2019/20, consisting of, for each asset (or group of assets):[[8]](#footnote-8)
		1. a description of the asset;
		2. the date of acquisition;
		3. the purchase price;[[9]](#footnote-9)
		4. the RAB value of the asset (actual or forecast) at transfer;[[10]](#footnote-10)
		5. actual or forecast capital expenditure directly associated with that asset, for each disclosure year;[[11]](#footnote-11)
		6. actual or forecast operational expenditure directly associated with the asset, for each disclosure year;[[12]](#footnote-12)
		7. an explanation for any difference between the purchase price and the RAB value at transfer; and
		8. an explanation for any difference between these forecasts and those provided in the s53ZD request dated 12 March 2014;
	4. for each asset (or group of assets) acquired from Transpower after 1 April 2005, information relating to planned and unplanned interruptions originating within that asset (or group), for the period *after* «ZZ» acquired it (or them), specifically for each interruption:[[13]](#footnote-13)
		1. the name of the asset on which the interruption occurred;
		2. the start date;
		3. the number of customers interrupted;
		4. the number of customer minutes lost;
		5. whether the interruption was a planned interruption or an unplanned interruption;
		6. the SAIDI and SAIFI values for the interruption;
		7. the cause of the interruption; and
		8. whether or not the interruption was included in the s 53ZD request for information dated 12 March 2012;
	5. for assets (or groups of assets) acquired from Transpower after 1 April 2005, the information related to planned and unplanned interruptions listed in paragraph 2.4, for the period *before* «ZZ» acquired it (or them), insofar as the information is available;
	6. for assets (or groups of assets) forecast to be acquired from Transpower before 31 March 2015, the information related to planned and unplanned interruptions listed in paragraph 2.4, insofar as the information is available;
	7. expenditure on assets forecast for disclosure years 2014/15 to 2019/20 in constant 2013/14 prices;[[14]](#footnote-14) and
	8. corrections or explanations of identified anomalies in the quality of supply information provided in response to the request for information issued by the Commission on 12 March 2012.[[15]](#footnote-15)

## Interpretation

1. Unless the context otherwise requires, words in bold type have the following meanings:

**Request workbook** means theMS Excel workbook provided by the Commission labelled ‘Electricity Distribution Business Price-Quality Regulation 2015–2020 Information Request Workbook v2.1, Issue date 13 August 2014’;

**Supplementary request workbook** means the MS Excel workbook provided by the Commission labelled ‘Electricity Distribution Business Price-Quality Regulation 2015–2020 Information Supplementary Request Workbook v2.1, Issue date 13 August 2014’;

**Independent auditor** has the meaning set out in the Electricity Distribution Information Disclosure Determination 2012 [2012] NZCC 22.

## Information requirements

### Schedules of required information

1. «ZZ» must provide the Commission with the following completed Schedules of the **Request workbook**:
	1. Schedule A – Revenue breakdown;
	2. Schedule B – Capital contributions;
	3. Schedule C – Transmission assets.

1. «ZZ» must provide the Commission with an MS Excel file containing the quality of supply information specified in the **Request workbook** in Schedule D—Quality data.

1. «ZZ» must provide the Commission with a completed version of Schedules A and B of the **Supplementary request workbook**.

## Supporting information

### Cover letter

1. The information required by this notice must be provided under cover of a letter on «ZZ»’s company letterhead, signed by an officer or director of «ZZ».

### Certification

1. «ZZ» must provide the Commission:
	1. with a certificate, signed by two Directors of «ZZ», in the form set out in Attachment A, in respect of all the information requested in the **Request workbook** and the **Supplementary request workbook**; and
	2. with an assurance report as specified in Attachment B, prepared by an **independent auditor** in respect of all the information requested in Schedule D of the **Request workbook** and Schedule B of the **Supplementary request workbook**.

## Information format

1. The information required by paragraph 4 must be supplied in the **Request workbook**.
	1. The **Request workbook** must be completed in accordance with the instructions and definitions contained in the **Request workbook**.
	2. The data entered in the **Request workbook** must be ‘unlocked’ in MS Excel format, so that information can be easily transferred (i.e., able to be ‘copied and pasted’) by the Commission.
	3. The format of the **Request workbook** should not be altered unless by agreement with the Commission.
2. The information required by paragraph 5 must be supplied in an ‘unlocked’ MS Excel file.
3. The information required by paragraph 6 must be supplied in the **Supplementary request workbook**, which is subject to the same requirements listed in paragraph 9.

## Publication of supplied information and confidentiality

1. The Commission may publish the information provided by «ZZ».
2. The **Request workbook** or **Supplementary request workbook** may contain requirements that parties consider require the disclosure of confidential information. If there is information that «ZZ» considers should remain confidential, «ZZ» must:
	1. clearly identify the specific piece of information and set out the reasons why it should remain confidential; and
	2. provide the Commission with both confidential and public versions of its response to this notice. The responsibility for ensuring that confidential information is not included in a public version of a disclosure rests entirely with «ZZ».

## Date of response

1. «ZZ» must supply the Commission, by email to the following address: regulation.branch@comcom.govt.nz by no later than **5pm on Wednesday 24 September**, the following:
	1. the completed **Request workbook**;
	2. the completed **Supplementary request workbook**; and
	3. the signed covering letter.
2. «ZZ» must supply the to the Commission by no later than **5pm Tuesday 30 September**, the following:
	1. The directors’ certificate, in the form of Attachment A; and
	2. the completed **independent auditor’s** assurance report, described in Attachment B.
3. Should you have any queries on this notice, please send them to Hazel Burns, c/o regulation.branch@comcom.govt.nz.

Dated at Wellington: 13 August 2014

Signed by:

Sue Begg
Commission Deputy Chair

# Attachment A: Form of Certification

I/We, [*insert full name(s) of Director*], being [a Director/Director(s)]of «COMPANY» («ZZ») certify that, having made all reasonable enquiry, to the best of my/our knowledge and belief, the attached information complies with the Commerce Commission’s requirements in respect of the request for information, which was issued by notice in writing to «ZZ» under section 53ZD of the Commerce Act 1986 on 13 August 2014 \*[except in the following respects: [*insert description of non-compliance*]]

[*Signature of Director(s)*]

[*Date*]

\*Delete if inapplicable.

# Attachment B: Audit Requirement

In respect of the information provided in response to paragraphs 5 and 6 of this notice, the EDB must-

(1) Procure an assurance report by an **independent auditor** that is prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards, signed by the **independent auditor** (either in his or her own name or that of his or her firm), that-

(a) is addressed to the Commission as the intended user of the assurance report;

(b) states-

(i) that it has been prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards; and

(ii) the work done by the **independent auditor**; and

(iii) the scope and limitations of the assurance engagement; and

(iv) the existence of any relationship (other than that of auditor) which the **independent auditor** has with, or any interests which the **independent auditor** has in, the EDB or any of its subsidiaries; and

(v) whether the **independent auditor** has obtained sufficient recorded evidence and explanations that he or she required and, if not, the information and explanations not obtained;

(vi) whether, in the **independent auditor’s** opinion, as far as appears from an examination:

1. the post-acquisition interruption data provided in respect of Schedule D of the **Request workbook** (quality data for assets acquired from Transpower) is consistent with the information provided to the Commission under the notice to supply information dated 12 March 2014;

2. the pre-acquisition interruption data provided in respect of Schedule D of the **Request workbook** (quality data for assets acquired from Transpower) is consistent with the EDB’s outage records and would, if the acquisition had occurred before 1 April 2004, be part of the interruption data used to prepare the SAIDI and SAIFI compliance information under—

a. (for 2004/5–2008/9 and 2013/14) the *Electricity Distribution Services Default Price-Quality Path Determination 2012* [2012] NZCC 35;

b. (for 2010/11–2012/13) the *Electricity Distribution Services Default Price-Quality Path Determination 2010* [2010] Decision 685; and

c. (for 2009/10) *Commerce Act (Electricity Distribution Thresholds) Notice 2004* [2004];

3. that the explanations and interruption data provided in respect of Schedule B of the **Supplementary request workbook** (clarification of quality of supply information) are consistent with the reasons and interruption data used to prepare the SAIDI and SAIFI compliance information under—

a. (for 2004/5–2008/9 and 2013/14) the *Electricity Distribution Services Default Price-Quality Path Determination 2012* [2012] NZCC 35;

b. (for 2010/11–2012/13) the *Electricity Distribution Services Default Price-Quality Path Determination 2010* [2010] Decision 685; and

c. (for 2009/10) Commerce Act (Electricity Distribution Thresholds) Notice 2004 [2004].

1. ‘line charge revenue’ has the same meaning as in clause 1.4.3 of the *Electricity Distribution Information Disclosure Determination 2012* [2012] NZCC 22 [↑](#footnote-ref-1)
2. ‘transmission charges’ has the same meaning as in clause 1.4.3 of the *Electricity Distribution Information Disclosure Determination 2012* [2012] NZCC 22 [↑](#footnote-ref-2)
3. ‘fixed charges’ means revenue from prices (as defined in clause 1.4.3 of the *Electricity Distribution Information Disclosure Determination 2012* [2012] NZCC 22) that are independent of demand or consumption patterns, and may include asset related charges or connection charges [↑](#footnote-ref-3)
4. ‘energy supplied’ means quantities of electricity supplied, measured in MWh [↑](#footnote-ref-4)
5. ‘number of ICPs’ means the average number of ICPs for the disclosure year, where ‘ICPs’ has the same meaning as in clause 1.4.3 of the *Electricity Distribution Information Disclosure Determination 2012* [2012] NZCC 22 [↑](#footnote-ref-5)
6. Descriptions of these categories can be found in Schedule A of the **Request workbook** included with this information request [↑](#footnote-ref-6)
7. ‘Capital contributions’ are for the purposes of Part 4 of the *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26, and has the same meaning as given in clause 1.1.4(2) of that determination; ‘constant prices’ means prices expressed in New Zealand dollars as at the mid-point of the disclosure year. [↑](#footnote-ref-7)
8. It is only necessary to include assets or groups of assets that are eligible for an avoided transmission charge recoverable costs under clause 3.1.3(1)(e) of the *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26 [↑](#footnote-ref-8)
9. ‘Purchase price’ includes the value of any other consideration paid. [↑](#footnote-ref-9)
10. The RAB value at transfer is the nominal allocated value at which the acquired asset was or is forecast to be entered into the distributor's ‘value of commissioned assets’ determined in accordance with clause 2.2.11 of the *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26 [↑](#footnote-ref-10)
11. ‘Capital expenditure’ is for the purposes of Part 4 of the *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26, and has the same meaning as given in clause 1.1.4(2) of that determination. [↑](#footnote-ref-11)
12. ‘Operational expenditure’ is for the purposes of Part 4 of the *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26, and has the same meaning as given in clause 1.1.4(2) of that determination. [↑](#footnote-ref-12)
13. ‘interruption’ has the same meaning as in clause 1.4.3 of the *Electricity Distribution Information Disclosure Determination 2012* [2012] NZCC 22. [↑](#footnote-ref-13)
14. ‘expenditure on assets’ has the same meaning as given in clause 1.4.3 of the *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26; ‘constant prices’ means prices expressed in New Zealand dollars as at the mid-point of the disclosure year. [↑](#footnote-ref-14)
15. *Notice to supply information to the Commerce Commission under section 53ZD of the Commerce Act 1986*, 12 March 2014 [↑](#footnote-ref-15)