

## **Transpower Capital Expenditure Input Methodology Amendments Determination (No. 2) 2019**

**[2019] NZCC 17**

**The Commission:**

Sue Begg  
Dr Stephen Gale  
Elisabeth Welson  
John Crawford

**Date of decision:**

13 November 2019

[Drafting notes:

- This amendments determination amends the *Transpower Capital Expenditure Input Methodology Determination 2012* [2012] NZCC 2 ('principal determination').
- The included amendments are made under s 52X of the Commerce Act 1986.]

Commerce Commission

Wellington, New Zealand

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 *Transpower Capital Expenditure Input Methodology Determination 2012* [2012] NZCC 2, as previously amended (the **principal determination**).

## 2. COMMENCEMENT

- 2.1 This determination comes into force on the date on which notice of the determination is given in the New Zealand Gazette in accordance with section 52W of the **Act**.
- 2.2 Amendments in this determination affecting the **principal determination** apply for any **IPP determination** in force from 1 April 2020 onwards.

## 3. INTERPRETATION

- 3.1 Terms in bold type have the meaning given to those terms in the **principal determination**. Terms in bold type used in this determination that are defined in the **Act**, but not this determination, have the same meaning as in the **Act**.

## 4. TRANSPOWER CAPITAL EXPENDITURE INPUT METHODOLOGY DETERMINATION AMENDMENTS

- 4.1 In the **principal determination** insert the following definition to clause 1.1.5(2):

4.1.1 “**right-of-use asset** has the same meaning as defined in the Transpower Input Methodologies Determination 2010;”.

- 4.2 In the **principal determination** amend the definition of “**base capex**” in clause 1.1.5(2) to now read:

“means:

- (a) except for the purposes of clause B1 of Schedule B, **capital expenditure** that-
- (i) is incurred in relation to one or more of:
- (A) **asset replacement;**
- (B) **asset refurbishment;**
- (C) **business support;** and
- (D) **information system and technology assets;** or

- (ii) is not forecast to be **major capex**; and
- (b) for the purposes of clause B1 of Schedule B, **capital expenditure** as for paragraph (a), but excluding any **capital expenditure** that is incurred in relation to any **right-of-use asset**;

A handwritten signature in blue ink, appearing to read "S. J. Begg".

Commissioner

Dated at Wellington this 13<sup>th</sup> day of November 2019.

**COMMERCE COMMISSION**