

Public version

[DRAFT] Gas Transmission Information Disclosure Amendments Determination 2022

[2022] NZCC [XX]

The Commission:

Part 4 Division
Sue Begg
Elisabeth Welson
Vhari McWha

Date of decision:

[day] [month] 2022

[signature]

[name], Commissioner

Dated at Wellington this [day] of [month] 2022

COMMERCE COMMISSION

Wellington, New Zealand

Determination version history		
Determination date	Decision number	Determination name
1 October 2012	[2012] NZCC 24	Gas Transmission Information Disclosure Determination
24 March 2015	[2015] NZCC 8	2015 Amendment to the Gas Transmission Information Disclosure Determination 2012
14 June 2017	[2017] NZCC 12	Gas Transmission Information Disclosure Amendments Determination (No.1) 2017
21 December 2017	[2017] NZCC 35	Gas Transmission Information Disclosure Amendments Determination (No.2) 2017
[day] [month] 2022	[2022] NZCC XXX	Gas Transmission Information Disclosure Amendments Determination 2022

Drafting notes:

- This determination amends the Gas Transmission Information Disclosure Determination 2012, as previously amended, (“principal determination”).
- The included amendments which are secondary legislation are made pursuant to s 48(1) of the Legislation Act 2019.

Under Part 4 of the Commerce Act 1986 the Commerce Commission makes the following determination:

TITLE

1. This determination is the Gas Transmission Information Disclosure Amendments Determination 2022.

INTERPRETATION

2. In this determination the words or phrases in bold type bear the following meanings:

principal determination means the Gas Transmission Information Disclosure Determination 2012 [2012] NZCC 24.

DETERMINATION AMENDED

3. This determination amends the **principal determination**.

COMMENCEMENT

4. This determination comes into force on the date after which notice of the determination is given in the New Zealand Gazette.

PRINCIPAL DETERMINATION AMENDMENTS

5. In clause 1.4.3, amend the definition of "**IM determination**" to read "means the Gas Transmission Services Input Methodologies Determination 2012 [2012] NZCC 28, including any amendments to that determination".
6. In Schedule 16, amend the definition of "Mid-point estimate of vanilla WACC" to read "means the mid-point estimate of vanilla WACC determined by the Commission for that disclosure year under clause 2.4.1(1) of the IM determination".
7. In Schedule 16, amend the definition of "Mid-point estimate of post tax WACC" to read "means the mid-point estimate of post tax WACC determined by the Commission for that disclosure year under clause 2.4.1(2) of the IM determination".

Explanatory note:

1. We are proposing a number of amendments to the input methodologies (IMs) applying to gas transmission services as part of the default price-quality path reset for gas transmission businesses for the third regulatory period commencing on 1 October 2022.
2. A number of the proposed IM amendments affect the gas transmission information disclosure (ID) requirements. The gas transmission ID determination currently defines “IM determination” as meaning “the Gas Transmission Services Input Methodologies Determination 2012 [2012] NZCC 28, including amendments in effect at the time this determination comes into force”. (Underlining added) The effect of this definition is to exclude the IM amendments we are proposing from applying to future ID disclosures even where they are finally made. We are therefore proposing to amend the definition of “IM determination” in the gas transmission ID determination, so that any IM amendments for ID will automatically apply to future ID disclosures.
3. We are also proposing to amend two definitions in Schedule 16 of the gas transmission ID determination that refer to a weighted average cost of capital (WACC) estimate “for the five year period”. These amendments reflect our proposed IM amendments to enable us to set an ID WACC that reflects the length of the regulatory period of the relevant default-price quality path, and not only the usual five-year regulatory period length.
4. The draft IM amendments reasons paper “Proposed amendments to input methodologies for gas pipeline businesses related to the 2022 default price-quality paths” which provides more background can be found at:

<https://comcom.govt.nz/regulated-industries/gas-pipelines/gas-pipelines-price-quality-paths/gas-pipelines-default-price-quality-path/2022-2027-gas-default-price-quality-path>
5. Copies of this determination are available for inspection free of charge at the Commission (during ordinary office hours), on the Commission’s website at the above link, or for purchase at a reasonable price at the Commission.