

NOTICE OF INTENTION

11 FEBRUARY 2020

Proposal to Consider Amending Input Methodologies and Default Price-Quality Path for Electricity Distribution Services

1. The purpose of this notice of intention is to advise that the Commerce Commission (**Commission**) is beginning work to consider amendments to the following determination:
 - a. *Electricity Distribution Services Input Methodologies Determination 2012* [2012] NZCC 26 (**IMs**).¹
 - b. *Electricity Distribution Services Default Price-Quality Path Determination 2020* [2019] NZCC 21 (**DPP3 determination**).²
2. The amendments being considered relate to how ‘discount’ is defined in clause 3.1.1(11) of the specification and definition of prices IMs. We intend to consider and consult on the following amendments:
 - a. clause 3.1.1(11)(c) of the IMs to require that discounts apply “when the ‘forecast revenue from prices’ is calculated”, in place of “when the ‘forecast net allowable revenue’ was determined”; and
 - b. the definition of “IM determination” in clause 4.2 of DPP3 determination to include the considered draft amendment outlined in paragraph 2(a).
3. This notice outlines the process that will be followed in considering and consulting on the potential determination amendments, and the proposed timeframes for the potential amendments.

¹ The EDB IM determination was most recently amended in November 2019 by the *Electricity Distribution Services Input Methodologies Amendments Determination (No.2) 2019* [2019] NZCC 20. The latest version of the EDB IMs can be accessed at:

https://comcom.govt.nz/_data/assets/pdf_file/0017/60542/Electricity-distribution-services-input-methodologies-determination-2012-consolidated-29-January-2020.pdf

² The DPP3 for the regulatory period 1 April 2020 to 31 March 2025 was recently determined on 27 November 2019 and will come into force on 1 April 2020. The determination can be accessed at: https://comcom.govt.nz/_data/assets/pdf_file/0029/191972/2019-NZCC-21-Electricity-distribution-services-default-price-quality-path-determination-2020-27-November-2019.pdf.

Process for potential determination amendments

Table 1: Process for potential determination amendments

Process		Indicative time frame
1.	a. Commission consultation on potential determination amendments. b. Publication of draft IM amendments and draft DPP3 determination amendments.	Mid-February 2020
2.	Submissions due from interested persons on potential determination amendments (2 weeks).	Two weeks following publication of consultation documents
3.	Cross-submissions due from interested persons on potential determination amendments (1 week).	One week following due date for submissions
4.	Final decisions by the Commission Publication of final IM amendments decision and DPP3 determination amendment decision.	Mid-March 2020

Updates and any process refinements will be published on the Commission's website.