

NOTICE OF INTENTION

10 FEBRUARY 2014

Proposed Amendments to Input Methodologies for Transpower

1. The purpose of this notice is to advise that the Commerce Commission has begun work on proposed amendments to the input methodologies for Transpower New Zealand Limited (Transpower) contained in the following determinations:
 - 1.1 *Transpower Input Methodologies Determination [2012] NZCC 17*
 - 1.2 *Transpower Capital Expenditure Input Methodology Determination [2012] NZCC 2.*
2. The amendments relate to changes to take effect prior to the commencement of Transpower's second regulatory control period on 1 April 2015.
3. The proposed amendments may affect the input methodologies relating to:
 - 3.1 individual price-quality path (IPP) regulation;
 - 3.2 information disclosure regulation; and
 - 3.3 capital expenditure proposals.
4. In accordance with sections 52V(1) and 52X of the Commerce Act 1986, this notice outlines the process that will be followed and sets out the proposed time frames for the amendments. The indicative timeframes are set out overleaf. Updates and any process refinements will be published on the Commerce Commission's website as required.
5. We intend to consult on two rounds of amendments. This will allow consultation on some proposed amendments to be finalised before the IPP draft determination is issued, while providing an opportunity to consult on any further amendments, if required, before the IPP final determination.
6. As we indicated in our IPP consultation we consider that some issues that Transpower originally raised as IM amendments are more practically considered through the IPP process.¹ The second round of amendments will allow us, if required, to consult on any consequential IM amendments, following the IPP consultation.

¹ See chapter 2 of Commerce Commission "Invitation to have your say on Transpower's individual price-quality path and proposal for the next regulatory control period, Issues Paper" (10 February 2014).

Process		Indicative time frame
1.	Consultation on draft amendments Publication of draft reasons paper and draft amendments	7 March 2014
2.	Submissions from interested persons on draft amendments	4 April 2014
3.	Cross-submissions from interested persons on draft amendments	18 April 2014
4.	Final decision on amendments Publication of final reasons paper and amendment determination	16 May 2014
5.	Consultation on second round of amendments Publication of draft reasons paper and draft amendments	16 May 2014
6.	Submissions from interested persons on second round of draft amendments	13 June 2014
7.	Cross-submissions from interested persons on second round of draft amendments	27 June 2014
8.	Final decision on second round of amendments Publication of final reasons paper and amendment determination	22 August 2014