

Gas Transmission Services Default Price-Quality Path (Non-material) Amendments Determination 2018

[2018] NZCC 23

The Commission: Sue Begg
Dr Stephen Gale
John Crawford
Elisabeth Welson

Date of Decision: 18 December 2018

Gas Transmission Services Default Price-Quality Path (Non-material) Amendments
Determination 2018

[Drafting notes:

- This amendments determination amends the Gas Transmission Services Default Price-Quality Path Determination 2017.
- The included amendments are made under s 52Q of the Commerce Act 1986.]

Gas Transmission Services Default Price-Quality Path (Non-material) Amendments Determination 2018

1. Pursuant to Part 4 of the Commerce Act 1986 (the **Act**) the Commerce Commission makes the following determination:

SHORT TITLE

2. This determination is the Gas Transmission Services Default Price-Quality Path (Non-material) Amendments Determination 2018.

APPLICATION

3. This determination amends the *Gas Transmission Services Default Price-Quality Path Determination 2017* [2017] NZCC 14 (**principal determination**).

COMMENCEMENT

4. This determination comes into force on 18 December 2018.

INTERPRETATION

5. Unless the context otherwise requires:
 - 5.1 terms used in this determination that are defined in the **Act** but not in this determination have the same meanings as in the **Act**;
 - 5.2 terms used in this determination that are defined in the **principal determination** have the same meanings as in the **principal determination**.

AMENDMENTS

6. In Schedule 4 of the **principal determination**, replace Schedule 4 so that it reads:

Schedule 4: Forecast Net Allowable Revenue

Assessment Period ending	Forecast net allowable revenue (\$000)
30 September 2018	121,596
30 September 2019	123,904
30 September 2020	126,456

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30 September 2021	129,028
30 September 2022	131,623

7. In Schedule 8 of the principal determination, replace Schedule 8 so that it reads:

Schedule 8: Calculation of Opening Wash-up Account Balance

1. For purposes of this schedule, the following terms have the following meanings:
67th percentile estimate of post-tax WACC is 5.85%.
2. The *closing wash-up account balance* for the first Assessment Period is nil, and for subsequent Assessment Periods must be calculated in accordance with the formula –
$$\text{Wash-up Amount for the previous Assessment Period} \times (1 + 67^{\text{th}} \text{ percentile estimate of post-tax WACC})^2$$
3. The *opening wash-up account balance* for the first Assessment Period is nil, and for subsequent Assessment Periods is the *closing wash-up account balance* of the previous Assessment Period.



Sue Begg *Deputy Chair*

Dated at Wellington this 18th day of December 2018.

COMMERCE COMMISSION