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[DRAFT] Transpower Capital Expenditure Input Methodology Amendments Determination (No. 2) 2019

[2019] NZCC xx

The Commission:

Sue Begg
Dr Stephen Gale
Elisabeth Welson
John Crawford

Date of decision:

XXXX 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.
- 2.3 For the avoidance of doubt, if the **Commission** determines that any forecast values are required to be calculated consistent with Part 3 of the **principal determination** for the determination of an **IPP** that is to come into force from 1 April 2020, Part 3 of the **principal determination** and any applicable definitions in clause 1.1.5(2) of the **principal determination** will apply as amended by this determination to the setting of those forecast values.

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;**”.

[Signature]

Commissioner

Dated at Wellington this xx day of xx 2019.

COMMERCE COMMISSION