

## **Electricity Lines Services Input Methodologies Determination Amendment 2014**

Decision No. [2014] NZCC 24

Amendments made under s 52X and 52V(2) of the Commerce Act 1986 to the input methodologies for electricity distribution services and Transpower.

The Commission:

Dr M Berry

S Begg

P Duignan

Dr S Gale

E Welson

Date of Decision: 26 September 2014

## Electricity Lines Services Input Methodologies Determination Amendment 2014

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 following determinations:

- 1.1 *Electricity Distribution Services Input Methodologies Determination 2012*, [2012] NZCC 26 (the **EDB IM Determination**); and
- 1.2 *Transpower Input Methodologies Determination 2012*, [2012] NZCC 17 (the **Transpower IM Determination**).

### 2. COMMENCEMENT

This determination comes into force on the day notice of the determination is given in the New Zealand Gazette under section 52X of the Commerce Act 1986.

### 3. INTERPRETATION

- 3.1 Terms in bold type have the meaning given to those terms in this determination. Terms used in this determination that are defined in the Act, but not this determination, have the same meaning as in the Act.
- 3.2 Nothing in this determination limits the Commission's authority to amend the EDB IM Determination or the Transpower IM Determination in accordance with the Act.

### 4. EDB IM AMENDMENTS

- 4.1 Clause 4.4.1(1)(c) of the **EDB IM Determination** is amended by inserting "and clause 4.4.10" after "subclause (2)".
- 4.2 Clause 4.4.3(c) of the **EDB IM Determination** is amended by inserting "and clause 4.4.10" after "clause 4.4.1(2)".
- 4.3 Clause 4.4.4(2)(b) of the **EDB IM Determination** is amended by inserting "and clause 4.4.10" after "clause 4.4.1(2)".
- 4.4 Clause 4.4.5(1)(a) of the **EDB IM Determination** is amended by inserting "and clause 4.4.10" after "clause 4.4.1(2)".
- 4.5 Clause 4.4.6(a) of the **EDB IM Determination** is amended by inserting "and clause 4.4.10" after "clause 4.4.1(2)".
- 4.6 Clause 4.4.7(1)(b) of the **EDB IM Determination** is amended by inserting "subject to clause 4.4.10," before "no later than".

- 4.7 The **EDB IM Determination** is amended by inserting a new clause 4.4.10 as follows:

"In 2014, references in clauses 4.4.1(1)(c), 4.4.3(c), 4.4.4(2)(b), 4.4.5(1)(a), 4.4.6(a), and 4.4.7(1)(b) to "6 months" are to be read as "5 months"."

## 5. TRANSPOWER IM AMENDMENTS

- 5.1 Clause 3.5.1(1)(c) of the **Transpower IM Determination** is amended by inserting "and clause 3.5.11" after "subclause (2)".
- 5.2 Clause 3.5.3(c) of the **Transpower IM Determination** is amended by inserting "and clause 3.5.11" after "clause 3.5.1(2)".
- 5.3 Clause 3.5.4(2)(b) of the **Transpower IM Determination** is amended by inserting "and clause 3.5.11" after "clause 3.5.1(2)".
- 5.4 Clause 3.5.5(1)(a) of the **Transpower IM Determination** is amended by inserting "and clause 3.5.11" after "clause 3.5.1(2)".
- 5.5 Clause 3.5.6(a) of the **Transpower IM Determination** is amended by inserting "and clause 3.5.11" after "clause 3.5.1(2)".
- 5.6 Clause 3.5.7(1)(b) of the **Transpower IM Determination** is amended by inserting "subject to clause 3.5.11," before "no later than".
- 5.7 The **Transpower IM Determination** is amended by inserting a new clause 3.5.11 as follows:

"In 2014, references in clauses 3.5.1(1)(c), 3.5.3(c), 3.5.4(2)(b), 3.5.5(1)(a), 3.5.6(a), and 3.5.7(1)(b) to "6 months" are to be read as "5 months"."

Sue Begg, *Deputy Chair*

Dated at Wellington this 26<sup>th</sup> day of September 2014.

COMMERCE COMMISSION

### **Explanatory Note**

This amendment changes the date by which the Commission must determine the estimates of WACC used for setting the default price-quality path for electricity distribution businesses and the individual price-quality path for Transpower New Zealand Limited from 30 September to 31 October for 2014.

This change is to accommodate the section 52V process timeframes on the WACC percentile. The change will give the Commission the maximum possible time to consider the submissions on the draft input methodologies amendments to the WACC percentile. It means that, should we decide to amend the WACC percentile, we would have time to do so before the WACC is determined for the 2015 price-quality resets for electricity distributors and Transpower.