



## COMMERCE COMMISSION

[Date]

«COMPANY»

«PO\_BOX»

«CITY»

Dear [contact name]

### **Notice to Supply Information to the Commerce Commission Section 53ZD of the Commerce Act 1986**

The Commerce Commission (Commission) issued a notice (Notice) on 16 March 2011 to «COMPANY» («ZZ») under s 53ZD of the Commerce Act 1986 (the Act) requiring «ZZ» to provide the Commission with the information specified in the Notice.

The information was required for the purpose of informing decisions on starting prices for default price-quality paths under Part 4 of the Act, and consisted of:

1. financial information in a spreadsheet template format
2. expert opinions and supporting information, namely:
  - a. a directors' certificate and an independent assurance report each in the form set out in the Notice
  - b. a written engineer's report complying with the requirements specified in Schedule C of the Notice, if «ZZ» elected to undertake the asset adjustment process referred to in clause 2.2.1 of the Commerce Act (Electricity Distribution Services Input Methodologies) Determination 2010 (asset adjustment process).

The Commission has some follow up queries on information provided in response to the Notice. The Commission has undertaken a process of assessment and verification of the information and expert opinions provided by «ZZ» in response to the Notice. As a result of this process, the Commission has determined that in some instances information provided did not fully comply with the requirements of the Notice, and/or that further information is required in order for the Commission to clarify its understanding of the information provided.

The Commission also seeks information on how variable, capacity and fixed charges contribute to revenue for the purpose of informing decisions on starting prices for default price-quality paths under Part 4 of the Act.

## Information Requirements

For the purpose of carrying out its functions and exercising its powers under Part 4 of the Act, the Commission requires, under s 53ZD of the Act, that «ZZ» provides the Commission with:

1. the revenue weights information as specified in **Schedule A**, by supplying the information in electronic form in the Microsoft Excel workbook provided by the Commission (the Microsoft Excel workbook can be found on the Commission website)
2. an engineer's report re-issued so as to include all of the matters specified in **Schedule B**, if «ZZ» elected to undertake the asset adjustment process, and in all other respects satisfying the requirements of Schedule C of the Notice issued on 16 March 2011
3. the information specified in **Schedule C**, provided by way of written response by «ZZ» in electronic format able to be accessed by the Commission (i.e. not password protected and allowing data to be easily transferred)
4. the financial information specified in Schedule A and (where applicable) Schedule B of the Notice issued on 16 March 2011, re-submitted so as to correct for all of the matters specified in **Schedule D** or identified as a result of responding to matters or information specified in **Schedule B** or **Schedule C**.

## Confidentiality

The Notice issued on 16 March 2011 contained guidance relating to the non-disclosure of information of confidential information. That guidance applies in all respects to the request contained in this letter.

## Disclosure of Reports

For the purposes of transparency, the Commission intends to publish all information provided by «ZZ» in response to this notice and the Notice issued on 16 March 2011, except those templates identified as non-public. Where applicable, it is the responsibility of «ZZ» to make its engineer aware that the Commission intends to publish the reports submitted.

## Date of Response

«ZZ» must supply the specified information to the Commission by email to [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz) no later than:

1. **5pm on 24 June 2011** for revenue weights information
2. **5pm on 29 June 2011** for the re-issued engineer's report which includes all of the **Schedule B** matters, the written response to the **Schedule C** matters and where «ZZ» considers that any of the financial information in template format previously provided by «ZZ» pursuant to the Notice should be changed, then sufficient detail to allow the Commission to quantify the effect of the change
3. **5pm on 8 July 2011** for the re-submitted financial information in template format correcting for the **Schedule D** and other matters.

In each case the information must be provided under cover of a letter on «ZZ»'s company letterhead, signed by a person with the appropriate authority.

Financial information that is re-submitted to correct for the **Schedule D** and other matters must be provided in template format. This re-submitted financial information must include a directors' certificate and an independent assurance report each in the form originally specified in the Notice issued on 16 March 2011.

Dated at Wellington: 15 June 2011

Signed by:

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Sue Begg  
Deputy Chair