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Commerce Commission  
PO Box 2351  
WELLINGTON 6140

Telephone; (06) 349 2050  
Fax; (06) 349 0135  
[www.gasnet.co.nz](http://www.gasnet.co.nz)

[By email]

Dear Sir/Madam

**Submission on Information Disclosure Regulation for Electricity Lines Services and Gas Pipelines Services Process and Issues Paper**

1. We refer to the 'Information Disclosure Regulation Electricity Lines Services and Gas Pipeline Services: Process and Issues Paper' dated 23 February 2011 (Process and Issues Paper). This Process and Issues Paper sets out the Commerce Commission's (the Commission's) planned approach for the forthcoming review of the Information Disclosure Requirements (IDRs) applying to regulated services of electricity lines businesses (ELBs) and gas pipeline businesses (GPBs).
2. This submission is made on behalf of GasNet Limited and considers IDR as it is to apply to GPBs and specifically gas distribution businesses. A review of the IDR to apply to GPBs is long overdue and GasNet agrees it is timely to initiate this review, now that the Input Methodology (IM) determinations have been finalised. We acknowledge the Commission's intention to undertake the review of IDR for ELBs and GPBs concurrently, and agree that there are likely to be some synergies in combining the review process. However from GasNet's perspective we are keen to ensure that the resulting IDRs to apply to GPBs and specifically gas distribution businesses are appropriate for our business and accordingly adequately reflect their specific characteristics. We understand that the Commission has previously consulted upon and implemented IDRs for ELBs and is anticipating leveraging on this for the forthcoming review. We would be concerned however if the ELB IDRs were viewed as a default set of requirements with only cosmetic modifications to reflect GPB terminology.


3. The CPP IM drafting process for GPBs would have been greatly improved had earlier consultation with gas sector participants been undertaken, ie: prior to the publication of the first draft of the information requirements for CPPs. In this respect we suggest the Commission should hold a workshop with representatives of the gas sector before it drafts preliminary IDRs for GPBs to discuss the appropriate information requirements and to assist in specifying appropriate performance measures.
4. The Process and Issues Paper sets out the Commission's proposed review process as follows:
  - Discussion Stage (April/May)
  - Draft Determination Stage (September/October)
  - Technical Review and Final Determination Stage (November/December).
5. The Discussion Stage appears to be primarily targeted at topics which were not fully consulted on during the 2008 review of the ELB IDRs (ie: information regarding related party transactions, supply contracts, transactions between suppliers, consolidated disclosures and asset management plans). We agree these topics should be considered however we anticipate that there is a significant amount of additional information that will be included in the IDRs to apply to GPBs. This includes historical financial information, statistics, financial and non financial performance measures and possibly some forecast information. In addition disclosures of prices and pricing methodologies are likely to be included. It is not clear why these topics are not included in the Discussion Stage and we can only conclude this scope primarily reflects the needs of the electricity sector.
6. As the Draft Determination Stage is not scheduled until September/October and as the Final Determinations are to be made just two months later we submit that the Discussion Stage must be expanded for GPBs to address all components of the IDRs including the additional information identified in paragraph 5 above. Accordingly we also submit that the Discussion Stage should be extended by at least one month to accommodate this expanded scope.
7. We note the intention to leverage from the ELB Starting Price Adjustment (SPA) information request for GPB financial information which may be required to be disclosed. The Process and Issues Paper does not indicate which components of

the SPA will be used and what additional information will be required. Accordingly it is not possible to comment on this further at this stage. We recommend the Commission provides further information in this respect when the SPA information request for ELBs is finalised and at the time we are asked to provide feedback to the Commission on the GPB SPA information request.

8. GasNet agrees with the Commission's proposals, in principle, to align the disclosure period with the DPP assessment period, subject to further consultation on the appropriate assessment period for the DPP to apply to GPBs. Alignment at 30 June would greatly assist GasNet to minimise its regulatory compliance costs.
9. We also support the proposal to introduce revised IDRs in 2012. We support further consideration by the Commission of transitional provisions where it is not possible to comply with all new requirements in the immediate term. In particular we recommend further consideration of the appropriate timing for the publication of the first gas AMP. ELBs have published AMPs for a number of years, however GasNet does not currently have a single document available for this purpose and we are reluctant to invest too much resource in this until the IDRs begin to emerge. Accordingly we do not support a target date of 2012 for this component of the IDRs. We also caution against assuming that the AMP disclosure requirements for ELBs can be readily translated for GPBs. This is a subject which would benefit from workshop discussion prior to any drafting of AMP IDRs.

If you have any queries in relation to this submission, please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Geoff Evans', written over a light blue horizontal line.

**Geoff Evans**  
General Manager