

[DRAFT FOR CONSULTATION]  
[GTB]

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

[#1195621\_1]

To: «MRMS» «NAME» «SURNAME»  
«COMPANY\_QQ»  
«PO\_BOX»  
«CITY»

For the purpose of carrying out its functions and exercising its powers under Part 4 of the Commerce Act 1986 (the Act), the Commerce Commission (Commission) requires, under s 53ZD of the Act, that «COMPANY\_QQ» («ZZ») provides the Commission with the information specified in this notice. Specifically, this information is required for the purpose of informing decisions on starting prices for default price-quality paths under Part 4 of the Act.

**INTERPRETATION**

1. In this notice, unless the context otherwise requires, words in bold type bear the following meanings:

**Act** means the Commerce Act 1986;

**auditor** means a person who-

- a. is qualified for appointment as auditor of a company under the Companies Act 1993; and
- b. has no relationship with, or interest in, «ZZ» that is likely to involve the person in a conflict of interest; and
- c. has not assisted with the preparation of the information required under this notice or provided advice or opinions (other than in relation to audit reports) on the methodologies or processes used in preparing that information;
- d. has the necessary expertise to properly provide an independent assurance report as required by this notice; and
- e. need not be the same person as the person who audits the financial accounts of «ZZ» for any other purpose;

**Commission** means the Commerce Commission;

**engineer** has the meaning set out in clause 1.1.4 of the **IM determination**;

**IM determination** means the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010; and

**independent assurance report** means a report in respect of «ZZ» in the form specified at Schedule E of this notice, issued by a person or firm that is qualified to be an **auditor**.

2. This notice also refers to terms that are defined in the **IM determination**, many of which are defined in Part 2 of that determination, which relates to information disclosure. For the avoidance of doubt, it has been necessary for the Commission to adopt this approach given that no information disclosure determination has yet been made for gas transmission services under Part 4 of the Act. In future, the Commission intends to use information disclosed under information disclosure regulation to inform decisions on starting prices under a default price-quality path.<sup>1</sup>

## REQUIREMENTS

### Information requirements

2. «ZZ» must provide the **Commission** with the information required under:
  - a. Schedule A; and
  - b. if «ZZ» is a 'qualifying supplier', as that term is defined in clause 2.4.9(2) of the **IM determination**, Schedule B;

by completing the templates provided in those Schedules in the format required by this notice.

### Expert opinions and supporting information.

3. «ZZ» must provide the **Commission** with the following expert opinions and supporting information:
  - a. if «ZZ» has elected to undertake the asset adjustment process referred to in clause 2.2.1 of **IM determination**, a written **engineer's** report complying with the requirements specified in Schedule C;
  - b. a directors' certificate in the form set out in Schedule D, to be completed and signed by a minimum of two directors of «ZZ»; and
  - c. an **independent assurance report** in the form set out in Schedule E, to be completed by an **auditor**.

### Information format

The information required under Schedules A and B must be supplied in electronic form in the Microsoft Excel workbook provided by the Commission (the workbook contains templates of Schedules A and B). The workbook must be completed in accordance with the instructions contained in the workbook and, in particular, conform with the relevant definitions or clauses of the **IM determination** specified in the workbook instructions and templates. The workbook

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<sup>1</sup> Refer to Commerce Commission, *Starting Price Adjustments for Default Price-Quality Paths Discussion Paper*, 5 August 2010, p 9, paragraph 2.20.

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must be provided to the Commission in a form that is accessible (i.e. the workbook is 'unlocked' and data can be easily transferred by the Commission).

The information required under Schedules C, D and E must be supplied in electronic form (in PDF format).

**Confidentiality**

The **Commission** has allowed for the completion of both public and non-public versions of certain templates in Schedule A. Either version may contain disclosure requirements that parties consider require the disclosure of confidential information. The **Commission** discourages requests for non-disclosure of information, in whole or in part, on the basis that it is confidential. The **Commission** is unlikely to agree to any requests that any information provided by «ZZ» in response to this notice remains confidential.

However, the **Commission** recognises there may be some instances where «ZZ» may wish to provide aspects of «ZZ»'s disclosures on a confidential basis. If there is any such information, «ZZ» should provide the **Commission** with both confidential and public versions of its disclosure. The responsibility for ensuring that confidential information is not included in a public version of a disclosure rests entirely with «ZZ».

«ZZ» can also request that the **Commission** makes orders under section 100 of the Act in respect of information that is confidential. Any request for a section 100 order must be made when the relevant information is supplied to the **Commission** and must identify the reasons why the relevant information is confidential. The **Commission** will provide further information on section 100 orders if requested by «ZZ», including the principles that are applied when considering requests for such orders. Any section 100 order will apply for a limited time only as specified in the order. Once an order expires, the **Commission** will follow its usual process in response to any request for information under the Official Information Act 1982.

**Date of Response**

«ZZ» must supply the specified information to the Commission by email to the following address: [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz) by no later than 5pm on [insert date] 2011. The information must be provided under cover of a letter on «ZZ»'s company letterhead, signed by a person with the appropriate authority.

Dated at Wellington: [insert date] 2011

Signed by:

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Sue Begg  
Commission Deputy Chair

**SCHEDULE A: REQUIRED INFORMATION**

GTB Name  
Disclosure Year Ended

**Gas Transmission Business**

**SCHEDULE A: REQUIRED INFORMATION**

row		(\$000)	Ref
6			
7	Transmission revenue through prices	—	from A1
8			
9	Other regulated income	—	from A1
10			
11	Pass-through costs	—	from A1
12			
13	Recoverable costs	—	from A1
14			
15	Operating expenditure	—	from A1
16			
17	Sum of opening RAB values—disclosure year 2011	—	from A3
18			
19	Sum of depreciation	—	from A3
20			
21	Sum of opening RAB values of assets with nil physical asset life at end of the disclosure year 2011	—	from A3
22			
23	Sum of opening RAB values of disposed assets for the disclosure year 2011	—	from A3
24			
25	Sum of opening RAB values of lost assets for the disclosure year 2011	—	from A3
26			
27	Sum of closing RAB values of commissioned assets for the disclosure year 2011	—	from A3
28			
29	Sum of closing RAB values of found assets for the disclosure year 2011	—	from A3
30			
31	Positive permanent differences	—	from A6
32			
33	Negative permanent differences	—	from A6
34			
35	Opening tax losses for disclosure year 2011	—	from A6
36			
37	Positive temporary differences	—	from A6
38			
39	Negative temporary differences	—	from A6
40			
41	Tax depreciation for disclosure year 2011	—	from A6
42			
43	Sum of regulatory tax asset values - first day of disclosure year 2011	—	from A6
44			

GTB Name

Gas Transmission Business

Disclosure Year Ended

**SCHEDULE A1: REGULATORY INCOME AND EXPENSES**

row		(\$000)	(\$000)	Ref
6	<u>Income</u>			
7	Transmission revenue through prices		—	1.1.4
8				
9	<b>Other regulated income</b>		—	5.3.2(8)
10				
11	<u>Costs and expenditure</u>			
12	<b>Pass-through costs</b>		—	3.1.2(1)
13				
14	<b>Recoverable costs</b>		—	3.1.3(1)
15				
16	General management, administration and overheads			from A2
17	<i>plus</i> System management and operations			from A2
18	<i>plus</i> Routine and preventative maintenance			from A2
19	<i>plus</i> Refurbishment and renewal maintenance			from A2
20	<i>plus</i> Fault and emergency maintenance			from A2
21	<i>plus</i> Other			from A2
22	Operating expenditure		—	
23				

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GTB Name **Gas Transmission Business**  
Disclosure Year Ended

SCHEDULE A2: ALLOCATION OF OPERATING COSTS 2011 (NON-PUBLIC)

row	Opex category	Cost allocator	Allocator type	Allocation methodology type	Allocator metrics or proportion allocated		Value allocated				OVABAA allocation increase	Line items
					Gas transmission services	Non-gas transmission services	Arm's length deduction	Gas transmission services	Non-gas transmission services	Total		
6	<b>General management, administration and overheads</b>											
7	Directly attributable operating costs											
8	Operating costs not directly attributable											
9	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA								
10	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA								
11	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA								
12	Total operating costs not directly attributable											
13	Total costs											
14	<b>System management and operations</b>											
15	Directly attributable operating costs											
16	Operating costs not directly attributable											
17	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA								
18	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA								
19	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA								
20	Total operating costs not directly attributable											
21	Total costs											
22	<b>Routine and preventive maintenance</b>											
23	Directly attributable operating costs											
24	Operating costs not directly attributable											
25	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA								
26	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA								
27	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA								
28	Total operating costs not directly attributable											
29	Total costs											
30	<b>Refurbishment and renewal maintenance</b>											
31	Directly attributable operating costs											
32	Operating costs not directly attributable											
33	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA								
34	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA								
35	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA								
36	Total operating costs not directly attributable											
37	Total costs											
38	<b>Fault and emergency maintenance</b>											
39	Directly attributable operating costs											
40	Operating costs not directly attributable											
41	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA								
42	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA								
43	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA								
44	Total operating costs not directly attributable											
45	Total costs											
46	<b>Other</b>											
47	Directly attributable operating costs											
48	Operating costs not directly attributable											
49	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA								
50	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA								
51	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA								
52	Total operating costs not directly attributable											
53	Total costs											

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GTB Name **Gas Transmission Business**  
Disclosure Year Ended

SCHEDULE A2: ALLOCATION OF OPERATING COSTS 2011 (PUBLIC)

ref	Opex category	Cost allocators	Percentage of value allocated to gas transmission services using proxy allocator type	Percentage of value allocated to gas transmission services using ACAM	Percentage of value allocated to gas transmission services using ABAA	Percentage of value allocated to gas transmission services using OVABAA	Value allocated				OVABAA allocation increase	Line items
							Arm's length deduction	Gas transmission services	Non-gas transmission services	Total		
65	<b>General management, administration and overheads</b>											
66	Directly attributable operating costs											
67	Operating costs not directly attributable	Allocators										
68	Total costs											
69	to A1											
70	<b>System management and operations</b>											
71	Directly attributable operating costs											
72	Operating costs not directly attributable	Allocators										
73	Total costs											
74	to A1											
75	<b>Routine and preventive maintenance</b>											
76	Directly attributable operating costs											
77	Operating costs not directly attributable	Allocators										
78	Total costs											
79	to A1											
80	<b>Refurbishment and renewal maintenance</b>											
81	Directly attributable operating costs											
82	Operating costs not directly attributable	Allocators										
83	Total costs											
84	to A1											
85	<b>Fault and emergency maintenance</b>											
86	Directly attributable operating costs											
87	Operating costs not directly attributable	Allocators										
88	Total costs											
89	to A1											
90	<b>Other</b>											
91	Directly attributable operating costs											
92	Operating costs not directly attributable	Allocators										
93	Total costs											
	to A1											

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GTB Name **Gas Transmission Business**  
Disclosure Year Ended

**SCHEDULE A3: REGULATORY ASSET BASE VALUES 2010 AND 2011**

row		Unallocated RAB *	RAB	Ref
		(\$000)	(\$000)	
6	<b>Calculation of Initial RAB Values</b>			
7				
8				
9	<b>2009 disclosed assets</b>		—	2.2.2
10				
11	2009 modified asset values (adjusted for results of <b>asset adjustment process</b> )		—	Note 1
12	Adjustment to reinstate 2009 modified asset values to unallocated amounts			2.2.3(2)
13	Unallocated 2009 modified asset values		—	
14				
15	<i>less (to the extent included in row 13)</i>			
16	Assets not used to <b>supply gas transmission services</b>			1.1.4
17	<b>Easement land</b>			1.1.4
18	Non-qualifying <b>intangible assets</b>			2.2.2
19	<b>Works under construction</b>			2.2.2
20	Unallocated asset values excluded from unallocated 2009 modified asset values		—	
21				
22	Sum of <b>unallocated initial RAB values</b>		—	
23				
24	<b>RAB Roll Forward - Disclosure Year 2010</b>			
25				
26	Sum of <b>unallocated opening RAB values—disclosure year 2010</b>		—	2.2.4(1)
27				
28	<i>less</i> Sum of <b>unallocated depreciation</b> other than for <b>disposed assets</b> or <b>lost assets</b>		—	2.2.5(1)
29	<i>plus</i> Sum of <b>unallocated revaluations</b>		—	2.2.9(1)
30	<i>plus</i> Sum of <b>assets commissioned</b>		—	2.2.11
31	<i>less</i> Sum of <b>unallocated opening RAB value of disposed assets</b>		—	1.1.4
32	<i>plus</i> Sum of <b>found assets</b>		—	2.2.12
33	<i>less</i> Sum of <b>unallocated opening RAB value of lost assets</b>		—	1.1.4
34				
35	Sum of <b>unallocated closing RAB values—disclosure year 2010</b>		—	from A5
36				
37	<b>Calculation of Revaluation Rate and Revaluation of Assets - Disclosure Year 2010</b>			
38				
39	CPI at CPI reference date— <b>disclosure year 2009</b>			2.2.9(4)
40	CPI at CPI reference date— <b>disclosure year 2010</b>			2.2.9(4)
41	Revaluation rate (%)	Not defined		2.2.9(4)
42	Sum of <b>unallocated opening RAB values—disclosure year 2010</b>		—	
43	Prima facie sum of <b>unallocated revaluations</b>		—	2.2.9(1)
44	<i>less</i> <b>Unallocated revaluations</b> relating to fully depreciated assets, <b>disposed assets</b> and <b>lost assets</b>		—	2.2.9(3)
45	Sum of <b>unallocated revaluations</b>		—	
46				
47	<b>RAB-related Information - Disclosure Year 2011</b>			
48				
49	Sum of <b>opening RAB values—disclosure year 2011</b>		—	2.2.4(3)
50				
51	Sum of <b>depreciation</b>		—	2.2.5(2)
52				
53	Sum of <b>opening RAB values</b> of assets with nil <b>physical asset life</b> at end of the <b>disclosure year 2011</b>		—	2.2.9(3)(a)
54				
55	Sum of <b>opening RAB values</b> of <b>disposed assets</b> for the <b>disclosure year 2011</b>		—	1.1.4
56				
57	Sum of <b>opening RAB values</b> of <b>lost assets</b> for the <b>disclosure year 2011</b>		—	1.1.4
58				
59	Sum of <b>closing RAB values</b> of <b>commissioned assets</b> for the <b>disclosure year 2011</b>		—	from A5
60				
61	Sum of <b>closing RAB values</b> of <b>found assets</b> for the <b>disclosure year 2011</b>		—	from A5
62				
63	Note 1: '2009 modified asset values' are the <b>2009 disclosed assets</b> adjusted for the results of the <b>asset adjustment process</b> , being the asset register adjustments summarised in Schedule A4 and updated to 30 June 2009 (or 31 December 2008 for Maui Development Limited) by taking account of depreciation and revaluation in accordance with cl. 2.2.1 of the GTB IMs.			
64	* The 'unallocated RAB' is the total value of assets used wholly or partially to provide <b>gas transmission services</b> as if no allowance were made for the allocation of costs to non- <b>gas transmission services</b> .			
65				

GTB Name  
Disclosure Year Ended

**Gas Transmission Business**

**SCHEDULE A4: ASSET ADJUSTMENT PROCESS**

row		2004 *	2005	2006	2007	2008	2009	Ref	
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)		
6	<u>Summary of Engineer's Valuation Adjustments (at time asset enters regulatory asset register)</u>								
7	Show only the <u>incremental</u> amount of the valuation adjustment								
8	<b>Asset adjustment process - adjustments</b>								
9									
10	Include assets used to <b>supply gas transmission services</b>								
11	Correct asset register errors							2.2.1(2)(b)	
12	<a href="#">Insert details of asset or similar asset type</a>								
13	<a href="#">Insert details of asset or similar asset type</a>								
14	<a href="#">Insert details of asset or similar asset type</a>								
15		-	-	-	-	-	-	2.2.1(2)(c)	
16									
17	<b>Total value of adjustments by disclosure year</b>	-	-	-	-	-	-		

\* Includes assets which first entered the regulatory asset register in a disclosure year prior to 2004.

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GTB Name **Gas Transmission Business**  
Disclosure Year Ended

SCHEDULE A5: ALLOCATION OF UNALLOCATED RAB VALUES 2010 AND 2011 (NON-PUBLIC)

row	Allocation of Unallocated Closing RAB Values 2010											
	Asset categories	Asset allocator	Allocator type	Allocation methodology type	Allocator metrics or proportion allocated		Value allocated				OVABAA allocation increase	Line Items
					Gas transmission services	Non-gas transmission services	Arm's length deduction	Gas transmission services	Non-gas transmission services	Total		
6	<b>Allocation of Unallocated Closing RAB Values 2010</b>											
7	<b>Asset Category 1</b>											
8	Regulated service asset value directly attributable											
9	Regulated service asset value not directly attributable											
10	Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA						-		
11	Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA						-		
12	Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA						-		
13	Total regulated service asset value not directly attributable				-	-	-	-	-	-	-	
14	Total regulated service asset value											
15	<b>Asset Category 2</b>											
16	Regulated service asset value directly attributable											
17	Regulated service asset value not directly attributable											
18	Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA						-		
19	Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA						-		
20	Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA						-		
21	Total regulated service asset value not directly attributable				-	-	-	-	-	-	-	
22	Total regulated service asset value											
23	<b>Asset Category 3</b>											
24	Regulated service asset value directly attributable											
25	Regulated service asset value not directly attributable											
26	Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA						-		
27	Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA						-		
28	Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA						-		
29	Total regulated service asset value not directly attributable				-	-	-	-	-	-	-	
30	Total regulated service asset value											
31	<b>Total regulated service asset value directly attributable</b>											
32	<b>Total regulated service asset value not directly attributable</b>											
33	<b>Total regulated service asset value</b>											
34	to A3											
35	<b>Allocation of Unallocated Closing RAB Values 2011 - Commissioned Assets and Found Assets</b>											
36	<b>Commissioned assets - asset categories</b>											
37	Regulated service asset value directly attributable											
38	Regulated service asset value not directly attributable											
39	Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA						-		
40	Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA						-		
41	Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA						-		
42	Total regulated service asset value not directly attributable				-	-	-	-	-	-	-	
43	Total regulated service asset value											
44	to A3											
45	<b>Found assets - asset categories</b>											
46	Regulated service asset value directly attributable											
47	Regulated service asset value not directly attributable											
48	Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA						-		
49	Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA						-		
50	Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA						-		
51	Total regulated service asset value not directly attributable				-	-	-	-	-	-	-	
52	Total regulated service asset value											
53	to A3											

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GTB Name **Gas Transmission Business**  
Disclosure Year Ended

SCHEDULE A5: ALLOCATION OF UNALLOCATED RAB VALUES 2010 AND 2011 (PUBLIC)

row	Allocation of Unallocated Closing RAB Values 2010										
	Asset categories	Asset allocator	Percentage of value allocated to gas transmission services using proxy allocator type	Percentage of value allocated to gas transmission services using ACAM	Percentage of value allocated to gas transmission services using ABAA	Percentage of value allocated to gas transmission services using OVABAA	Value allocated				OVABAA allocation increase
						Arm's length deduction	Gas transmission services	Non-gas transmission services	Total		
67	Allocation of Unallocated Closing RAB Values 2010										
68											
69											
70											
71	Asset Category 1										
72	Regulated service asset value directly attributable										
73	Regulated service asset value not directly attributable	Allocators							-		
74	Total regulated service asset value attributable							-			
75	Asset Category 1										
76	Regulated service asset value directly attributable										
77	Regulated service asset value not directly attributable	Allocators							-		
78	Total regulated service asset value attributable							-			
79	Asset Category 1										
80	Regulated service asset value directly attributable										
81	Regulated service asset value not directly attributable	Allocators							-		
82	Total regulated service asset value attributable							-			
83											
84	Total regulated service asset value directly attributable							-			
85	Total regulated service asset value not directly attributable							-	-	-	
86	Total regulated service asset value							-	-	-	
87	to A3										
88	Allocation of Unallocated Closing RAB Values 2011 - Commissioned Assets and Found Assets										
89											
90											
91											
92	Commissioned Assets										
93	Regulated service asset value directly attributable										
94	Regulated service asset value not directly attributable	Allocators							-		
95	Total regulated service asset value attributable							-			
96	to A3										
97	Found Assets										
98	Regulated service asset value directly attributable										
99	Regulated service asset value not directly attributable	Allocators							-		
100	Total regulated service asset value attributable							-			
	to A3										

GTB Name  
Disclosure Year Ended

**Gas Transmission Business**

**SCHEDULE A6: REGULATORY TAX INFORMATION**

row

**Tax Permanent Differences - 2011** (\$000) Ref

6				
7				
8	Income not included in regulatory profit / (loss) before tax but taxable		*	2.3.3(2)
9	Expenditure or loss in regulatory profit / (loss) before tax but not deductible		*	2.3.3(2)
10	<b>Positive permanent differences</b>			

\* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).

11				
12				
13				
14				
15				
16				
17				
18	Income included in regulatory profit / (loss) before tax but not taxable		*	2.3.3(3)
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax		*	2.3.3(3)
20	<b>Negative permanent differences</b>			

\* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary). Amounts should exclude interest, tax losses and subvention payments (refer cl. 2.3.3(4) of the GTB IMs).

**Opening tax losses for disclosure year 2011** 2.3.2(3)

**Tax Temporary Differences - 2011** (\$000) Ref

21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32	Income not included in regulatory profit / (loss) before tax but taxable		*	2.3.5(4)
33	Expenditure or loss in regulatory profit / (loss) before tax but not deductible		*	2.3.5(4)
34	<b>Positive temporary differences</b>			

\* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary). Amounts should exclude tax depreciation and regulatory depreciation (refer cl. 2.3.3(2) of the GTB IMs).

35				
36				
37				
38				
39				
40				
41				
42	Income included in regulatory profit / (loss) before tax but not taxable		*	2.3.5(5)
43	Expenditure or loss deductible but not in regulatory profit / (loss) before tax		*	2.3.5(5)
44	<b>Negative temporary differences</b>			

\* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary). Amounts should exclude tax depreciation and regulatory depreciation (refer cl. 2.3.3(3) of the GTB IMs).

**Tax depreciation for disclosure year 2011** 2.3.5(3)

**Other Tax Asset Value Information** (\$000)

52				
53				
54				
55				
56	Sum of regulatory tax asset values - first day of disclosure year 2011			2.3.6

**SCHEDULE B: DEBT INFORMATION**

GTB Name Gas Transmission Business  
Disclosure Year Ended

**SCHEDULE B: REQUIRED INFORMATION**

row

6 Term Credit Spread Differential Information (\$000 unless otherwise specified)

7 This schedule is only to be completed if at the date of the most recently published financial statements, the weighted average original tenor of the GTB's debt portfolio (both **qualifying debt** and non-qualifying debt) is greater than five years - refer cl. 2.4.9(2) of the GTB IMs. The information should relate to the group level of the GTB.

	Issuing party (or other identifying information)	Issue date	Pricing date	Original tenor (in years) *	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)
8							
9							
10							
11							
12							
13							
14							
15							
16							

17 \* Where **qualifying debt** is issued to a related party, the meaning of 'original tenor' of the qualifying debt has the meaning given in cl. 2.4.10(3) of the GTB IMs.

## **SCHEDULE C: INFORMATION REQUIREMENTS FOR ENGINEER'S REPORT**

1. The report must be completed by an 'engineer' as defined in clause 1.1.4 of the *Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010* ('GTB IMs') in respect of the 'asset adjustment process' for setting the initial regulatory asset base for an GTB as set out in clause 2.2.1 of the GTB IMs.
2. The report must:
  - (a) be in writing and be accessible in electronic (PDF file-type) format;
  - (b) include a copy of the written instructions provided to the engineer by the GTB, including any subsequent variations or modifications;
  - (c) include a table summarising the various asset value adjustments and corresponding to Schedule A4 of the Information Disclosure Notice Templates;
  - (d) provide the minimum information for each category of asset adjustment outlined in Table 1 below, together with such additional information sufficient to allow a reader of the report:
    - (i) to understand the data, information, calculations and assumptions employed in respect of each category of asset adjustment;
    - (ii) to understand the extent to which professional judgement was exercised by the engineer and the effect of that judgement in deriving the resultant asset values; and
    - (iii) to verify the arithmetical accuracy of the asset adjustment calculations.
  - (e) include a signed statement by the engineer that:
    - (i) the ODV rules have been properly applied for assets which had not had an ODV valuation calculated originally as required by clause 2.2.1 of the GTB IMs;
    - (ii) where values under Generally Accepted Accounting Practice have been relied on, those values have been supplied or reviewed by an appropriately qualified party (e.g. accounting practitioner); and
    - (iii) the report meets the requirements of this Schedule C.

[DRAFT FOR CONSULTATION]  
[GTB]

**Table 1: Minimum Information Requirements for Adjustments to Assets**

Category of adjustment	GTB IM cl. ref	Designated asset type	Minimum information requirements
Include assets used to supply gas transmission services but not assets listed in 2.2.1(4)	2.2.1(2)(b)	Included	<ul style="list-style-type: none"> <li>▪ Description of each asset (or asset type where assets are substantially similar)</li> <li>▪ Value of the asset (or sum value of each similar asset type) as of the last day of the disclosure year 2009, being the depreciated historic cost value that would have resulted from applying generally accepted accounting practice</li> </ul>
Correct asset register errors	2.2.1(2)(c)	Included	<ul style="list-style-type: none"> <li>▪ Description of each asset (or asset type where assets are substantially similar)</li> <li>▪ Value of the asset (or sum value of each similar asset type) as of the day the asset enters the regulatory asset register, being the value that would have resulted from applying the Gas (information Disclosure) Regulations 1997</li> </ul>
		Excluded	<ul style="list-style-type: none"> <li>▪ Description of each asset (or asset type where assets are substantially similar)</li> <li>▪ Value of each asset (or asset type where assets are substantially similar) as of the day the asset entered the regulatory asset register</li> </ul>
		Value modified	<ul style="list-style-type: none"> <li>▪ Description of each asset (or asset type where assets are substantially similar) and type of error (incorrect asset category, incorrect estimation of quantity, age, category or location now known to be incorrect)</li> <li>▪ Value of each asset (or asset type where assets are substantially similar) as of the day the asset entered the regulatory asset register</li> <li>▪ Calculation of relevant adjustment to value in order to correct for the error</li> <li>▪ Resultant 'modified value' for each asset (or sum value of each similar asset type) as of the day the asset entered the regulatory asset register</li> </ul>

## **SCHEDULE D: FORM OF DIRECTORS' CERTIFICATE**

We, *[insert full name of first director]* and *[insert full name of second director]*, being directors of «COMPANY\_QQ» («ZZ») certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Schedule A *\*[and Schedule B]* complies with the Commission's requirements in respect of the request for information, which was issued by notice in writing to «ZZ» under section 53ZD of the Commerce Act 1986 on *[insert date]* *\*[except in the following respects: *[insert description of non-compliance]*]*

*\*[In respect of the arms' length deduction applied for the purpose of completing Schedules A2 / A5 *[delete as appropriate]*, we certify that, having made all reasonable enquiry, our belief is that it was appropriate to make those deductions].*

*\*[In respect of the optional variation to accounting-based allocation approach applied for the purpose of completing Schedules A2 / A5 *[delete as appropriate]*, we certify that, having made all reasonable enquiry, our belief is that:*

- (a) the following unregulated services would be unduly deterred had adjustments to allocations of regulated service asset values (in accordance with clause 2.1.5 of the input methodologies applying to GTBs) not been made: *[list relevant unregulated services]*; and*
- (b) the following unregulated services would be unduly deterred had adjustments to allocations of operating costs (in accordance with clause 2.1.5 of the input methodologies applying to GTBs) not been made: *[list relevant unregulated services].**

*[Signatures of directors]*

*[Date]*

*\*Delete if inapplicable.*

## **SCHEDULE E: FORM OF INDEPENDENT ASSURANCE REPORT**

To the Commissioners of the New Zealand Commerce Commission and the Directors of «COMPANY\_QQ»:

We have been engaged to provide an independent assurance report on the:

- Schedule of Required Information (Schedules A to A6); and
- \*[Schedule of Required Information (Schedule B)]

prepared by «COMPANY\_QQ» («ZZ») in accordance with the Commerce Commission's requirements issued by notice in writing to «ZZ» under section 53ZD of the Commerce Act 1986 on [insert date] 2011 (the Notice).

\*Delete if inapplicable.

### **Directors' and Auditors' Responsibilities**

«ZZ»'s directors are responsible for ensuring that the information provided is prepared in accordance with the Notice and for such internal controls as the directors determine are necessary to ensure the information provided is free from material misstatement.

We are qualified as an auditor as defined in the Notice. Our responsibility is to express an independent opinion on whether the information prepared by «ZZ» has been calculated in accordance with the Notice for the regulatory period ended \*[30 June 2011]\*[31 December 2010].

\*Delete if inapplicable.

### **Use of this Independent Assurance Report**

This independent assurance report has been prepared solely for the Directors of «COMPANY\_QQ» and the Commissioners of the New Zealand Commerce Commission in accordance with the Notice. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of «COMPANY\_QQ» and the Commissioners, or for any purpose other than that for which it was prepared.

### **Independence**

We have no relationship with, or interests in «ZZ» other than [insert relationship and/or interests including a statement verifying that no conflict of interest exists].

### **Basis of Opinion**

We conducted an assurance engagement in accordance with the Framework for Assurance Engagements, SAE 3100: Compliance Engagements and the International Standard on Assurance Engagements (New Zealand) 3000 (ISAE (NZ) 3000).

[DRAFT FOR CONSULTATION]

[GTB]

The professional standards require that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance about whether the information as provided is free from material misstatement.

Considering materiality requires that we understand the factors that might influence the decisions of the intended users of the information in Schedules A to A6 [and B] when determining the nature and extent of our evidence-gathering procedures.

Our assurance engagement involves performing procedures to obtain appropriate evidence in respect of the information in Schedules A to A6 [and B] and the overall compliance with the Notice. The procedures selected depend on judgement, including the assessment of the risks of material misstatement, whether due to fraud, error or other reasons. In evaluating those risks we consider the internal controls that are relevant to «ZZ»'s provision of the information in Schedules A to A6 [and B] in order to design assurance procedures that are appropriate in the circumstances. We do not express an opinion on the effectiveness of «ZZ»'s internal controls.

In relation to the Notice, our assurance procedures included examination, on a test basis, of evidence relevant to each item of information in Schedules A to A6 [and B]. Specifically, our assurance procedures included examining, on a test basis, evidence to support the information in Schedules A to A6 [and B], examination of internally and externally generated documents and records relevant to the information, interviewing selected personnel, and such other procedures as we considered necessary.

These procedures included:

- d. reviewing the methodologies used in preparing the information in Schedules A to A6 [and B] and confirming that they are in accordance with the methodologies set out in the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010 (IM determination) and the requirements set out in the Notice, and providing assurance that the underlying assumptions used are reasonable;
- e. testing whether the calculations are mathematically correct;
- f. identifying key inputs to the information in Schedules A to A6 [and B] and reconciling or agreeing them to source documents and systems.

In performing the procedures noted above, we have placed reliance on «ZZ»'s underlying systems and business records from which inputs were sourced for the preparation of the information in Schedules A to A6 [and B].

### **Opinion**

In our opinion:

- (1) the recorded evidence and explanations we have obtained are sufficient and appropriate to provide a basis for our independent opinion on «ZZ»'s compliance with the Notice;

[DRAFT FOR CONSULTATION]

[GTB]

- (2) where relevant, the information used in the preparation of the information in Schedules A to A6 [and B] has been properly extracted from «ZZ»'s accounting records, sourced from its financial systems; and
- (3) the information in Schedule A to A6 [and B] has been calculated by «ZZ» in all material respects, in accordance with the Notice.

**\*[Qualification on Opinion]**

\*[Our opinion is qualified as follows:]

\*[Insert the nature of and reason(s) for the qualification together with the estimated impact on the information provided in Schedules A to A6 [and B].]

Our assurance engagement was completed on [insert date] and our opinion is expressed as at that date.

[Signature of auditor]

[Name of firm]

[Address of firm]

[Date]

\*Delete if inapplicable.