

24 February 2023

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By e-mail only: [REDACTED]

cc All suppliers of electricity distribution services as regulated under Part 4 of the Commerce Act 1986

Kia ora [REDACTED],

Response to request for extensions to the deadlines of disclosures required under the EDB Information Disclosure Determination 2012

1. We write in response to the Electricity Networks Association's (the **ENA**) letter (the **letter**) written on behalf of Electricity Distribution Businesses (**EDBs**), dated 15 February 2023.¹
2. The letter requested that the Commerce Commission (the **Commission**), considering the effects of Cyclone Gabrielle, grant deadline extensions for multiple upcoming regulatory disclosures required under the Electricity Distribution Information Disclosure Determination 2012 (the **ID determination**).²
3. Citing the impacts of Cyclone Gabrielle on its members' networks, the ENA is seeking an extension of two weeks (10 working days) to the deadlines for the following disclosures required by the ID determination:
 - 3.1 Asset Management Plan (**AMP**) disclosures;
 - 3.2 Pricing methodology disclosures; and
 - 3.3 Publication of 2023/2024 distribution prices.

¹ Request for an extension for upcoming regulatory disclosure deadlines, dated 15 February 2023.

² EDB ID Determination 2012, amended November 2022. Found [here](#) on our website.

4. The ENA also requests an extension of 10 working days for Annual Price-Setting Compliance statements, required by the Electricity Distribution Services Default Price-Quality Path Determination 2020 (the **PQ determination**).
5. The scope of this letter is restricted to our response to the extension request for disclosures under the ID determination. The extension request for Annual Price-Setting Compliance statements is being considered separately.³

Background

6. The ID determination requires that EDBs, before the start of each disclosure year,⁴ publicly disclose the following:
 - 6.1 a pricing methodology, in accordance with clause 2.4.1;
 - 6.2 an asset management plan (**AMP**), in accordance with clauses 2.6.1 and 2.6.1A or an AMP update in accordance with clauses 2.6.3 and 2.6.4;
 - 6.3 information on forecasts and asset condition, in accordance with clause 2.6.6; and
 - 6.4 mandatory explanatory notes on forecast information, in accordance with clause 2.7.2.
7. Further, the ID determination requires that each EDB must give 20 working days' notice of pricing or pricing methodology changes.⁵ Specifically, EDBs must:
 - 7.1 at least 20 working days before changing or withdrawing a price or introducing a new price that is payable by 5 or more customers, publicly disclose and give notice of the change in that price, in accordance with clause 2.4.19; and
 - 7.2 publicly disclose any change in pricing methodology or adoption of a different pricing methodology at least 20 working days before prices determined in accordance with the change or the different pricing methodology take effect, in accordance with clause 2.4.2.

Exemption request

8. The ENA requested the extension, outlined in paragraph 3, on the following basis:
 - 8.1 EDBs' resources have been focused on responding to the impacts of Cyclone Gabrielle and its aftermath; and

³ The deadline extension request regarding PQ obligations will be undertaken by an amendment to the relevant DPP and CPP determinations.

⁴ The disclosure year for EDBs is 1 April – 31 March.

⁵ EDBs typically implement pricing changes on 1 April each year.

- 8.2 the impact of Cyclone Gabrielle comes at a time of heavy demand on EDBs' resources. Those competing demands include:
- 8.2.1 developing distribution prices for 2023/2024, including implementing the new Transmission Pricing Methodology (**TPM**);
 - 8.2.2 responding to consultations from the Electricity Authority; and
 - 8.2.3 actively responding to a range of Transpower consultations on implementing the new TPM.
9. The ENA stated that an extension of two weeks (10 working days) would be sufficient as it would allow EDBs to prioritise their response and recovery efforts and then give their full consideration to complying with all relevant disclosure obligations.

Exemption granted

10. We acknowledge the significant impact Cyclone Gabrielle has had on parts of New Zealand, including damage and disruptions to vital network infrastructure that has caused widespread outages of energy, phone, and internet connections. We recognise the effects this has had on electricity networks in particular and understand the need for EDBs to reprioritise resources to respond to problems caused by Cyclone Gabrielle.
11. By this notice, using the exemption powers in clause 2.11.1(1) of the ID determination, the Commission grants all EDBs (in respect of the 2024 disclosure year only) an extension of 10 working days to the due dates for the disclosures outlined in paragraphs 6 and 7 of this letter.
- 11.1 With respect to pricing and pricing methodology changes, this extension only applies to changes that take effect on, or before, 1 April 2023.
12. This extension means that:
- 12.1 the following information, previously due by **31 March 2023**, must now be publicly disclosed by **18 April 2023**:⁶
 - 12.1.1 a pricing methodology, in accordance with clause 2.4.1;
 - 12.1.2 an AMP, in accordance with clauses 2.6.1 and 2.6.1A;⁷
 - 12.1.3 information on forecasts and asset condition, in accordance with clause 2.6.6;

⁶ In granting the ENA's requested extension, we considered the Easter public holiday to provide the revised deadline.

⁷ Clause 2.6.3(2) of the ID determination requires an AMP to be completed, instead of an AMP update, for the AMP disclosure due before the 2024 disclosure year (i.e. before 1 April 2023).

- 12.1.4 mandatory explanatory notes on forecast information, in accordance with clause 2.7.2; and
- 12.2 in respect of pricing or pricing methodology changes set to take effect on 1 April 2023, the following information, previously due before **6 March 2023**, is now due before **20 March 2023**.⁸⁹
- 12.2.1 when changing or withdrawing a price or introducing a new price that is payable by 5 or more customers, EDBs must publicly disclose and give notice of the change in that price, in accordance with clause 2.4.19; and
- 12.2.2 EDBs must publicly disclose any change in pricing methodology or adoption of a different pricing methodology before prices determined in accordance with the change or the different pricing methodology take effect, in accordance with clause 2.4.2.
13. The requirement for director certification of disclosed information, under clause 2.9.1 of the ID determination, continues to apply regardless of the deadline extensions above.

Further Information

14. We are currently assessing exemption requests from some EDBs whose specific circumstances may warrant further relief from their reporting obligations. We encourage other EDBs to contact the Commission if they are facing challenges complying with obligations under the ID determination due to the impacts of Cyclone Gabrielle.
15. This exemption may be revoked or further amended by the Commission at any time in accordance with clause 2.11.1(2) of the ID determination.
16. A copy of this exemption response letter will be published on the Commission's website.
17. If you have any questions regarding this matter, please contact Rhys Williams at infrastructure.regulation@comcom.govt.nz.

⁸ These disclosures are now due at least 10 working days, instead of 20 working days, before the pricing or pricing methodology changes take effect.

⁹ These due dates only apply to pricing or pricing methodology changes set to take effect on 1 April 2023. EDBs with changes set to take effect before 1 April 2023 should calculate the new due date.

Yours sincerely



Andy Burgess
General Manager, Infrastructure Regulation