

Electricity Distribution Services Default Price-Quality Path (Unison unforeseeable major capex project) Amendment Determination 2022 [2022] NZCC 2

The Commission: Sue Begg
Elisabeth Welson
John Crawford
Vhari McWha

Date of decision: 4 March 2022



Dated at Wellington this 4th day of March 2022

COMMERCE COMMISSION

Wellington, New Zealand

Determination history		
Determination date	Decision number	Determination name
27 November 2019	[2019] NZCC 21	Electricity Distribution Services Default Price-Quality Path Determination 2020 [2019] NZCC 21
30 March 2020	[2020] NZCC 3	Electricity Distribution Services Default Price-Quality Path (Definition of discount) Amendments Determination 2020 [2020] NZCC 3
26 November 2020	[2020] NZCC 25	Electricity Distribution Services Default Price-Quality Path (Wellington Electricity transition) Amendments Determination 2020 [2020] NZCC 25
17 December 2020	[2020] NZCC 28	Electricity Distribution Services Default Price-Quality Path (Aurora quality standard variation) Amendments Determination 2020 [2020] NZCC 28
3 March 2022	[2022] NZCC 2	Electricity Distribution Services Default Price-Quality Path (Unison unforeseeable major capex project) Amendment Determination 2022 [2022] NZCC 2

[Drafting notes:

- This amendment determination amends the Electricity Distribution Services Default Price-Quality Path Determination 2020 [2019] NZCC 21 ('principal determination') to increase Unison Networks Limited's allowable revenue to provide for an unforeseeable major capex project.
- The amendment is made under s 52Q of the Commerce Act 1986.]

Electricity Distribution Services Default Price-Quality Path (Unison unforeseeable major capex project) Amendment Determination 2022

Under Part 4 of the Commerce Act 1986 (**Act**), the Commerce Commission makes the following determination:

1. TITLE

1.1 This determination is the Electricity Distribution Services Default Price-Quality Path (Unison unforeseeable major capex project) Amendment Determination 2022.

2. DETERMINATION AMENDED

2.1 This determination amends the Electricity Distribution Services Default Price-Quality Path Determination 2020, [2019] NZCC 21 (**principal determination**).

3. COMMENCEMENT

3.1 This determination comes into force on the date on which notice of the determination is given in the New Zealand Gazette in accordance with s 52P(9) of the Act and s 74(1) of the Legislation Act 2019.

4. PRINCIPAL DETERMINATION AMENDMENTS

4.1 In clause 4.2 of the **principal determination**, replace the definition of ‘**forecast net allowable revenue**’ with:

“**forecast net allowable revenue** has the meaning given in the **IM determination** and is:

“(a) in respect of the first **assessment period**:

“(i) for the purpose of calculating **actual net allowable revenue** for Unison Networks Limited for the first **assessment period**, the amount calculated according to paragraph (2B) of Schedule 1.6; and

“(ii) for all other purposes, the amount specified for a **non-exempt EDB** for the applicable **assessment period** in Schedule 1.4;

“(b) in respect of the second to fifth **assessment periods**, the amount specified for the relevant **assessment period** in Schedule 1.4”.

4.2 In the row for Unison Networks Limited in Table 1.4.1 (Forecast net allowable revenue for the DPP regulatory period) of Schedule 1.4 of the **principal determination**, replace the values in the following columns as follows:

4.2.1 in the column labelled “Assessment period ending 31 March 2022” replace “101,970” with “102,231”;

4.2.2 in the column labelled “Assessment period ending 31 March 2023” replace “104,035” with “104,301”;

4.2.3 in the column labelled “Assessment period ending 31 March 2024” replace “106,115” with “106,387”; and

4.2.4 in the column labelled “Assessment period ending 31 March 2025” replace “108,238” with “108,515”;

4.3 After paragraph (2) of Schedule 1.6 of the **principal determination**, insert the following as new paragraphs (2A) and (2B):

“(2A) For the purpose of paragraph (2)(a), ‘actual net allowable revenue’ for Unison Networks Limited for the first **assessment period** means **forecast net allowable revenue** for the first **assessment period**.

“(2B) For the purpose of paragraph (2A), ‘forecast net allowable revenue’ for Unison Networks Limited for the first **assessment period** means the amount calculated using the following formula:

$$\$102,231 \text{ million} \div ((1 + \Delta CPI_{2022}) \times (1 - X))$$

where:

ΔCPI_{2022} has the meaning specified for ‘ ΔCPI ’ in paragraph (3) of Schedule 1.6 that applied in respect of the second **assessment period**; and

X is the annual rate of change as specified in Schedule 1.2.”

4.4 In the row for Unison Networks Limited in Table 2.2.2 (Forecast aggregate value of commissioned assets for non-exempt EDBs for the DPP regulatory period) of Schedule 2.2 of the **principal determination**, replace the values in the following columns as follows:

4.4.1 in the column labelled “Assessment period ending 31 March 2022”, replace “52,525” with “54,653”; and

4.4.2 in the column labelled “Assessment period ending 31 March 2023”, replace “50,531” with “55,713”.