

2 February 2022

Jim Coe
General Manager
GasNet Limited
P O Box 7149
Whanganui 4541

By email: Jim@gasnet.co.nz

Dear Jim,

Response to GasNet Limited's application for an exemption from Information Disclosure obligation for the 2020/21 disclosure year under the Gas Transmission Information Disclosure Determination 2012

1. We write in response to GasNet Limited's (**GasNet**) letter dated 20 December 2021 that requests the Commerce Commission (**Commission**) provide an exemption from the requirement of the Gas Distribution Information Disclosure Determination (**ID Determination**) for the Disclosure Year ending 30 June 2021 (**DY2021**).¹
2. We respond to your exemption request below. We outline the background of GasNet's exemption request; the basis for the decision made on the exemption request; and our expectations for future exemption requests.

Background

3. Under Part 4 of the Commerce Act 1986, Gas Distribution Businesses (**GDBs**) are subject to ID regulation. The ID Determination requires GDBs to disclose certain information within 6 months of the end of their DY2021.² It also requires GDBs to provide the Commission with certain verification assurances with respect to disclosures.³
4. The Commission may exempt a GDB from any or all of the provisions of the ID Determination, for a period and on such terms and conditions as specified in the exemption notice. The Commission may also revoke any such exemption.⁴

¹ Gas distribution ID Determination requirements available at:
https://comcom.govt.nz/__data/assets/pdf_file/0027/78804/Gas-distribution-information-disclosure-determination-2012-consolidated-3-April-2018.pdf

² Clause 2.8

³ Clause 2.3

⁴ Clause 2.11

Current Exemption Request

5. On 20 December 2021, GasNet applied for an exemption to the requirement to provide the required verified information within 6 months of the end of DY2021.
6. GasNet provided the following reasons for its exemption application:
 - a. The COVID “Traffic Light System” caused resource constraints, both for GasNet to prepare its ID and for its auditor, Audit NZ, to verify GasNet’s ID; and⁵
 - b. The next opportunity for Audit NZ to verify GasNet’s ID is after the due date of 31 December 2021.
7. GasNet requested an exemption to this requirement be granted until 25 February 2022.

Exemption Granted

8. The Commission grants GasNet an exemption from the requirement to provide its verified ID within 6 months of the end of their DY2021, until close of business on Friday 25 February 2022.
9. The Commission grants this exemption on the basis that GasNet will provide its unverified ID within 5 business days of this exemption being granted by the Commission.

Our Process for Exemption Requests

10. GasNet requested an exemption on 20 December 2021, relating to a due date of 31 December 2021. As stated in our guidance to requesting an exemption:⁶
 - a. “Suppliers should allow us sufficient time to process the application. As a general guide, it is suggested that suppliers apply **at least 2 months** in advance of the relevant disclosure due date.”
11. As set out in our administrative guidance, parties should not presume in advance that exemptions will be granted, and short-notice requests reduce the scope for the Commission to grant any requested exemption.

⁵ As Gasnet is a public entity energy company, Audit NZ is required to be its auditor under the Energy Companies Act, Section 45

⁶ <https://comcom.govt.nz/regulated-industries/gas-pipelines/information-disclosure-requirements-for-gas-pipelines/exemptions-to-information-disclosure-requirements>

Next Steps

12. A copy of this exemption response letter will be published on the Commission's website.
13. If you have any questions regarding this matter, please contact Cary Milkop at Cary.Milkop@comcom.govt.nz.

Yours Sincerely,



Dane Gunnell

Head of Electricity, Airports, and Dairy (Acting)