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## COMMERCE ACT (ELECTRICITY DISTRIBUTION THRESHOLDS) AMENDMENT NOTICE 2006

PURSUANT TO PART 4A  
OF THE COMMERCE ACT 1986

**COMMERCE ACT (ELECTRICITY DISTRIBUTION THRESHOLDS)  
AMENDMENT NOTICE 2006**

Pursuant to Part 4A of the Commerce Act 1986, the Commerce Commission (“the Commission”) gives the following notice.

**NOTICE**

**1. Title**

- (1) This notice is the Commerce Act (Electricity Distribution Thresholds) Amendment Notice 2006.
- (2) In this notice, the Commerce Act (Electricity Distribution Thresholds) Notice 2004 (Supplement to the *New Zealand Gazette*, 31 March 2004, No. 37, page 927) is called the “principal notice”.

**2. Commencement**

This notice comes into force on 1 April 2006.

**3. Price path threshold**

Clause 5(1) of the principal notice is amended by omitting paragraph (b), and substituting the following paragraph:

“(b) *notional revenue during each assessment period*: the notional revenue of a distribution business at any time during an assessment period *is not to exceed* the greater of the allowable notional revenue of the distribution business at the assessment date on which that assessment period ends and the allowable notional revenue of the distribution business at the previous assessment date under this clause (or, if the previous assessment date is the reference date, under clause 5 of the initial notice).”

**4. Information requirements**

Clause 7 of the principal notice is amended by omitting subclause (9), and substituting the following subclause:

- “(9) The Commission may at any time, by written notice to a distribution business,—
- (a) exempt from any or all of the provisions of this clause, for a period and on such terms and conditions as the Commission specifies in the notice, any distribution business—
    - (i) in respect of which a control declaration is in force; or
    - (ii) in respect of which an administrative settlement (being an agreement made between the Commission and that business following a breach of either or both of the thresholds by that business) is in force; or
    - (iii) which the Commission has determined not to assess as at any assessment date occurring during that period; and

- (b) revoke any such exemption.”

Dated at Wellington this 31st day of March 2006.

COMMERCE COMMISSION.

## EXPLANATORY NOTE

In 2004, the Commerce Commission set thresholds for the declaration of control in relation to electricity distribution businesses for the 5 years beginning 1 April 2004, and published those thresholds in a supplement to the *New Zealand Gazette*, 31 March 2004, No. 37, page 927, as the Commerce Act (Electricity Distribution Thresholds) Notice 2004 (the “principal notice”).

Further detail regarding the thresholds can be found in a Decision Paper, *Regulation of Electricity Lines Businesses, Targeted Control Regime, Threshold Decisions (Regulatory Period Beginning 2004)*, published by the Commission on 1 April 2004 (the “Decision Paper”).

Having consulted with interested parties, the Commission has amended the thresholds as set out in the above amendment notice. The amendments are as follows:

- (a) the provision relating to notional revenue during an assessment period (clause 5(1)(b) of the principal notice) has been amended to more accurately reflect the intent of the Commission’s decision concerning the price path threshold, as set out in the Decision Paper; and
- (b) the provision relating to exemptions from the information requirements (clause 7(9) of the principal notice) has been extended to, among other things, permit the granting of an exemption to a business that has agreed to an administrative settlement with the Commission or that the Commission has determined not to assess at a particular assessment date.