



Electricity (Transpower's Pricing Methodology) Regulations 2004

Silvia Cartwright, Governor-General

Order in Council

At Wellington this 5th day of April 2004

Present:

Her Excellency the Governor-General in Council

Pursuant to section 172D of the Electricity Act 1992, Her Excellency the Governor-General, acting on the advice and with the consent of the Executive Council and on the recommendation of the Minister of Energy, makes the following regulations.

Contents

1	Title	5	Effect of amendments to, or replacement of, methodology
2	Commencement	6	Proof of methodology
3	Interpretation	7	Access to methodology
4	Pricing methodology for allocating Transpower's revenue requirement		

Regulations

1 Title

These regulations are the Electricity (Transpower's Pricing Methodology) Regulations 2004.

2 Commencement

These regulations come into force on the day after the date of their notification in the *Gazette*.

3 Interpretation

In these regulations, unless the context otherwise requires,—
methodology—

- (a) means the pricing methodology contained in *Pricing for Grid Connection Services from 1 April 2001*, as published by Transpower in December 2000; but
- (b) does not include any year-specific data appended to that document.

4 Pricing methodology for allocating Transpower's revenue requirement

- (1) Transpower must use the methodology for allocating Transpower's revenue requirement to individual electricity generators, electricity distributors, or consumers, or classes of any of those persons.
- (2) Each of those persons who has assets that are directly connected to the national grid must pay for grid connection services the amount that is charged by Transpower in accordance with the methodology.
- (3) The amount payable under subclause (2) is recoverable in any court of competent jurisdiction as a debt due to Transpower.
- (4) This regulation applies except to the extent that it would limit or override any new or existing agreement that is binding on Transpower and the other person.
- (5) The methodology is specifically authorised for the purpose of section 43 of the Commerce Act 1986.
- (6) The methodology has legal effect as part of these regulations.

5 Effect of amendments to, or replacement of, methodology

An amendment to, or replacement of, the methodology has legal effect as part of the methodology only if regulations made under the Act after the making of these regulations state that the particular amendment or replacement has that effect.

6 Proof of methodology

- (1) A copy of the methodology, including any amendment to, or replacement of, the methodology that has legal effect (**material**) must be—
 - (a) certified as a correct copy of the material by the chief executive of the Ministry; and
 - (b) retained by the chief executive of the Ministry.
- (2) The production in proceedings of a certified copy of the material is, in the absence of evidence to the contrary, sufficient evidence of the incorporation in the regulations of the material.

7 Access to methodology

- (1) The chief executive of the Ministry must—
 - (a) make the material referred to in subclause (2) (**material**) available for inspection during working hours free of charge at the head office of the Ministry; and
 - (b) make copies of the material available for purchase at a reasonable price at the head office of the Ministry; and
 - (c) make copies of the material available, at all reasonable times, on an Internet website maintained by, or on behalf of, the Ministry; and
 - (d) give notice in the *Gazette* stating that—
 - (i) the material is incorporated in the regulations and the date on which the regulations were made; and
 - (ii) the material is available for inspection during working hours free of charge and the place at which it can be inspected; and
 - (iii) copies of the material can be purchased and the place at which they can be purchased; and
 - (iv) the material is available on the Internet, free of charge, and the website address.
- (2) The material is—
 - (a) the methodology;
 - (b) any amendment to, or replacement of, the methodology that is incorporated in the regulations or the methodology referred to in paragraph (a) with the amendments or replacement material incorporated.
- (3) A failure to comply with this regulation does not limit or affect regulation 4.

Diane Morcom,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on the day after their notification in the *Gazette*, require persons with assets that are directly connected to the national grid to pay the amount charged by Transpower in accordance with the pricing methodology contained in *Pricing for Grid Connection Services from 1 April 2001*, as published by Transpower in December 2000.

The regulations also specifically authorise that methodology for the purposes of section 43 of the Commerce Act 1986. The effect is that Part II of that Act (which relates to restrictive trade practices) will not apply to the methodology.

Section 19 of the Electricity Amendment Act 2001 required persons with assets that are directly connected to the national grid to pay for grid connection services in accordance with the same methodology. Section 19 expired on 26 January 2004, and was proposed to continue for a further transitional period under clause 20 of the Electricity and Gas Industries Bill that was introduced in 2003.

The recommendation of the Minister of Energy in relation to these regulations was made for transitional purposes (as the Electricity Governance Board is established but has not yet made a recommendation to the Minister on the matter) under section 172E(1)(b)(i) of the Electricity Act 1992.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 8 April 2004.

These regulations are administered in the Ministry of Economic Development.
