



ELECTRICITY PRICE REVIEW

SUBMISSION FORM

How to have your say

We are seeking submissions from the public and industry on our first report into the state of the electricity sector. The report contains a series of questions, which are listed in this form in the order in which they appear. You are free to answer some or all of them.

Where possible, please include evidence (such as facts, figures or relevant examples) to support your views. Please be sure to focus on the question asked and keep each answer short. There are also boxes for you to summarise your key points on Parts three, four and five of the report – we will use these when publishing a summary of responses. There are also boxes to briefly set out potential solutions to issues and concerns raised in the report, and one box at the end for you to include additional information not covered by the other questions.

We would prefer if you completed this form electronically. (The answer boxes will expand as you write.) You can print the form and write your responses. (In that case, expand the boxes before printing. If you still run out of room, continue your responses on an attached piece of paper, but be sure to label it so we know which question it relates to.)

We may contact you if we need to clarify any aspect of your submission.

Email your submission to energymarkets@mbie.govt.nz or post it to:

Electricity Price Review

Secretariat, Ministry of Business, Innovation and Employment

15 Stout Street

PO Box 1473

Wellington 6140

Contact details

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Use of information

We will use your feedback to help us prepare a report to the Government. This second report will recommend improvements to the structure and conduct of the sector, including to the regulatory framework.

We will publish all submissions in PDF form on the website of the Ministry of Business, Innovation and Employment (MBIE), except any material you identify as confidential or that we consider may be defamatory. By making a submission, we consider you have agreed to publication of your submission unless you clearly specify otherwise.

Release of information

Please indicate on the front of your submission whether it contains confidential information and mark the text accordingly. If your submission includes confidential information, please send us a separate public version of the submission.

Please be aware that all information in submissions is subject to the Official Information Act 1982. If we receive an official information request to release confidential parts of a submission, we will contact the submitter when responding to the request.

Private information

The Privacy Act 1993 establishes certain principles regarding the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information in your submission will be used solely to help develop policy advice for this review. Please clearly indicate in your submission whether you want your name to be excluded from any summary of submissions we may publish.

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Summary of questions

Part three: Consumers and prices

Consumer interests

1. *What are your views on the assessment of consumers' priorities?*

I believe that the issues with TLC The Lines Company which covers the Ruapehu, Waitomo, and Turangi district has as in the past been downplayed.

2. *What are your views on whether consumers have an effective voice in the electricity sector?*

Not really, as Grey Power Federation has lobbied hard on behalf of our district and results to date have been zero. Our past Ministers of energy have been of no help whatsoever and sided with TLC regardless of the evidence to the contrary. The cost of the Lines in many instances are higher than the actual power used. In our area we have two power bills. To date TLC has charged all power based on a formula based on the two highest usage reading in the middle of winter, these two costings are then charged on every power bill for the year.

3. *What are your views on whether consumers trust the electricity sector to look after their interests?*

No, as stated earlier, we have made numerous submissions using expert findings and have been told they can see no problem with this.

Prices

4. *What are your views on the assessment of the make-up of recent price changes?*

Has no effect on our area, although TLC are now looking at a new pricing formula.

5. *What are your views on the assessment of how electricity prices compare internationally?*

Our area, ridiculous. Although power in NZ is higher on average than similar countries.

6. *What are your views on the outlook for electricity prices?*

Hopefully now we have a Government determined to sort it out we are keeping our fingers crossed.

Affordability

7. *What are your views on the assessment of the size of the affordability problem?*

I don't believe they have the full details region by region.

8. *What are your views of the assessment of the causes of the affordability problem?*

Vague

9. *What are your views of the assessment of the outlook for the affordability problem?*

We look forward to changes.

Summary of feedback on Part three

10 *Please summarise your key points on Part three.*

1. **Costs variations by region**
2. **Excessive charges due to being a captive customer clientele**
3. **Region sparsely populated so higher maintenance charges.**

Solutions to issues and concerns raised in Part three

11 *Please briefly describe any potential solutions to the issues and concerns raised in Part three.*

The Ruapehu, Waitomo district etc should be subsidized due to the majority of the region being classed as National Park.

Part four: Industry

Generation

12 *What are your views on the assessment of generation sector performance?*

To many variables from supplier to supplier, should be standardized

13 *What are your views of the assessment of barriers to competition in the generation sector?*

The fact that the Lines Company have no competition

14 *What are your views on whether current arrangements will ensure sufficient new generation to meet demand?*

Improving

Retailing

15 *What are your views on the assessment of retail sector performance?*

I don't believe we have a true picture of the retail market providers.

16 *What are your views on the assessment of barriers to competition in retailing?*

Obviously LC has no competitors and has used this as a lever

Vertical integration

17 *What are your views on the assessment of vertical integration and the contract market?*

Better to consider more Government control

18 *What are your views on the assessment of generators' and retailers' profits?*

Vague

Transmission

19 *What are your views on the process, timing and fairness aspects of the transmission pricing methodology?*

TLC anomaly

Distribution

20 *What are your views on the assessment of distributors' profits?*

Excessive

21 *What are your views on the assessment of barriers to greater efficiency for distributors?*

Need more openness from the providers.

22 *What are your views on the assessment of the allocation of distribution costs?*

Does not work in our region

23 *What are your views on the assessment of challenges facing electricity distribution?*

Lots to do. Need more competition although it would be nigh on impossible in Central North Island

Summary of feedback on Part four

24 *Please summarise your key points on Part four.*

AS stated previously, TLC sole provider.

Solutions to issues and concerns raised in Part four

25 *Please briefly describe any potential solutions to the issues and concerns raised in Part four.*

Either subsidize this region or Government control.

Part five: Technology and regulation

Technology

26 *What are your views on the assessment of the impact of technology on consumers and the electricity industry?*

Should get more efficiency but not necessarily lower prices.

27 *What are your views on the assessment of the impact of technology on pricing mechanisms and the fairness of prices?*

As above 26,

28 *What are your views on how emerging technology will affect security of supply, resilience and prices?*

Again see 26

Regulation

29 *What are your views on the assessment of the place of environmental sustainability and fairness in the regulatory system?*

As long as we have security of supply and fair pricing this should be no problem.

30 *What are your views on the assessment of low fixed charge tariff regulations?*

Don't KNow

31 *What are your views on the assessment of gaps or overlaps between the regulators?*

We don't seem to have effective regulators otherwise we would be paying reasonable prices.

32 *What are your views on the assessment of whether the regulatory framework and regulators' workplans enable new technologies and business models to emerge?*

Don't know

33 *What are your views on the assessment of other matters for the regulatory framework?*

Only that one size does not fit all.

Summary of feedback on Part five

34 *Please summarise your key points on Part five.*

Pricing in NZ to variable, some areas cheaper than others for no apparent reason.

Solutions to issues and concerns raised in Part five

35 *Please briefly describe any potential solutions to the issues and concerns raised in Part five.*

Either re Nationalize or put regulations in place to stop gouging.

Additional information

36 *Please briefly provide any additional information or comment you would like to include in your submission.*

I realize that in the Ruapehu etc District we have a small population, to base prices according to your customer base when it comes to power is ridiculous.