

Submission on Electricity Price Review 2018-2019

From: Clive Gifford

Date: 22 March 2019

To: Members of the Expert Advisory Panel

In the options document, you say you favour ending the Electricity Low Fixed Charge Regulations.

You discuss phasing these regulations out over a number of years to lessen the impact.

That will lessen the impact in any one year but it will not lessen the impact at all once all is said and done. Without something similar to replace those regulations, there will essentially be nothing other than “market forces” to stop electricity retailers and distributors from setting fixed charges as high as they like.

This will result in reduced incentive for reducing electricity energy consumption. It will also hit many homes with only one or two occupants very hard, particularly those on low incomes.

I do not believe you have considered the consequences of this proposed change carefully. I oppose the change as presented in the options paper.

The Electricity Authority (EA) are supposed to enforce those regulations. Beginning in 2012 I had a lot of interaction with the EA, including laying of complaints against The Lines Company who are the distributor in the area where I live. During the process I became aware that the EA had failed to require the dominant retailer in my area at that time to make returns as required by the regulations. No returns had been provided at all and the EA had done nothing. As a consequence only a very small number of domestic consumers were receiving the regulated Low Fixed Charge tariff offered by King Country Energy.

I offer this as just one example of the many failures of the EA.

I also spent many many hours dealing with the Commerce Commission over a number of years (from 2012 onwards) involving a number of complaints, and including a disclosure I made under the provisions of the Protected Disclosure Act (as I had been a contractor to the The Lines Company from late 2009 to late 2011). It became increasingly clear to me towards the end of that process that the Commerce Commission was not really interested in being fully open and transparent with customers of The Lines Company concerning “errors” and other failures of that company that resulted in millions of dollars of overcharging over several years. In fact it appeared to me that there had been an effort made by the Commission to effectively hide the details from casual observers.

The “system” appears well and truly broken.

End of submission