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7 May 2012

Carl Hansen  
Electricity Authority  
2 Hunter Street  
WELLINGTON

By email: [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

Dear Carl

## Support voluntary consultation guidelines for changes to distribution tariff structures

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Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Electricity Authority (“the Authority”) on the consultation paper “Voluntary consultation guidelines for proposed changes to distributors’ tariff structures” dated 26 March 2012.

We support the Authority’s voluntary consultation guidelines to assist more effective engagement between retailers and distributors during the tariff structure development process. We have suggested some minor amendments to the consultation guidelines, alongside our responses to the consultation questions that are provided in Appendix A.

We note that the Authority intends to monitor the uptake of the consultation guidelines, as part of its model use-of-system agreements monitoring regime.<sup>1</sup> We recommend that the Authority’s primary focus should be on monitoring and enforcing distributors’ compliance with clause 12A.7 of the Electricity Industry Participation Code (“the Code”). The consultation guideline is simply a voluntary means of assisting distributors to comply with this clause of the Code and the consultation guideline should also be considered a resource for the Authority when it has to consider possible breaches of clause 12A.7 of the Code.

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<sup>1</sup> Paragraph 2.1.4 of the consultation paper.

If you would like to discuss any of these matters further, please contact me on 04 495 6354.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Collins', with a stylized, flowing script.

Karen Collins  
Senior Regulatory Advisor

## Appendix A: Responses to Consultation Questions

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QUESTION	COMMENT
<p>Q1. Do you agree with the proposed consultation principles and good practices? If not, what changes do you suggest, and why?</p>	<p>Yes.</p> <p>However, we suggest the following minor amendments to the voluntary consultation guidelines:</p> <ul style="list-style-type: none"> <li>• it would be helpful if the consultation guidelines made direct reference to the relevant model use-of-systems (“UoSAs”) section on the process for changing tariff rates and tariff structures (currently section nine of the interposed model UoSA);</li> <li>• we recommend that the section on “consultation definition and approach”<sup>2</sup> include the following bullet point: <ul style="list-style-type: none"> <li>“the same information regarding tariff structure changes is made available to all traders”.</li> </ul> <p>This reinforces the equal and even-handed treatment and transparency principles by ensuring that all traders are equally informed about tariff structure changes; and</p> </li> <li>• we recommend that the section “consultation process and timeframe”<sup>3</sup> includes the model UoSA clause that states that distributors are required to provide retailers with 40 days’ notice of a tariff change.<sup>4</sup></li> </ul>

<sup>2</sup> Table one, page four of the consultation paper.

<sup>3</sup> Table one, page five of the consultation paper.

<sup>4</sup> Clause 9.3(a) of the draft model UoSA (interposed).

QUESTION	COMMENT
	Distributors do not always advise retailers of the final prices (following consultation on tariff changes) within a sufficient timeframe to enable retailers to make timely changes to their systems. <sup>5</sup>
Q2. Do you agree with the proposed scope for the consultation process by distributors? If not, what changes do you suggest, and why?	Yes.
Q3. Do you agree that the Authority has taken appropriate factors into account in developing the consultation guidelines?	Yes.
Q4. Are there any other factors the Authority should also take into account? If so, please provide details.	No.

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<sup>5</sup> Refer to our comments outlined in *More Standardisation of Distribution Arrangements: Proposed amendments to the Code*, Genesis Energy submission to the Electricity Authority, 23 June 2011.