



22 December 2011

Submissions  
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Dear Sir or Madam

### **Consultation Paper - 2012/13 Appropriations**

Thank you for the opportunity to comment on the Authority's consultation paper on the 2012/13 appropriations and the associated work programme. No part of this submission is confidential.

#### **Level of Expenditure**

The Electricity Authority is proposing a small increase of \$1.4m in appropriations for its industry governance and market appropriation role. This is driven by additional service provider costs arising from implementation of S.42 matters. We commend the Authority for keeping the required increase low by achieving reductions in core operating costs. Mighty River Power supports the proposed appropriations for the 2012/13 financial year.

#### **Draft Work Programme**

The Authority's work programme (as outlined in Appendix D as the draft path to competition, reliability and efficiency) consists of a comprehensive list of work streams, prioritised by expected year of completion and expected net public benefit.

Mighty River Power considers that the proposed work programme would benefit from refinement in the following areas:

- The work programme and stakeholders alike would benefit from the Authority developing a long-term vision for the New Zealand electricity market (i.e. what should the market look like in 10 years time). The workstreams should then be re-prioritised in terms of their contribution to achieving the long-term vision. This exercise should include elimination or deferral of those workstreams which are incidental to achieving the defined long-term vision.
- The Authority's work programme contains a large number of workstreams, some of which deal with complex matters and will require the application of significant resources, both

