



MAJOR ELECTRICITY USERS' GROUP

21 December 2012

John Rampton
Electricity Authority
By email to submissions@ea.govt.nz

Dear John

Consultation Paper– Proposal to amend Electricity Industry Act to enable collection of fees

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Authority (EA) consultation paper "Proposal to amend Electricity Industry Act to enable collection of fees" dated 23rd November¹. Members of MEUG have been consulted in the preparation of this submission. This submission is not confidential.
2. Responses to the questions in the consultation paper follow:

Question	MEUG response
1. What comment do you have on the Authority's view that the introduction of fees could deliver efficiency gains as it would more readily support the introduction of efficient user-pays charges to recover some costs?	MEUG agrees.
2. What comment do you have on the Authority's view that the introduction of fees to recover some costs could deliver efficiency gains through the enhanced flexibility that a fee arrangement can provide relative to the rigidity of the annual Crown appropriations process?	MEUG agrees.
3. What comment do you have on the Authority's view that the introduction of fees to recover some costs could deliver efficiency gains through more effective	MEUG agrees.

¹ <http://www.ea.govt.nz/our-work/consultations/corporate/collection-of-fees/>

Question	MEUG response
<p>engagement between the Authority as purchasing agent and its "client" industry users on key issues relating to service provision and the engagement of service providers?</p>	
<p>4. What other comments do you have on the Authority's proposal to seek an amendment to the Electricity Industry Act 2010 to allow for the Authority's activities to be funded by a mixture of fees and the industry levy?</p>	<p>MEUG supports this initiative by the Electricity Authority. The proposed change to the Electricity Industry Act 2010 should be a high priority to bring the Authority up to par with the Commerce Commission and Gas Industry Company. The inability of the Authority to apply fees is a drag on improving governance and overall efficiencies in the industry. The sooner this is considered by Parliament, the better.</p>

Yours sincerely



Ralph Matthes
Executive Director