

COUNTIES POWER CONSUMER TRUST

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Tuesday, 11 March 2014

Submissions

Electricity Authority

By email: Submissions@ea.govt.nz

Re: "Issues Paper – retail data project"

The Trustees of Counties Power Consumer Trust are the 100% shareholders of the lines distribution network company Counties Power Limited, based in the Franklin region of New Zealand.

This is their submission on the Issues paper regarding the Retail data project for which the Electricity Authority is seeking feedback. Nothing in this submission is classed as confidential.

Yours faithfully

Gail Riddell
(Secretary)

Issues Paper – Retail Data Project

Question No.	General Comments in regards to the subject matter:	CPCT's Response
Q1.	Does Counties Power Consumer Trust (CPCT) agree there is incomplete data about retail costs and prices?	Yes. Not only is there incomplete data, but such information appears inconsistent (depending on who actually provides that data).
Q2.	Does CPCT agree that the consequences of incomplete data include inefficient decisions and reduced confidence in retail competition?	Not necessarily – each retailer will have its own internal departments calculating its own costs and will be using their own models for setting their “selling” price. (It is not as though either the generator aspect or the retail aspect comes under any pricing regulations!) But from a consumer’s viewpoint, it is their monthly electricity bill that defies correct comparisons with other retailers. It is this which leads to uniformed decision making, thereby making the consumer an easy target for a retailer salesperson and reduces trust and confidence in the current industry.
Q3.	Does CPCT agree there is incomplete information about retail tariffs?	Yes. The published tariffs are readily available. But not for those that are unpublished.
Q4.	Does CPCT agree there is incomplete information about consumption data?	Yes. Currently, a consumer has to work hard at piecing together the little available information (from a variety of sources) plus must take into account estimations of kWh usage. Smart meters with ½ hour consumption data will take this issue to a whole new level of complexity.
Q5.	Does CPCT agree that these issues inhibit effective decision-making by consumers?	Definitely agree that the lack of detail surrounding the cost structure to all the factions involved – from the generator, to the national transmission fees, to the distributor’s costs and the retailer’s prices on top, makes comparison impossible. Thus informed decision making is impossible.
Q6.	Does CPCT agree that the perception of the electricity retail market as competitive is important for the efficient operation of the electricity industry?	Yes.

Issues Paper – Retail Data Project		
Question No.	General Comments in regards to the subject matter:	CPCT's Response
Q7.	Does CPCT consider that the various survey findings on perception of competitiveness in the retail energy market align with reality? (Current perceptions of retail competition).	Although an attempt has been made, such survey results are geared towards the style of question being asked and may well give an incorrect outcome.
Q8.	Does CPCT agree with the objectives of part 1? (Addressing the issue of incomplete data on retail prices and costs.)	Half-hour consumption data by ICP will be useful but provision of same, may need to be subject to a cost-benefit analysis by the owner of the Smart Meter concerned.
Q9.	What comments does CPCT have on the Authority's preliminary thinking on how to achieve the objectives in Part 1?	No comment.
Q10.	Are there alternative approaches that CPCT would like the Authority to consider in part 1?	No comment.
Q11.	Does CPCT agree with the objectives of part 2? (Addressing the issue of incomplete data on tariff plans and tariffs).	Yes.
Q12.	What comments does CPCT have on the Authority's preliminary thinking on how to achieve the objectives of part 2?	Consideration will need to be given to the confidentiality of certain information. It will be paramount to maintain privacy. However, this data is less intrusive compared to data collected by, and stored by, telecommunication companies. Such companies store detailed records of household websites visited and phone calls made.
Q13.	Are there alternative approaches that CPCT would like the Authority to consider in part 2?	No comment.
Q14.	Does CPCT agree with the objectives of part 3? (Addressing the issue of incomplete consumption data).	Yes.

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Question No.	General Comments in regards to the subject matter:	CPCT's Response
Q15.	What comments does CPCT have on the Authority's preliminary thinking on how to achieve the objectives of part 3	No comment.
Q16.	Are there alternative approaches that CPCT would like the Authority to consider in part 3?	No comment
Q17.	Does CPCT have any comments on the approach to project presented in the consultation paper?	Yes. Month after month, yet a new consultation paper is issued. Year after year the various Energy ministers are lobbied for transparency on retailer invoices. Over and over, the Authority keeps finding reasons to launch yet a new consultation. And all the while, the retailers and generators remain "laws unto themselves". The retailers' tariff structures and pricing means that they have all the data required for invoice transparency.
Q18.	Does CPCT have any suggestions for topics or particular questions CPCT would like addressed at industry workshops regarding this project?	No.
Q19.	Would CPCT be interested in providing sample data to the Authority to assist them with developing detailed options?	