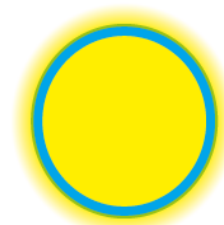


03 October 2014

Submissions
Electricity Authority
PO Box 10041
WELLINGTON 6143

POWERCO



Dear Sir/Madam

Re: Proposed Code amendments: Implementing retailer default

This is Powerco Limited's submission on the Electricity Authority's consultation paper *Proposed Code amendments: Implementing retailer default*. Thank you for the opportunity to submit on this paper

We have seen the submission made by the Electricity Networks Association (ENA) and strongly agree with that submission.

We consider that the proposed amendment to the Code to allow a trader (retailer) to operate in a network area, without an agreement for lines services, for 20 business days after it is assigned customers under the mandatory assignment process that is the last step following the occurrence of a default, is neither necessary nor desirable. This proposal is a departure from the process that was indicated during the development of the retailer default provisions, whereby traders would be assigned ICPs based on market share and, if a trader had no lines services agreement, and hence no market share in an area, it would not be assigned any ICPs. The original drafting is the most appropriate mechanism for the industry and, consistent with the ENA recommendation, we support this approach being retained.

We support the other proposed Code amendments and consider that that they will address the operational issues identified in the consultation paper.

If you wish to discuss any aspect of this submission please contact Oliver Vincent (oliver.vincent@powerco.co.nz), ph. (06)757-3397 in the first instance.

Yours sincerely

A handwritten signature in blue ink that reads "Oliver Vincent". The signature is stylized with a large 'O' and a long horizontal stroke.

Oliver Vincent
Regulatory Analyst