



26 July 2016

Electricity Authority

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

**Transmission Pricing Methodology – Issues and Proposal (Second Issues Paper)**

I am writing to you to express our support for BusinessNZ's submission on the Electricity Authority's review of the transmission pricing methodology (the TPM).

Business Central represents business interests throughout central New Zealand from Taranaki across to Gisborne and down to Nelson. Business Central is one of the four regional organisations comprising New Zealand's peak business advocacy group, BusinessNZ. In Wellington, our organisation operates the Wellington Chamber of Commerce, accredited to the New Zealand Chamber of Commerce network. Our organisation also delivers ExportNZ to Wellington and the Hawke's Bay.

Business Central welcomes the effort that the Electricity Authority has continued to progress its work on a revised TPM to ensure that the charges faced by business for transmission-related services are efficient. A key element, in our view, of efficient prices is to ensure that those who benefit from the transmission services provided pay for them. It is quite clear that this has not been the case for some time and the status quo is unsustainable.

To this end, we believe that the work of the Electricity Authority unequivocally points to a fairer, more durable outcome and one in which our members will see cost reductions relative to the status quo. This outcome will put money into the pockets of consumers and contribute to more vibrant retail and manufacturing sectors in our local communities through more jobs and investment.

In this regard, we strongly agree with BusinessNZ when it notes that it is not:

“ ... appropriate to shield businesses or consumers from the true cost of the services provided from which they benefit.”

Business Central supports the recommendations of BusinessNZ and, in line with BusinessNZ, we would like the Electricity Authority to assure itself in the areas identified in order to strengthen the quality of the eventual outcome. However, we also note and support the call to action by BusinessNZ where it notes:

“The current transmission pricing methodology is unsustainable, and has been now for some time. Reform is well overdue. Every year reform is delayed contributes to an on-going misalignment between those who benefit and those who do not, and entrenches inefficiencies in the provision and use of transmission infrastructure.”

We look forward to the Electricity Authority now moving with speed in order to secure a fairer, more efficient outcome for businesses and residential consumers.

Yours sincerely,

John Milford, CE, Business Central