

COUNTIES POWER CONSUMER TRUST

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Wednesday, 30 November 16

Submissions

Electricity Authority
P O Box 10041
Wellington 6143

By email: submissions@ea.govt.nz

Thank you for the opportunity to make a submission on the Electricity Authority (EA) Code Review programme 2016. There is nothing in this submission that is confidential.

Counties Power Consumer Trust (CPCT) is a Pukekohe based Energy Trust and its Trustees hold all the shares of Counties Power Limited in Trust for the connected consumers to Counties Power.

Our submission focuses on the EA's stance that the requirements on the EA to act and behave reasonably in the Electricity Industry Participation Code (Code) are no longer necessary on the basis that since it is a Crown entity, and so such requirements are inherent. Consequently, the EA stated requirements pertaining to acting reasonably and making decisions on reasonable grounds are redundant in the Code.

Such a removal of these words, in the Trustees' collective view, would effectively reduce the EA's requirement for reasonable treatment at all times and in all circumstances across all and between all New Zealand electricity consumers. This could only have a detrimental effect and do nothing to enhance the goodwill between the Authority and consumers. Further, Trustees consider that due to the EA's unusual power to amend the Code under which it operates (unlike other Crown entities which must go through the Minister in charge), the New Zealand consumers need as much protection as is possible as opposed to less. Furthermore, the Trustees believe that the EA's Transmission Pricing Methodology (TPM) proposals have highlighted flaws in the current regulatory and legislative framework that governs the EA through requiring the EA to introduce changes to the Code with no consideration to fairness. To now compound this problem with the requirement to act reasonably cannot be justified or in the best interest of electricity consumers.

Added to the Trustees' concerns is the lack of governance that has been displayed by the Minister of Energy and the Ministry of Business, Innovation and Employment (MBIE) to ensure electricity regulations set under the Code like the TPM are more than just the EA seeking efficiency improvements.

All Trust correspondence to be addressed to: Box 580, PUKEKOHE 2340

Chair: Mrs C P Rupp

Secretary: Miss G Riddell

Issues like equity, fairness and reasonableness is at the heart of good government policy and therefore the Trustees do not support any such amendment as proposed in the EA's consultation paper 2016.

For any enquiries on this submission, please contact the Secretary to the Trustees in the first instance.

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