



**FEDERATED  
FARMERS**  
OF NEW ZEALAND

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Electricity Authority

**Submission: *Supporting Reform to Efficient Distribution Pricing : a refreshed Distribution Pricing Practice Note***

Federated Farmers of New Zealand appreciates the opportunity to provide feedback on the Electricity Authority's *Supporting Reform to Efficient Distribution Pricing: a refreshed Distribution Pricing Practice Note* consultation paper.

Our interest as an organisation in the consultation centres around the experience of our farmer members on the quality of their electricity supply and the costs they bear in its delivery to their farming properties.

We appreciate the Authority recommending that electricity distribution businesses (EDBs) group consumers into groups that better reflect the differing situations and circumstances of EDB consumers, and that the Authority suggests the separation of urban and rural consumers into their own groups. We look forward to such a division giving rise to performance measures and statistics that better reflect the reality for many farmers of unreliable and uncertain electricity supply.

We are, however, concerned that the Authority recommends that rural residential households be treated as a proxy for rural consumers more generally. The circumstances for rural residences differ markedly from that of farm businesses, both in terms of the scale and timing of demand as well as the availability of opportunities to change behaviour when it comes to the scale and timing of demand. The reality is that emerging technologies for self-generation either focus on smaller-scale residential builds or larger-scale bespoke commercial builds. Neither scale build is possible without the farm business needing to over-invest in multiple smaller systems or a system that is more than the farm would ever require.

Another matter of concern to our farmer members is that of the statement in the paper regarding the Authority's concern that EDBs have not been implementing differentials to the prices borne by urban vs rural consumers. While we do appreciate that this is described as a matter of further work for the Authority, it is concerning that this statement should be made in the paper at all. Rural consumers provide an invaluable continuing contribution towards connecting communities and enabling supply between more densely-populated areas by hosting the lines network on their properties. This is despite the ongoing challenges for those rural properties to manage the land around an EDBs lines and poles, especially when those lines and poles do not directly connect supply to the property. We consider this should justify to some extent the continuation of both urban and rural consumers bearing similar connection charges.

Yours sincerely,

**Colin Hurst**

National board member and electricity spokesperson