



**FEDERATED  
FARMERS**  
OF NEW ZEALAND

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Electricity Authority

**Submission: *Updating the Regulatory Settings for Distribution Networks* discussion paper**

Federated Farmers of New Zealand appreciates the opportunity to provide feedback on the Electricity Authority's *Updating the Regulatory Settings for Distribution Networks* discussion paper.

Our interest as an organisation in the consultation centres around the experience of our farmer members on the quality of their electricity supply in the face of increasing costs of supply. While we understand that efficient pricing is not a consideration in the consultation, we do consider it worth raising the matter of value for money for rural consumers as it relates to electricity supply standards.

The consultation paper has a focus on adjusting the range of electricity supply standards on electricity distribution businesses (EDBs) to better reflect the emergence of distributed generation in residential households and other consumer types. The nature of electricity demand on a farm is somewhere between that of a residential consumer and commercial consumer, depending on the farm type and seasonal demand profile.

Efficient pricing guidelines encourage costs to fall where they arise, and rural consumers do incur higher connection costs on a customers per km basis than would be the case in more densely populated areas of an EDBs lines network. It would be concerning for EDBs to increase the cost for rural electricity supply without also improving the reliability of networked electricity supply in rural areas.

We recommend the Authority consider disaggregating performance measures and statistics in such a way that provides a more realistic picture of EDB service quality across consumer types and within sub-regions of an EDB's network.

Currently, performance measures tend to aggregate performance measures and statistics (such as SAIDI and SAIFI) in a manner that gives the impression a company is generally providing a pretty good level of service to all its consumers. In aggregating such statistics in that way, the experience of rural consumers of more frequent / longer lasting outages generally goes under-recognised. This risks becoming a bigger issue as EDBs are encouraged by the Authority to make greater use of efficient pricing to influence the behaviour of a consumer type with few alternatives to take up.

Yours sincerely,

**Colin Hurst**

National board member and electricity spokesperson