



meridian

18 December 2009

Kate Hudson  
Electricity Commission  
PO Box 10041  
Wellington

Dear Kate

**Distribution Pricing Principles and Information Disclosure Guidelines**

Thank you for the opportunity to comment on the consultation paper *Distribution Pricing Principles and Information Disclosure Guidelines*.

Meridian notes that, since the publication of the consultation document, government has announced the decisions from the *Ministerial Review of the Electricity Market*. One of those decisions is to direct the Electricity Authority to develop rules "requiring lines businesses to put in place simplified lines tariff structures and use-of-system business rules".

The Ministerial review decisions also note that the Commerce Commission should not develop distribution methodologies where there is an industry-specific regulator.

Meridian wholeheartedly supports this decision from the Ministerial Review. This seems to clear the way and set the requirement for the Electricity Commission and then the Electricity Authority to develop mandatory pricing methodologies for distribution pricing. We look forward to the simplified distribution tariffs these changes will bring.

We anticipate the Commission will need to reconsider the current consultation on guidelines and voluntary measures in light of the Ministerial Review decisions.

To the extent that it is helpful, we have provided responses to the Commission's questions on the current consultation overleaf.

We look forward to future consultation on measures to require lines companies to simplify tariff structures.

Yours faithfully

Anthony White  
Regulatory Analyst

Q1: Do you agree with the wording of these proposed principles?

Meridian is happy with the wording of the proposed principles. These principles appear to remain satisfactory for the development of required simplified tariffs.

Q2: Do you support the concept of information disclosure guidelines rather than the more prescriptive methodological requirements?

Q3: Do you agree with the wording of these proposed information disclosure guidelines?

Meridian does not support guidelines for distribution pricing over more prescriptive methodological requirements. Guidelines for distribution companies have not yet had any discernable effect, and there is no reason to expect they would have an effect now.

Q4: Do you agree with the proposed process and timetable for reporting?

Meridian does support the proposed process for reporting.

Considering the decisions in the Ministerial Review and the subsequent timeframe in the Electricity Industry Bill for rules requiring lines companies to simplify tariffs, this reporting timeframe may need to be revisited.