



7 December 2009

Kate Hudson
Electricity Commission
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Dear Kate

Distribution Pricing Principles and Information Disclosure Guidelines

Thank you for the opportunity to comment on the paper 'Distribution Pricing Principles and Information Disclosure Guidelines'. Our comments on the paper are outlined in this letter.

Powershop supports the Commission's efforts to encourage simplification and consolidation of distribution pricing methods. In addition to the principles proposed we suggest the Commission amend the principles to include the concept of 'cost certainty'. This is because Retailers should be able to identify the cost of services before they are used. Some demand charging arrangements create real difficulties for retailers because the cost of services are not determinable until after use.

#	Question	Powershop's comments
Q1	Do you agree with the wording of these proposed principles? Please give reasons where you do not agree.	Powershop supports the proposed pricing principles, we also suggest that 'principle d' should capture the concept of cost certainty. By 'cost certainty' we mean pricing structures that give certainty over the cost of using a unit of lines services at a particular time so that we can determine the cost of services that may be used by a customer ex ante.
Q2	Do you support the concept of information disclosure guidelines rather than the more prescriptive methodological requirements?	Yes, we support this approach.
Q3	Do you agree with the wording of these proposed information disclosure guidelines? Please give reasons where you do not agree.	Yes, we agree with the proposed wording.
Q4	Do you agree with the proposed process and timetable for reporting? Please give reasons where you do not agree.	Yes, we agree with the proposed process and timetable for reporting.

Please contact me if you have any questions about this submission.



Yours sincerely

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