

19 September 2012

Carl Hansen
Chief Executive
Electricity Authority
PO Box 10041
Wellington

Dear Carl

Re: Retail Advisory Group work plan

The Retail Advisory Group (RAG) met on Thursday 30 August 2012 and discussed the work plan proposed by the Authority, including the two additional projects suggested by the RAG.

I am pleased to confirm the RAG has agreed to undertake the work plan, as follows:

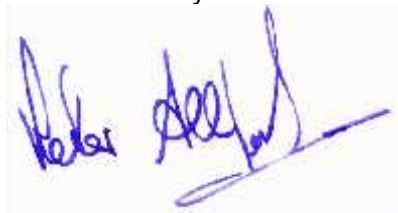
1. a review of options for promoting retail competition by increasing consumers' propensity to compare and switch retailers;
2. a review of options to improve retail competition in embedded and customer networks;
3. a review of domestic contracting arrangements; and
4. a review of whether there should be mandatory disclosure of the component parts of customer's electricity bills.

The RAG is continuing with the retailer default project and anticipates providing the Board with recommendations and advice in December.

The RAG is looking forward to exploring all these issues further and has already commenced work on developing a detailed scope for items (1) and (3) above.

I look forward to further discussions with Authority staff about all these projects.

Yours sincerely



Peter Allport
Chair, Retail Advisory Group