

12 February 2013

Peter Allport
Chair
Retail Advisory Group

By Email

Dear Peter

Review of options for promoting retail competition by increasing consumers' propensity to compare and switch retailers

Thank you for taking the time to meet with the Authority's Board on 19 December 2012. As discussed with you, the Board requests the Retail Advisory Group (RAG) reconsider the discussion paper, *Consumer switching: assessing performance and next steps* (discussion paper), that was provided to the Board for information purposes.

The Board notes that, with hindsight, it was not as clear as it should have been in instructing the RAG on the purpose and objectives of the project. As a result, the discussion paper does not cover the terms of reference the Board wished the RAG to address. The Board regrets this ambiguity and apologises, especially in relation to the effort and consideration the RAG has given to this matter to date.

To clarify the project scope, the Board requests that the RAG reconsider the discussion paper in light of the following refined purpose:

seek submitter feedback on what actions the Authority can take after 30 April 2014 to promote to consumers the benefits of comparing and switching retailers

In this context, the Board views the following as the high level objectives of the paper:

- consider the problem(s) with retail competition that were identified in the 2009 Ministerial Review of electricity market performance
- assess the extent to which the problem(s) identified in 2009 exists now, using performance measures where appropriate
- consider possible options for increasing consumers' propensity to compare and switch retailers after April 2014 (when current funding arrangements terminate).

The Board recognises that much of the work of the RAG to date on this project remains relevant. Please contact Craig Evans, Manager Retail and Network markets, on (04) 460 8850 at your convenience to discuss any further clarifications you may require.

Yours sincerely

A handwritten signature in blue ink that reads "Carl Hansen". The signature is written in a cursive, flowing style.

Carl Hansen
Chief Executive