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Friday, 26 September 2014

Submissions

Electricity Authority

By email: submissions@ea.govt.nz

Re: Consultation Paper—Improving transparency of consumers' electricity charges

PUKEKOHE 2340

Counties Power Consumer Trust owns 100% of the Lines company Counties Power Limited. We are a consumer trust (as opposed to a community trust) which means that any distributions of its profits (in whatever form) go to the persons (or entities) who have premises connected to the Counties Power network irrespective of their dwelling or postal address.

1. There are no confidential sections in this submission.

2. Proposal for transparency improvements

As you are aware there have been many requests for a detailed separation of line charges and electricity charges on an electricity invoice sent to the end consumer. To a certain extent this issue has been put aside by the logic that the retailers are not monopolistic but that the lines companies are. In other situations, the distributors are blamed because of the multiplicity of tarrif structures. However because lines companies are regulated in the profits they can make (and by inference, the prices they can charge) and by the statutory requirements for information disclosure, their profits are in the public domain. What is not available anywhere are the profits of the 'gentailers'.

3. Monopolistic Retailers

In general, retailers are not meant to be monopolistic but in certain districts covered by our network, there is only one retailer available! There is no choice for those affected consumers.

CONTACT:

The contact for any enquiries on the above submission is:

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Chairman: Mr A D Eyes Secretary: Miss G Riddell This submission from Counties Power Consumer Trust (CPCT) supports the submission of the Electricity Trusts of New Zealand (ETNZ), and more specifically, to comment on Appendix C, that is, the Proposed Amendment.

To commence, CPCT was both surprised and pleased to see the level of detail as supplied on your given example of the Pulse Energy invoice. CPCT is aware that Mercury provides similar and precisely because of this, CPCT has asked why (in past submissions) it is that if one retailer can provide this information, then why do other retailers not provide same (or similar) detail?

Counties Power Consumer Trust emphasises all the points as supplied in detail through the ETNZ submission – all of which appear to be captured in the Pulse Invoice. That is to insist that each and every retailer includes the following information in every invoice:

- Generation
- Transmission charges
- Distribution charges
- Equipment rental charges (if any)
- Retailer charges
- Regulatory Levies

Until this is done, a consumer is unable to compare retailers and therefore is forced to rely on retailer sales person's "promises" (which may or may not be 100% accurate) and cannot make an informed decision as to whether (or not) to switch retailers – always assuming there is a 2nd retailer available for that geographic area.

The proposal as put forward by the EA is dealing, in our opinion, with an "after the fact" issue. That is, it is suggesting that specific conditions must be met by the retailer regarding giving notice to a consumer to any tariff alterations. Under these circumstances, CPCT believes the Electricity Commission (EA) has overlooked the need to firstly focus on the detail (as requested in the paragraph above) to provide the end consumer on their monthly invoices.

Once such detail is dealt with, only then ought the EA to consider invoking the clauses as proposed in Appendix C.