From:

To: <u>Submissions Mailbox</u>

Subject: Consultation Paper - Transmission Pricing Methodology: options paper

**Date:** Saturday, 20 June 2015 8:01:32 p.m.

I am totally dismayed by and submit against this proposal.

It is based on shallow and simplistic "user pays" out dated pricing models that fly in the face of government policy for merging local government entities to spread (and share) costs for public goods across larger populations who benefit from the services provided. (That differs only for fees charged for services where a private benefit occurs, eg building permits.)

Transmission of electricity is a basic public good infrastructure that largely provides equal access to all consumers who should pay according to ability to access- as they do for using NZ roads. The road tax rate does not change from region to region (other than for the special Auckland project). The methodology now proposed to charge according to location and cost structure may be appropriate for the private sector (where true market competition operates), but is wrong and confused where public infrastructure is concerned. Sustainable supply at least cost should be your organisation's goal - at an equal fixed cost daily rate paid by all who access the grid (varied only to distinguish domestic, commercial and industrial access).

The Authority is a government entity and should not confuse its role by applying private sector commercial pricing policies to its operations. The so-called "privatisation" of the electricity supply in NZ some two decades ago has been a disaster for citizens who now pay very higher power prices compared with the local community owned system that operated prior to the change.

It is therefore pleasing to read in today's press, the industry's unanimous objection to this proposal.

Yours faithfully

C G McCullough Chartered Accountant (Retd)

Whangarei