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14 December 2009

Kate Hudson
Electricity Commission
Level 7, ASB Bank Tower
2 Hunter Street
WELLINGTON

By email: submissions@electricitycommission.govt.nz

Dear Kate

Transparency of Charge Components

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Electricity Commission on the consultation paper "Transparency of charge components" dated 12 November 2009.

Genesis Energy's responses to the consultation questions are in Appendix A.

If you would like to discuss this matter further, please contact me on 04 495 3348.

Yours sincerely

A handwritten signature in black ink that reads "Ross Parry".

Ross Parry
Regulatory Affairs Manager
Genesis Energy

Appendix A: Responses to Consultation Questions

QUESTION	COMMENT
Q1: Are there any other options that have not been considered in this consultation paper that you think require further investigation?	No.
Q2: Do you agree with the Commission's short-listed proposals (option 3 and option 4)?	<p>There does not appear to be any compelling evidence of unmet consumer demand for information on charge components. A motivated consumer can obtain this information already and lines businesses are free to communicate this information directly if they wish. As such, Genesis Energy does not support options one, two and three. These options would involve unnecessary intrusions into the retailer-customer relationship.</p> <p>Genesis Energy is comfortable with options four (Commission disclosure) and five (no disclosure), though our preference is option four given that there is generally value to making market information readily available to interested parties.</p>
Q3: Do you consider that there is a net benefit to customers of advertising the existence of this information on the Commission's website on invoices?	<p>No.</p> <p>Customers base their choice of supplier on the overall rate that they will pay (and on various non-price attributes). It is preferable that invoices are clear and legible and not cluttered with regulated information disclosures.</p>

QUESTION	COMMENT
<p>Q4: Do you see any implementation difficulties with meeting these proposals?</p>	<p>If the Commission adopts option three then retailers will need to alter their invoices and respond to resulting queries from customers.</p> <p>Genesis Energy notes that at least one retailer (Powershop) does not issue invoices and does not have standard tariffs that could be unbundled. Genesis Energy expects that retail innovation (both in tariff design and in business models) would make application of options one, two, three and four increasingly problematic over time.</p>