



Submissions
Electricity Authority
PO Box 10041
Wellington 6143

24 February 2017

via email: submissions@ea.govt.nz

**Transmission Pricing Methodology: Issues and Proposal (Second Issues Paper) –
Supplementary Consultation**

I am writing to you to express our support for BusinessNZ's submission on the Electricity Authority's review of the transmission pricing methodology (the TPM).

Business Central represents business interests throughout central New Zealand from Taranaki across to Gisborne and down to Nelson. Business Central is one of the four regional organisations comprising New Zealand's peak business advocacy group, BusinessNZ. In Wellington, our organisation operates the Wellington Chamber of Commerce, accredited to the New Zealand Chamber of Commerce network. Our organisation also delivers ExportNZ to Wellington and the Hawke's Bay.

Business Central welcomes the ongoing effort of the Electricity Authority in revising the TPM. As we have raised previously, a key element, in our view, of efficient prices is to ensure that those who benefit from the transmission services provided pay for them. It is quite clear that this has not been the case for some time and the status quo is unsustainable.

Business Central supports the recommendations of BusinessNZ on the refinement paper, and welcome the Electricity Authority's recognition of BusinessNZ's recommendations on the previous paper. We would like the Electricity Authority to assure itself in the areas identified in order to strengthen the quality of the eventual outcome.

We would like to reiterate BusinessNZ's point that:

“Signalling to stakeholders that the guidelines are in their best long-term interests is different to stakeholders understanding and believing it to be true. Core to this will whether the Electricity Authority can convince a hypothetical disinterested, but fair-minded observer...that the changes are efficient.”

While the Electricity Authority has thus far listened to feedback from submitters, it is important they continue to do so.

In line with BusinessNZ, we continue to urge the Electricity Authority to ensure that overall its changes remain consistent with its principles of being cost reflective and service based.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Milford', written in a cursive style.

John Milford, Chief Executive, Business Central