

COUNTIES POWER CONSUMER TRUST

Web Site: <http://www.countiespowertrust.org.nz>

Email: secretary@countiespowertrust.org.nz

The Trust Office is situated at

Office 10, 2nd Level
Professional House
12—18 Seddon St
PUKEKOHE

Contact Details

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Postal Address

Box 580, PUKEKOHE 2340

TO: ELECTRICITY COMMISSION

info@electricity commission.govt.nz

FROM: Counties Power Consumer Trust

DATE: Wednesday, 18 July 2007

SUBJECT: Market Design Review Issues

Attention: Jenny Walton
Electricity Commission
Level 7, ASB Bank Tower
P O Box 10 041
WELLINGTON

*All Trust correspondence to be addressed to: **Box 580, PUKEKOHE 2340***

Chairman: Mr R H Arvidson

Secretary: Miss G Riddell

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SUBMISSION TO Electricity Commission On

MARKET PERFORMANCE & MARKET DESIGN REVIEW

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.

The Electricity Commission is a Crown entity established when the Electricity industry (Trusts included) failed to vote for an industry Governance Body. The Electricity commission should in our opinion be looking at all Governance issues in the industry.

1. There are no confidential sections in this submission.

2. Separation of Charges on Electricity Invoices

It was noted in the recent Auckland presentation by the Electricity Commission that there are gaps in the knowledge of figures relating to the margins of the retailers of electricity. As you are aware there have been many requests for a separation of line charges and electricity charges on an electricity invoice to the end consumer. To a certain extent this issue has been put aside by the logic that the retailers are not monopolistic but the lines companies are. 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 for research is the profits of the 'gentailers'. There is an increasing need for separation of costs on the electricity invoice. Even if this is already being considered by the Commission and/or other parties we are of the opinion that it should be included in the Review.

In general retailers are not meant to be monopolistic but in certain districts covered by our network, there is only 1 retailer available!

3. Consumer Names and Addresses

When the Trust makes a distribution to all its beneficiaries, it is paramount that accurate and full names and addresses of all those persons connected to the network at a given date can be supplied and a 'Distribution Roll' established. With the separation of retailers and network companies, the network companies are now totally reliant on the retailers having sufficient information in their data bases to

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supply this detail. The Auckland Energy Consumer Trust was severely criticised by the court for failure to create a distribution roll.

Last year Counties Power Consumer Trust undertook an efficiency saving project (with the aid of the Electricity Commission) in the form of heavily subsidising high factor energy bulbs and making these available to all those persons and entities connected to the network. This, in spite of names and address issues, was a success. The subject of names and addresses became an issue because the Trust had to rely on the Lines Company receiving that information from the retailers. Unfortunately incomplete data came from the retailers causing the Trust, New Zealand Post and the end consumers many wasted hours. This is still not resolved.

4. Retailers supplying Consumer Names and Addresses

The Trust is having its biennial elections this year and in order to mail out voting papers and check the validity of those returned votes, it is imperative that the Returning Officer for the election has accurate names and addresses at a given date on which he can rely.

One retailer refused to supply those names and addresses. That retailer had obtained legal opinion that such information was confidential to them and they need only supply specific information on request to our network company for network maintenance purposes only. Our network company was forbidden to pass that information through to its owner (the Trust) for use by the Trust.

Although at the 11th hour that retailer finally agreed to supply those names and addresses, it caused unnecessary waste of time and money. There is no guarantee that this will not be repeated in the future.

5. We support the ETNZ submission dated 17/07/2007.

We submit that the Electricity Commission should include these matters in its Review.

We are of the opinion that the separation of the lines companies from the retailers has not been the success that was envisaged. It has brought unnecessary problems to both administrators and end consumers rather than benefits.

CONTACT:

The contact for any enquiries on the above submission is:

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