

Network companies are an essential part of the Electricity Industry in New Zealand and therefore it is essential that their networks are maintained and fit for purpose, but we must question why Powerco believe that they must now upgrade their system over five years and why this has not been something that was part of their long term planning years back, why suddenly now?

As a group representing the residential consumer the Grey Power Federation is concerned as to the effect that this proposal will have on not only our members but all residential consumers,

I as a spokesperson of the Grey Power National Advisory Group on Energy and having also been involved in the Electrical Supply industry for over 50 years must question the financial effect that this CPP proposal will have on the people I represent.

We, that is the Grey Power Federation, want you the Commerce Commission to think of the effect this will have on the Residential consumer, I am sure that MEUG will clearly express the concerns of the Industrial sector.

The new Minister of Energy Megan Woods is proposing an investigation into the Retail price of electricity, but Grey Power believe it is the pricing imposed by the Network companies that needs investigation and therefore the Commerce Commission and the methodology used in approving proposals such as Powerco's CPP.

Grey Power have their own electricity retail brand, Grey Power Electricity which is administered by Pulse Energy and it is our policy that the invoices sent out to our customers are fully transparent and all costs are individually delineated and as such they show that it is the Network companies charges that are the greater part of the cost of electricity.

If Powerco have failed to keep their network up to date and fit for purpose at all times they should not now be imposing increased costs onto the consumers to catch up while more than likely still paying dividends to their shareholders.

When I was a member of one the country's largest Power Boards we continued to maintain and improve our network without imposing increased costs over a short period time onto our consumers, long term loans were used so that the costs of improvements were not paid for by today's consumers alone, we were consumer owned and consumer responsible and it was important that we kept any price increases to a minimum, because we needed to show our neighbouring Power Boards that we were more responsible than them, we did not need a Commerce Commission to oversee what we were doing.

It is now the Commerce Commissions responsibility to see that Powerco get their network up to scratch, but at the same time to not penalise their consumers of today for their past lack of future proofing of their network.

Allen Davies  
Co-chair of the Grey Power Federation National Advisory Group on Energy.