

Aurora Energy CPP report.

Aurora, the electricity distribution lines company owned by the Dunedin City Council (DCC), has been receiving significant flak following the release of its “Cost price quality path” (CPP) report of 10 June 2020. In Central Otago in particular several Aurora sponsored meetings, held ostensibly to receive feedback, have been met with hostility from the locals, largely as a consequence of repeated failures by the Aurora management to provide an adequate service. As well, significant charge increases are on their horizon. Meeting attendees felt that the plans were already set in concrete, and that suggestions of consultation had been a nonsense – see first item below.

The CPP states in its Executive Summary that “customers have told them that

- Existing levels of reliability are acceptable
- Essential work is supported but affordability is a significant concern
- Regional price differences raised some concerns.”

This has been written in spite of what seem to be flagrant abuses of the Electricity authority’s regulatory framework for monopolies, of which Aurora is one. In its overall acceptance of the Aurora report it seems that the Commerce Commission has been inept, both in defining the parameters that its consultant Strata should have covered in its review, and also in responding incorrectly to the Strata findings. This comment can be verified by reading the (numerous) relevant documents.

While Aurora’s financial woes are plain to see, an appropriate and equitable solution is not. Fines imposed by the Commission only worsen the position as ultimately they will be borne by the consumer.

The whole business of electricity distribution in NZ has been an issue ever since the nonsensical Max Bradford “reforms”, and the subsequent evolution of individual lines companies and their agendas. The Wellington district for example has had its lines company sold four times, each in increasing valuation, with large profits ending up in an overseas corporation. It is high time that regional electricity distribution in NZ should be public property, in community or ideally in national ownership, with lines charges spread evenly across the population and based possibly on consumption. Aurora needs a rethink of its proposed path forward, and the Commerce Commission a reminder of its obligation to shield consumers from monopoly malpractice.

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