

Submission to the Commerce Commission re Draft Aurora CPP

from Queenstown Grey Power Inc

Queenstown Grey Power has 209 members most of whom live in the Wakatipu Basin. We have 18 members who live in the Wanaka area.

We note that electricity is an essential service. Most of our members are above retirement age. The recent Quality of Life annual survey commissioned by the Queenstown Lakes District Council showed that a number of younger people, families as well as a number of elderly people are on fixed incomes and cannot afford price increases. Most of our service worker industry workers are on minimum wage or a little above but live in an area with a high cost of living. Many of these people will be assessing how much electricity they can afford and may well reduce usage in the winter months that could endanger their health.

Central Otago and Queenstown winters are colder than those in Dunedin and many subdivisions do not allow wood or coal burners nowadays so apart from gas supplies, consumers have no option but to use electricity. Arrowtown along with other Otago towns like Alexandra and Mosgiel, have been singled out by the Otago Regional Council, for increasing air pollution in winter due to coal and wood burners. These people are being encouraged to do away with this form of heating and so will be more reliant on electricity for their heating.

We support the smoothing of the price increases over five years as recommended by the Commerce Commission. We support scenario 2 in regards to the increase in monthly lines component as this is a lesser charge to bear compared to Scenario 1. We accept this will cost more in the longer term but question the ability of consumers to pay this extra cost in the meantime.

We feel the regional pricing formula is unfair to those in Central Otago and Queenstown compared to Dunedin. We understand this has been costed on the actual costs of supplying power to households. Dunedin City has the most electricity consumers in an urban area and so the economy of scale applies here. However that is not fair to those living in rural areas where those folk have not enjoyed the benefits of the Aurora dividends to those living in the

DCC area. We know this is outside of the CC's jurisdiction however needs to be pointed out and the Dunedin City Council should acknowledge and address this inequity.

We submit that the Aurora service must be affordable, reliable and safe.

We suggest a model similar to the Rates Rebate scheme for local bodies be seriously considered. This would be an electricity rebate scheme that would apply to those on low incomes.

Kirsty Sharpe

President

On behalf of Queenstown Grey Power Incorporated membership

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