

---

**From:** comcom@squiz.co.nz [comcom@squiz.co.nz]  
**Sent:** 10/12/2020 5:29:15 p.m.  
**To:** Feedback Aurora Plan [feedbackauroraplan@comcom.govt.nz]  
**Subject:** Feedback on Aurora investment plan

The following feedback has been received on the Aurora investment plan:

### **Introduction**

Please provide your email address if you want to be kept up to date with our assessment:



### **Revenue smoothing**

Please indicate whether you agree with our draft decision to apply Scenario 1 and describe what you see as the benefits to consumers of this scenario. If you instead prefer Scenario 2, please outline your reasons and describe what you see as the consumer benefits of deferring revenues, even if it means paying an interest cost later.:

This is not acceptable for the reasons provided in myattached submissions

### **Monitoring Aurora's delivery**

Would our proposals provide you with enough information to know whether Aurora is delivering its plan and improving its performance? If no, why not and what further or alternative information would you require to achieve this?:

No and we do not have confidence inthe Commissions monitering abilities

### **Network outages**

We are interested in your view of the impacts of setting outage targets at this level, and whether you consider it to be reasonable given the state of Aurora's network.:

again this is not sufficient for the reasons given in the submissions

### **Capital spending**

Do you think our approach to Aurora's growth projects is the right one, given the current uncertainty with electricity demand in Otago?:

On what basis do you "consider that Aurora has largely made its case..." Please explain your considerations and explain what you mean by the use of the word "largely". The amount is insufficient!

### **Operating spending**

Do you think our assessment of Aurora's operating spending properly accounts for its capabilities and business costs?:

No it does not!

### **Further comments**

Is there anything else you want to bring to the Commission's attention?:

yes, the following submissions:- Submission to the Commerce Commission ("the Commission") in the matter of the Aurora CPP 10th December 2020 1. The Commission makes much of the position that it is unable to direct / control how Aurora sets the price for individuals or regions. However at a recent stakeholder's meeting in Alexandra, and after repetitive questions on the point of regional pricing, the Commission's representatives conceded that it does have the

authority to regulate regional pricing. Furthermore, Mr Burgess said at the Cromwell meeting words to the effect that the Commission does not regulate the market place, this is a statement that cannot be correct and cannot be allowed to stand when the Commission's statutory role is considered together with its active role in this matter. 2. Even if such a position on the role of the Commission not being involved in regulating the market was correct, then it must be asked why does the Commission not bring the concerns which have arisen throughout the course of the Commission's enquiry of Aurora to the attention of the Minister for Local Government, the Department of Internal Affairs and the other parties having oversight of the conduct of registered companies and the activities of Directors. 3. When reading the Summary of the Commission's proposed decision on Aurora's investment plan it is apparent that one basic question has not been asked, let alone answered... "why does Central Otago, where the worst maintenance issues have arisen and where the supply of electricity is most inferior, have to pay the highest price for electricity in the Aurora network?". In all other sectors of business and commerce the highest price is normally accorded to the highest quality of service or product! Not only is the position that the Commission is authorising a nonsense, it is also contrary to business norms. 4. No doubt the Commission makes much of the fact that a safe and reliable service is required, but you were asleep at the wheel while [redacted] Aurora [redacted] recklessly or worse deliberately degraded the network in the Central Otago region while charging the citizens of that region more for the supply, while allowing the same company to charge Dunedin City citizens less (which must be politically prudent because they elect the Dunedin Councillors who no doubt ultimately appoint the Directors' of Aurora). 5. The Commission makes much of the fact that it sought a penalty, a fine and was successful to the paltry amount (in the context) of 5 million dollars. But did the Commission seek redress against any director for such a flagrant disregard of the Commission's "regulatory" directions and requirements? 6. Given the previous track record of the Commission's involvement in this matter it is difficult to have confidence in the Commission's proposals, especially given that the Commission has acknowledged that it can control regional pricing regulation but ignores this reality to once again require the Central Otago payers to continue to pay more than any other procurers of electricity from the Aurora network. 7. Electricity is important for the people of Central Otago as elsewhere in New Zealand. It should not be subject to the normal whims of a board of directors which, in the case of Aurora, unwisely, it now seems, permitted the payment of a massively inappropriate dividend to the DCC when it was clearly running an unsafe

and unreliable transmission network. 8. The cost of fixing the degraded network owned by Aurora (and ultimately owned by the DCC) should be shared across all electricity consumers of Aurora's supply network. 9. The DCC should be required to appoint to the Board of the company and the board of the DCC holding company representatives from the Central Otago region. T.A. Coull Bannockburn