
From: [REDACTED]
Sent: 16/06/2020 10:04:30 a.m.
To: Feedback Aurora Plan [feedbackauroraplan@comcom.govt.nz]
Subject: Re: Commission receives Aurora Energy's application to increase prices to fund \$383 million network investment plan

Good morning and thanks for your email.

I'm the owner of [REDACTED] a small family run business near [REDACTED] and also have a small b&b business in [REDACTED] and our own home at [REDACTED]

As you can imagine we have been significantly impacted by Covid as our business is solely focussed on the tourism industry.

Our last months power bills totalled \$3500. Around 75% of that were charges passed on to the retailer by Aurora Energy.

My reading of the situation is that we are now being required to pay for the consequences of a significant period of underinvestment in the network - going back a couple of generations - whilst the network company took cash out of the business for its shareholders.

I find this unacceptable and consider the lines company should reduce its own costs, aim for zero profit and raise the funds it needs from the finance market with the 'customers' contributing towards some of these costs over an inter generational period.

Alternatively I consider the network operator should be placed in to the ownership of its customers.

Kind regards,

[REDACTED]

Sent from my iPad

On 16/06/2020, at 09:00, Feedback Aurora Plan <feedbackauroraplan@comcom.govt.nz> wrote:

Dear Sir or Madam,

We are writing to inform you that we have received Aurora's application to increase its prices to fund a \$383 million three-year plan to address safety and reliability issues on its electricity lines network. To pay for this investment, Aurora is proposing significant increases to power bills from April 2021.

Undoubtedly, significant investment is needed in Aurora's network. Our role over the coming months is to decide the maximum revenue it should be allowed to recover from its consumers to carry out its plan and over what period.

We are acutely aware of the impact COVID-19 has had on consumers in Dunedin, Central Otago and Queenstown Lakes. As part of our assessment we will consider what options there are to manage price shocks, while ensuring Aurora's investment plans are for the long-term benefit of their consumers.

We have also received a report by independent experts, farrierswier, whose role it was to review Aurora's plan ahead of it being submitted. The report is designed to help us focus our review on the key issues which warrant closer scrutiny.

We will formally consult over the coming months, including holding meetings in Dunedin, Central Otago and Queenstown Lakes after we publish our issues paper in late July. We plan to issue our draft decision before Christmas, with our final decision to be made in March 2021.

In the meantime, we welcome feedback on Aurora's final proposal from consumers and other stakeholders. This can be emailed to feedbackauroraplan@comcom.govt.nz

A copy of Aurora's investment application, the expert's report and background information on the project is available at www.comcom.govt.nz/aurora

Kind regards,

John

John Crawford

Associate Commissioner

Commerce Commission | *Te Komihana Tauhokohoko*
feedbackauroraplan@comcom.govt.nz

www.comcom.govt.nz

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