



2 September 2020

Dane Gunnell
Manager, Price-Quality Regulation
Commerce Commission
44 The Terrace
WELLINGTON
dane.gunnell@comcom.govt.nz

Dear Dane,

DPP3 QUALITY STANDARD VARIATION PROPOSAL 30 JUNE 2020

The purpose of this letter is to recommend that the Commission decline Aurora Energy's request for a quality standard variation for RY21.

The Commission, as it openly admitted at the CPP consultation meetings last month, has limited tools available to regulate Aurora under the Act. It is therefore vital that the Commission retain the mechanisms that would arise from a RY21 breach (at current limits).

Such mechanisms would create greater accountability and allow more information to be disclosed about Aurora's assets and its evolving approach to managing them.

It is therefore important that further penalties are possible so that Aurora does not have a net benefit from its historic nonfeasance.

Retrospective regulation and 'clawback' for unvalidated expenditure and miss-management should also not be allowed.

Declining Aurora's DPP3 Quality Standard Variation would be in the long-term benefit of consumers [Section 1A - Commerce Act 1986].

Yours sincerely,

Rob Douglas
CMEngNZ CPEng IntPE