
From: comcom@squiz.co.nz [comcom@squiz.co.nz]
Sent: 26/11/2020 10:06:51 p.m.
To: Feedback Aurora Plan [feedbackauroraplan@comcom.govt.nz]
Subject: Feedback on Aurora investment plan
Flag: Follow up

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.:

I agree with the choice of Scenario 1 in relation to staggering the planned increases. But with the proviso that I do not agree with the regional apportionment of the increases. Prior to the underinvestment crisis, my understanding is that the entire company network maintenance costs were equalised throughout the regions. However the dividend distributions were not; they were collected and spent within the Dunedin City Council region. But since the crisis that position has changed, and Aurora has decided that costs for maintenance etc should fall where they lie, and the Dunedin region having already spent the dividends (which in reality were purloined from company maintenance and structural upgrade accounts) bears the least increase of any of the regions. In effect a double benefit. Now that aint cricket! I would advocate for the increase in maintenance and upgrade expense be shared equally throughout the respective regions.

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?:

Refer to my comments in Question 1 as to regional pricing plans. Differential regional pricing should be abandoned, and the increased costs should be shared equally amongst all Aurora subscribers.

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.:

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?:

Yes.

Operating spending

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

Yes, so far as it goes. Aurora has a history of spending bigger than it ought, and thinking bigger than it really is. This is part of the reason it got into the strife that it now finds itself in.

addition, the Dunedin City Holding Company has shown itself to be historically incapable of picking up on those failings.

Further comments

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