
From: Alan Harper [Alan.Harper@awslegal.com]
Sent: 3/08/2020 3:07:38 p.m.
To: Feedback Aurora Plan [feedbackauroraplan@comcom.govt.nz]
Subject: AURORA

I have significant governance experience in the electricity industry in this part of the world. In particular

1. Director of The Power Company Limited from 1991. Chair from 1998 – 2017
2. Director of Powernet from inception to 2017
3. Director and Chair of Otagonet Joint Venture from 2002 to 2017
4. Director of United Electricity Limited from inception to 1998

Some of these roles entailed working closely with Dunedin Electricity Limited (DEL) as it then was before being separated into Aurora and Delta

Let me say from the outset the proposed expenditure is essential and in my view DEL has failed to maintain proper levels of maintenance. The reason was clearly a requirement from the shareholder to meet dividend expectations

So the issue is not whether the expenditure is required but rather who should pay for it

This goes back for as long as I was involved in the industry

Logically if the company under invested due to excessive dividends being paid then the benefactor of that plan should pay. In other words the shareholder has reaped windfall dividends which should be returned before consumers are asked to contribute to poor business practice

The ultimate benefactor has been the Dunedin City Council ratepayers

Therefore if there is to be any targeted pricing methodology adopted then it should be directed at those beneficiaries. In other words those consumers connected to the network within the Dunedin city boundaries

It is patently unfair to sheet home to other consumers any increased prices when they have not been the recipient of those excessive dividends. To do so is asking those consumers outside Dunedin city to effectively subsidise those within

Dunedin city has not been a good shareholder. It has abused its position as sole shareholder owning a company which is now a regulated monopoly. I would not be averse to the Commission continuing to impose penalties for quality breaches if that had the impact of forcing Dunedin City Holdings Limited to sell

In the meantime the shareholder should be required to step up and meet its responsibilities

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