

## **CONSUMER COALITION ON ENERGY (CC93)**

### **Spokesperson: David Russell**

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**The Coalition:** Business NZ Inc  
Consumers' Institute  
Federated Farmers of NZ Inc  
Major Electricity Users' Group Inc

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4 December 2002

Mr Lee Wilson  
Project Manager  
Electricity Governance Establishment Committee  
PO Box 5422  
WELLINGTON

Dear Lee

### **Rules to Satisfy Conditions on Authorisation: Amendments and Commission Comments**

By email of 26<sup>th</sup> November 2002 comments were requested from EGEN members on the Commerce Commission comments of 18<sup>th</sup> November 2002 and a draft Project Team report titled as above. On a brief review of the proposals the members of CC93 note:

- The Project Team's recommendations and changes to the draft rules to accommodate the suggestions by the Commission appear to be reasonable though we reserve the right to amend that view and make further comments when the Commission seeks comments from interested parties.
- It is unclear if the EGB itself, or some combination of rulebook members, will be able to decide what rules go into Part B. It is also unclear who will decide what resources to use, including possibly assisting consumers participate in the process, and who will pay for that development work.
- Similarly it would be useful to know how the EGB will be able to secure resources (eg independent advice from rulebook service providers) to enable it to take a view whether to exercise the options in new rule 1.5 or new rule 2.4 of Part A, Section IV.

The rulebook at present requires an annual budget to be agreed by members – that process could constrain the EGB from obtaining independent advice to allow it to form a view in the first place. An option may be that, should the EGB decide it may want to exercise the option in new rule 1.5 or 2.4 then it can obtain resources as needed and levy rulebook members for that additional cost. That approach seems to be acceptable in the new section XI of Part A “Review of Part F.”

We emphasise that these are just our initial comments and we look forward to having an opportunity in the consultation round with the Commerce Commission to make any further comments.

Irrespective of these changes CC93 sees no merit in supporting the rulebook (as amended for the Commissions’ conditions) relative to either the evolution of the status quo, a rulebook with a governance structure that provides the EGB with full executive authority thereby establishing a better balance between consumer and supplier interest, or a properly designed Crown EGB.

Yours sincerely

Catherine Petrey  
CC93 representative on EGEC

Ralph Matthes

Copies: Hon Pete Hodgson, Minister of Energy  
Mr John Belgrave, Commerce Commission