

27 June 2014

John Hamill
General Manager Regulation
Commerce Commission
Wellington

Via email

Dear John,

Re: Draft decision on Transpower's expenditure allowances for 2015-2020

Thank you for the opportunity to provide feedback.

In our view the Commission has done a good job of setting expenditure allowances at a level which both promotes and rewards good asset management practices whilst recognising the need to deliver electricity network services efficiently to consumers.

Given that transmission costs represent a significant portion of a consumer's electricity bill, and are a significant driver of electricity bill increases, it is important that the impact on consumers is well considered in any final decision.

Contact agrees with the overall approach being taken by the Commission and supports that:

- no change is made to the legacy 2011 EV account balances for HVDC and HVAC that will run to the end of RCP2 when they will be cleared;
- the Commission impose revised targets for the customer focused quality measures and incentive regime that has \$10 million at risk each year for Transpower.

Yours sincerely



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Regulatory Affairs and Government Relations Manager

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