



MAJOR ELECTRICITY USERS' GROUP

1st August 2016

Matt Lewer
Manager, Price-Quality Regulation
Regulation Branch
Commerce Commission
By email to regulation.branch@comcom.govt.nz

Dear Matt

Exemptions or modifications to information disclosure requirements under IPP

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Commerce Commission's proposed change to Transpower's Individual Price-Quality Path determination (IPP) to allow exemptions or modifications to information disclosure requirements (ID).¹
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. MEUG supports the proposed amendment as it's a pragmatic approach that will lower transaction costs for Transpower, the Commerce Commission and those savings will flow through to consumers.
4. There are risks, albeit very small and infrequent, that proposed exemptions and modifications may unintentionally reduce the long term benefit of consumers. We assume Transpower and the Commerce Commission will adopt a pragmatic approach in deciding if consultation is required ahead of a decision.² In any case MEUG suggests it is best regulatory practice that all requests for exemptions and modifications and the decision whether to accept or not should be published to allow scrutiny by interested parties. This should not add any additional cost to the Commission as it could be as simple as the Commission publishing its own internal file note of the reasoning for each decision.

¹ <http://comcom.govt.nz/regulated-industries/electricity/electricity-transmission/transpower-individual-price-quality-regulation/transpowers-price-quality-path-from-2015-to-2020/>

² A similar commentary on MEUG wishing the Commission to exercise discretion rather than always consult when considering a clearly beneficial proposal for all parties by a regulated party was made in a cross-submission on the first limb of CPP IM requirements, paragraph 7, 2nd October 2015, refer <http://www.meug.co.nz/node/719>.

5. MEUG does not expect or want every request to be consulted on as we don't want to add transaction costs; nevertheless ex post transparency of all discretionary decisions should be considered a useful and necessary policy.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Matthes', with a long horizontal stroke extending to the right.

Ralph Matthes
Executive Director