
From: Terry [TWW@slingshot.co.nz]
Sent: 18/01/2021 5:30:30 p.m.
To: Feedback Aurora Plan [feedbackauroraplan@comcom.govt.nz]
Subject: Cross-submission: Terry Wilson

Aurora Energy's CPP application: cross-submission from Terry Wilson, Dunedin

This is a response to Aurora's unofficial (back-door) submission sent by General Manager Sian Sutton to the Commission on 7/12/2020.

Ms Sutton expresses her concern that at the recent public sessions, the Comcom officials failed to maintain control and allowed speakers to say things that she claims were false, alarmist and unproductive. As an attendee at one of these meetings, I was pleased that myself and others were able to be heard by the Comcom panel.

Speakers at the meetings were very well informed and should not have been stopped because Aurora disagreed with them. It turns out that the things Aurora dislikes are all true. Here are some of them:

>> Aurora's management over several decades has been incompetent and reckless: True: Aurora's decisions are the cause of the degradation of its assets. The current problem is a self-inflicted injury.

>> Aurora diverted [REDACTED] funds that should have been used for asset renewals so that it could pay its shareholder an unsustainably high dividend: True: we know that Aurora paid out a large dividend and subvention payments compared to its profits and we know that asset renewals were severely underfunded. We know that Aurora was financially able to fund its renewals and could have done to the level of twice the level of depreciation. Instead it took nearly all that cash, every year and paid it to DCHL and the DCC. The claim that Aurora's deficient renewals capex is somehow connected to its claimed below average lines charges is grubby [REDACTED]. The Comcom should not have repeated this in its publications – it looks like collusion.

>> Customers have already paid for the upkeep of the assets and should not be asked to pay again (should not pay twice): It is true that customers will be asked to pay twice. This is true: The first time we paid, the cash was diverted away from maintaining the assets. Now we are being asked to pay extra, so that, Aurora claims, it can maintain the assets. Note that aurora's 2020 capex was below the agreed target.

Aurora, over the years has shown itself to be governed and managed by a bunch of [REDACTED] who have repeatedly ignored the advice of its consultants and lack the courage to refuse the destructive requests from the DCC and DCHL. The asset degradation was inevitable and obvious to many.

The Commerce Commission has no obligation to ensure the financial survival of Aurora. Its obligation is to the customers – to ensure a fair price and good reliability. The proposed solution provides for the exact opposite of these things.

Without the CPP Aurora will be forced to sell some or all of its assets/territory to pay for the required asset renewals. An alternative is for the DCC to directly or indirectly fund the renewals. This has been happening already and can continue for as long as the DCC wants it

to. The DCC over the years has been the beneficiary of the diverted funds and so it should pay to fix the problem.

The sale of the Aurora company or all of its assets would be a big advantage, because the customers would be free of the dysfunctional/incompetent/[REDACTED] management and governance structure (DCHL & DCC) which has resulted in the current poor service for the customers and continues to exist.

TW