



Corporate Office

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***Value for customers is industry and regulators working together to provide proportionate solutions to non-controversial problems***

A lot has changed in the week since our submission. This reinforces to us the value to all stakeholders of a solution to the actual net allowable revenue (ANAR) issue that is easy to understand and execute in the years ahead.

We will be faced with new challenges in the coming years. Working from a meaningful, simple and correct baseline will reduce confusion for all concerned. The submissions from Wellington Electricity and Powerco demonstrate the confusion and potential impacts that will occur if the proposed ANAR solution is adopted. This can be avoided.

If the Commission is open to an alternative and simpler ANAR solution there's time to implement it. Powerco and Wellington Electricity have already implemented pricing for the year beginning 1 April 2020 reflecting the Commission's draft forecast net allowable revenue (FNAR). There is no contention about these FNAR values. So from a practical perspective, a fix to the ANAR issue isn't needed until mid-2021 when it would be used to calculate washup amounts.

We're confident that in a few years' time customers and stakeholders will value a pragmatic approach being taken now to provide certainty and clarity at a time when it feels there is less of it around.

Please contact Andrew Kerr ([Andrew.Kerr@powerco.co.nz](mailto:Andrew.Kerr@powerco.co.nz)) if you have any questions about this submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Stuart Marshall".

Stuart Marshall  
General Manager - Regulation and Commercial