



13 August 2015

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TRUSTPOWER SUBMISSION: FURTHER DRAFT PRICING REVIEW DETERMINATIONS

1 Introduction and overview

- 1.1.1 Trustpower Limited (Trustpower) welcomes the opportunity to provide a submission to the Commerce Commission (the Commission) on its further draft pricing review determinations.
- 1.1.2 We have limited our submission to brief comments on the following three specific matters:
 - a) The price adjustment for UBA;
 - b) Backdating; and
 - c) Non-recurring costs.

2 The price adjustment for UBA

- 2.1.1 While we understand all the competing requirements that must be considered in setting prices such as these, the priority for our consumers is to be able to access the services they require at the lowest possible price.
- 2.1.2 We believe that the prices are not aligned with Chorus's costs in providing the services, or with international benchmarks, and should have fallen significantly further.

3 Backdating

- 3.1.1 Trustpower welcomes and strongly supports the Commission's decision not to backdate charges.
- 3.1.2 The potential for backdating has created significant uncertainty in the competitive environment over the past year. This has not been conducive to the promotion of the best outcomes for consumers.
- 3.1.3 We would request that the Commission does not contemplate the potential to backdate charges again in future.

4 Non-recurring costs

- 4.1.1 Trustpower supports the review of non-recurring charges (NRC).
- 4.1.2 In recent months we have been faced with a significant increase in NRC, without Chorus having provided any evidence to support this increase. Average costs per subscriber for phone and internet have increased by around 300% on 2014 levels.
- 4.1.3 We would be happy to work with the Commission on this issue, and provide any information that might assist with its review.

- 4.1.4 For any questions relating to the material in this submission, please contact Peter Gregory, Trustpower's Business Manager Telecommunications, on 07 572 9888.

Regards,



JAMES TIPPING
MANAGER STRATEGY AND REGULATION

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