

6 October 2016

[by email] Graeme Peters, Chief Executive ENA: gpeters@electricity.org.nz

Dear Graeme,

ENA consultation on second version of Pricing guidelines for electricity distributors

Thank you for your letter of 7 September and the opportunity to provide feedback to the ENA consultation on a second version of the *Pricing Guidelines for electricity distributors*.

Reducing the complexity and number of pricing arrangements between electricity distributors is certainly something for which retailers are supportive. Simplifying and standardising lines company tariffs and business rules was identified as far back as the 2009 Ministerial Review into Market Performance as a means to improve retail competition, reduce retail costs and entry barriers, ultimately to the benefit of consumers.

The first set of *Distribution Pricing Guidelines* published in September 2015 was therefore a welcome development, and we welcome the further recommendations in this second version also. The feedback from a collective ERANZ perspective is a question around compliance with the guidelines. Does ENA have a timeframe for adoption of the guidelines? A useful tool would be to establish a “dashboard” or “benchmark” to demonstrate compliance with the guidelines, or transparency around when compliance would be achieved, or why it was not suitable in the particular circumstance of the EDB. This would certainly help to provide clarity for retailers, especially new retailers, looking to enter or make offerings in a wide range of regions.

Individual ERANZ members will respond to you further on specific elements of the *Pricing Guidelines*. Please don't hesitate to get in touch if you have any questions.

Yours sincerely,



Jenny Cameron
Chief Executive
Electricity Retailers' Association of New Zealand