



MAJOR ELECTRICITY USERS' GROUP

10 August 2006

Jenny Walton
Electricity Commission
By email to info@electricitycommission.govt.nz

Dear Jenny

Submission on Transmission Pricing Methodology implementation date consultation paper

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Commission (the "Commission") consultation paper, *Transmission Pricing Methodology implementation date consultation paper*, 21 July 2006.
2. On 31 July 2006 MEUG submitted a submission on both the Commission draft Benchmark Agreement consultation paper and the Interconnection Rules consultation paper attaching a detailed response by the New Zealand Institute of Economic Research (NZIER). In those submissions we recommended the Commission allow for cross-submissions and a conference to consider views because of the importance of these decisions. That view has been reinforced by the submissions that show a split in the industry between:
 - a) Those supporting interconnection services being retained in Benchmark Agreements (8 submitters comprising 5 end consumers and consumer reps plus 3 suppliers); and
 - b) Those that agreed with the Commission proposal to amend Part F and embed the interconnection services within the rules (7 submitters comprising Transpower, 4 line companies and 2 suppliers).
3. Three submitters (all line companies or their reps) made no comment or their position was unclear.
4. This deep divide within the industry needs to be resolved. Therefore on the basis of the MEUG recommendation to include a cross-submission and conference process for progressing Benchmark Agreements and how best to manage interconnection services, we accept that a delay to the Transmission Pricing Methodology implementation is desirable.

Yours sincerely

Ralph Matthes
Executive Director