



MAJOR ELECTRICITY USERS' GROUP

5 May 2014

Brett Woods
Senior Analyst
Commerce Commission
By email to regulation.branch@comcom.govt.nz

Dear Brett

Evidence on WACC percentile

1. This is a submission by the Major Electricity Users' Group on the Commerce Commission paper "Further work on the cost of capital input methodologies – Process update and invitation to provide evidence on the WACC percentile" dated 31st March 2014.¹ This submission has been considered by MEUG members and is not confidential.
2. In paragraphs 24.1 and 24.2 of the paper the Commission requested relevant empirical or analytical evidence. MEUG commissioned the New Zealand Institute of Economic Research (NZIER) to consider these questions. An independent expert report by NZIER "Review of evidence in support of an appropriate WACC percentile – response to Commission invitation of 31 March 2014" dated May 2014 is attached and should be read as part of MEUG's submission.
3. We look forward to viewing the empirical and analytical evidence submitted by other parties and participating in the next consultation round in June.

Yours sincerely

Ralph Matthes
Executive Director

¹ Document URL <http://www.comcom.govt.nz/dmsdocument/11510> found at <http://www.comcom.govt.nz/regulated-industries/input-methodologies-2/further-work-on-wacc/>