

2 September 2022

The Distribution Pricing Team
Electricity Authority
By email to Distribution.Pricing@ea.govt.nz

Dear Distribution Pricing Team

Distribution pricing draft guidance note on transmission charge pass-through

1. Thank you for the opportunity to provide feedback on the Distribution pricing draft guidance note on transmission charge pass-through.
2. Attached is a note from Mike Hensen of NZIER on the draft guidance note.
3. Pass-through of transmission charges is important for large commercial and industrial consumers because of possible price shocks that may occur on 1 April 2023 with the implementation of the new TPM. Getting the principles right in an addendum guidance note for the new TPM to the existing guidance note is the first crucial step. The second key step is to ensure effective implementation by distributors. Both steps need to be well executed to ensure beneficial improvements are made to distribution prices.
4. MEUG is concerned there will be insufficient time for some distributors to consult with materially affected parties on changes to come into effect 1 April 2023 as required by clause 7.4 of the Default Distribution Agreement. MEUG recommends the Authority urgently survey distributors to confirm they have a planned timeline and process to ensure adequate time for effective consultation with materially affected parties. In instances where there is insufficient time or inadequate coverage of potentially affected parties, then the Authority should facilitate a change to the time and process for consultation. This approach will mitigate the risk of a price shock having unintended consequences and affected consumers being unaware of a pending price shock.

Yours sincerely



Ralph Matthes
Executive Director