

## Submission on the Draft Electricity Price Determination

I do not understand how you can approve peak and off peak tariffs that are only 3 or 4 cents apart. There must be something fundamentally wrong with all the authorities and the responsibilities they each have if something such as peak and off peak pricing can be so close together. To say that the retailers are encouraged to come up with more appropriate tariffs is not good enough!

With regard to the cutoff between tariffs for small customers and large customers ( particularly around the 100MW limit) I still have not had it explained to me how both tariffs are considered to be cost reflective yet one would cost about \$20000 and the other \$70000. I am not sure whether under the proposed transitional arrangements I could remain as a small customer for 7 years even if I go over the 100MW limit. I am pleased that you have recognised the need for a longer transition period, but we are basically being transitioned to something that is ultimately industry destroying.

The cost of debt financing that you have allowed is far too high and the rate of return allowed is also far too high. Perhaps you should apply a rate of return that farmers receive.

There must be a better way of regulating the pricing structure of the electricity industry than guaranteeing them a rate of return on all their assets – why wouldn't they just keep building more assets whether needed or not.

The energy industry and regulators need to understand that the world is changing rapidly and that distributed energy is here to stay and is increasing at an ever increasing rate. The grid needs to be made smarter and we need smarter ways of charging for power so that this transition out of fossil fuels can be as smooth and painless as possible – any spending on grid upgrades needs to be analysed with this future in mind rather than trying to cater for so called peak demand.

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