

**Cross – Submission - 2010-2015 Default Price-
Quality Path for Electricity Distribution,
Draft Decision Paper, July 2011**

***With reference to:*
The Grey Power Federation Submission, 29
August 2011**

The Lines Company

2 September 2011

1. The submission provided by Grey Power, that consumers in The Lines Company (TLC) network are statistically a low income community is not disputed.

The Lines Company is aware of the financial hardships its consumers face.

This hardship is one of the drivers in TLC's consideration of the impact a Customised Price Quality Path would have on its allowable revenue and in turn its regulated pricing structure.

As demonstrated by GreyPower with reference to the TLC Asset Management Plan;

"The Asset Management Group (TLC) have estimated we can decrease CAPEX by up to a third if customers accept a higher level of outages..."

Customers can influence price with feedback to the consultation process to consider a trade-off between price and quality. They already know how much they pay and they know what quality they have so they can therefore make an informed choice.

2. (From Endnotes in Greypower Submission) "A new and unique policy problem is faced by consumers in the TLC network area, which is outside the scope of the Commerce Commission price re-set, but which must be mentioned here for completeness. It is that consumers do not have the information needed to avoid consumption at peak times when power is being ripple-controlled, and face big risks of high power bills(sic) extending for a year into the future."

The Lines Company is an industry leader in promoting and establishing the concept of kW load charging and the concurrent installation of Time of Use meters and other devices. Already the company is seeing in its kW load flows that the price signal sent by kW load charges and promotional/educational material are being received by the consumer.

Some individual customers may be still having problems with reading this signal but TLC is committed to limited these exceptions as much as practicable.