



22 October 2024

Electricity Authority  
P O Box 10-041  
Wellington

By email: [retaildata@ea.govt.nz](mailto:retaildata@ea.govt.nz)

**Dear team**

**Re: Consultation Paper**

Flick supports the Authority's increased focus on monitoring competition in electricity retailing. However, competition is negatively impacted when regulatory burdens consume capital that would otherwise be invested in acquiring new customers or developing innovative new products and services for the long term benefit of consumers.

Flick suggests the Authority review the wide range of information being requested and prioritise collecting information that is necessary to undertake robust analysis of the degree of competition in the retail market at this time (for example, we suggest information about disconnection does not provide any insights into whether the retail market is workably competitive). Collection of the proposed full set of information should be staggered. This will assist retailers, as well as the Authority, in resourcing this new obligation.

Your Sincerely

Pavan Vyas

Chief Executive, Flick Electric

**Submitter: Flick Electric**

**Part 12A clause 9.10 (refund of charges)**

Question	Comment
<p>Q2.1 Do you consider the revised proposed approach in 9.10 is workable, efficient, and effective? Would you propose any alternative approaches?</p> <p>If so, please describe these approaches in your answer.</p>	<p>We do not agree that the revised proposed approach in 9.10 is efficient or effective.</p> <p>Our preferred approach is the DDA continues to allow retailers to choose if they want to receive a refund from distributors. If the retailer elects to receive this refund the DDA should require the retailer to pass this refund onto affected customers.</p>
<p>Q2.2 Do you consider it would incentivise distributors to restore electricity supply to consumers more quickly if they did not need to reduce charges for a longer outage period than 24 hours?</p>	<p>No. Quality standards under the Commerce Commission's Part 4 regime are more stringent than refunding fixed charges.</p>
<p>Q2.3 If so, what time limit would you consider reasonable before charges should be reduced (eg, a maximum of 48 hours interruption)?</p>	<p>No comment.</p>
<p>Q2.4 How would this longer period incentivise quick restoration of electricity supply and balance the disruption to the consumer and the consumer's right to receive the electricity they pay for?</p>	<p>When there is an outage the customer will not be paying any variable charges as they won't be receiving any electricity. The amount in 'dispute' is the fixed charge for the electricity distribution services and not electricity supply.</p>

**New Part 12A clause 9.11 (Reduction of charges due to state of emergency)**

Question	Comment
<p>Q3.1. Do you consider new clause 9.11 effectively addresses the identified problem? Would you propose any alternative approaches?</p>	<p>If the objective of changing the ICP status to Inactive is to stop any obligation to pay for distribution services this is dangerous if the physical disconnection has not happened. We do not support changing the status of an ICP to Inactive unless this is accurate and there is</p>

If so, please describe these approaches in your answer.	categorically no electricity running through the meter at the ICP.
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**New Code clause 12A.6 (retailers must pass-through reduction in distribution charges)**

<b>Question</b>	<b>Comment</b>
Q4.1. Do you consider new clause 12A.6 is practical to implement and will deliver benefit to consumers?  Please explain why or why not.	Flick does not consider the new clause 12A.6 will deliver benefits to consumers. The cost of processing a refund falls disproportionately on smaller retailers with a smaller customer base over which to recover this cost.  Given everyone's heavy reliance on electricity the inconvenience of not having electricity for over 24 hours vastly exceeds the fixed costs per customer of sunk network infrastructure.
Q4.2 Do you see any problems or have alternative ideas?  If so, please explain what these are.	We suggest the Authority retain the option for retailers (and consumers) to choose to request refunds / charge reductions for outages of 24 hours or longer. If the retailer requests a refund then under the DDA the retailer should be required to pass on this reduction to their customers. The retailer has then consciously signed up for the cost of administering a pass-through.