

Dear Commissioners and Team,

I appreciate the Authority's ongoing commitment to fostering transparency, fairness and innovation in our energy sector. In that spirit, I respectfully submit an interrelated proposal for your consideration, designed to protect consumers, reduce regulatory risk and drive more efficient commercial practices.

Institute an Annual, Proactive Tariff and Capacity Review Regime

- **Issue:** Under current practice, tariff reviews are often reactive, for example triggered by customer enquiry or audit, leaving many consumers on outdated or suboptimal pricing schedules. In contrast, in New Zealand the national network operators conduct comprehensive annual reviews of tariff assignments and capacity loads, delegating to retailers the responsibility to notify customers and implement changes from a fixed effective date. Failure to do so automatically shifts any cost differential to the retailer.

Compounding this issue is a widespread lack of consumer awareness regarding which tariff they are currently on, why it may have changed, and what the implications are. If a retailer chooses not to pass through a tariff adjustment, this should serve as a clear signal to the customer that it may be time to shop around for a better deal. For this to be effective, communication from retailers must be timely, transparent and easy to understand.

- **Proposal:** Introduce a new Code requirement that obligates:
 - a) Network operators to perform yearly assessments of all commercial and industrial connections, benchmarking their assigned tariffs and declared capacities/demands against actual consumption patterns;
 - b) Retailers to communicate any recommended tariff or capacity-load adjustments to customers at least 30 days before the annual effective date;
 - c) Retailers to absorb any incremental cost or loss if notifications or system updates are not completed by that date;
 - d) Retailers to determine their own time bands, if desired, for peak, shoulder and off-peak periods based on their consumers' actual load shape, as a retailer's load shape can be quite different from the overall distributor load profile for the same tariffs and therefore, potentially, not beneficial for the retailers' consumer to align with the network timings.
- **Benefit:** By flipping the onus onto retailers and placing tangible financial consequences on delayed implementation, the Authority will ensure a uniformly fair pricing landscape, minimise billing disputes and incentivise continual alignment of tariffs with usage. Clear and proactive communication will also empower consumers to make informed decisions and engage more confidently with the energy market.

Thank you for considering these proposals. By embedding explicit consent rules and proactive review mechanisms into our regulatory framework, the Authority can safeguard consumer interests, bolster market integrity and support the sector's long-term sustainability.

Yours sincerely,

Elena Smirnova