



# KING COUNTRY ELECTRIC POWER TRUST

SHAREHOLDER FOR THE CONSUMERS IN THE LINES CO LTD & KING COUNTRY ENERGY LTD

**TRUSTEES: Brian Gurney, Michael Turner, Graeme Cosford, Uwe Kroll, Norman Annand**

## TO THE COMMERCE COMMITTEE

The King Country Electric Power Trust (KCEPT) has a constituency that covers the geographic area mid point between Te Kuiti and Taumarunui, south to Ohakune and to Turangi in the east.

The local network company is The Lines Company and King Country Energy Ltd is the incumbent retailer.

KCEPT holds 20% ownership of King Country Energy Ltd and a 10% shareholding in The Lines Company although approximately 40% of this networks ICP's are beneficiaries of our Trust.

Against this background, we submit an opinion on the proposed amendments to the Commerce Act:

- ✓ Multiple Trust ownership should not preclude the company from moving outside price regulation and having the flexibility to operate the network, to reinvest and provide a sustainable service in the most efficient way
- ✓ As shareholders, we believe the company should have the opportunity to minimize compliance costs and apply these resources to maintaining an ageing network
- ✓ Future opportunities for mergers with other networks should not be impeded by the exclusion of multiple trust owned companies
- ✓ Trustees have a strong view that freedom from price regulation should be safeguarded for minority Trust ownership if, in the Trustees view, the consumer/beneficiaries are being discriminated against in any way. In such a case, the Trustees of any Trust owner, or 15% of that Trust's consumer/beneficiaries should be enabled to petition the Commerce Commission for a review of that freedom or a return to price regulation
- ✓ The need for such safeguarding is self evident in our ownership structure where a 10% shareholding represents 40% approximately of the ICP's on the network

Our Trust welcomes the opportunity to make a submission on the proposed amendment and to support The Lines Company in its endeavour to operate under a more flexible and efficient relationship with the Commerce Commission.

Yours sincerely

Tessa Stewart  
Secretary

**MEMBER OF ENERGY TRUSTS OF NEW ZEALAND**

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