

Friday 28 September 2007

Gareth Wilson
Resources and Networks Branch
Ministry of Economic Development
P O Box 1473
Wellington

Dear Gareth

RE Far North District Council Submissions to the Review of Section 62 of the Electricity Act 1992 Continuance of Supply (2013 Review)

Preamble

The Far North District is supplied by Top Energy's electricity line network which covers an area of some 6,822 square kilometers. The network comprises some 4,500 kilometers of power cables, serving an average of five customers per kilometer of line. Apart from the three main population centers of Kaikohe, Kerikeri / Bay of Islands and Kaitaia, much of the Region's terrain is rugged and remote. The cost of building and upgrading the line network is high and for the same reason, service supply maintenance is expensive and often difficult.

The majority of the District's population falls within eight to ten (the three most deprived categories) on the index of deprivation (67% of people - based on New Zealand Deprivation index 2001); therefore any attempt to devolve responsibility to community or individuals to supply or pay a premium on use for these areas will create a social burden and do little to build localised economic development.

The current figure of only five customers per kilometer, gives a graphic indication of the size of the District verses the population which would be required to pay for further infrastructure or infrastructure replacement. Council believes there are not many other Districts in New Zealand with similar constraints from terrain and population dispersal.

Submissions

Submission 1

Council congratulates the Ministry of Economic Development for its initiative to review Section 32 of the Electricity Act 1992 well in advance of the section's deadline and for publishing this discussion document for consultation.

Submission 2

Council supports the three options that do not have expiry dates, however, Council's preferred option would be option A

- Option A Continuance of obligation to maintain line function services with no expiry date
- Option B Continuance of obligation to maintain supply, using lines or alternatives, with no expiry date
- Option F Continuance of obligation to maintain supply, using lines or alternatives, with no expiry date but subsidised by all electricity users

Submission 3

While Council supports ongoing line function (Option A), Council is concerned that there is still a proportion of the District who do not have access to a continual supply of power (either by lines or alternative sources). Council is further concerned that people who do not have access to continual supply rely on candles as a substitute light source. During the past five years there have been fifty four fires attributed to candles and seven fatalities. Council requests that the option suggested in (F) be considered as an additional mechanism to build a funding pool similar to the Rural Electrical Reticulation Council (RERC) fund to provide opportunities for those without power to work with power companies to either build new infrastructure or purchase alternative systems.

Yours faithfully

Alastair Wells
Community Services Manager