

23 April 2012

Rt Hon John Key
Prime Minister
PARLIAMENT BUILDINGS

Dear Prime Minister

WINTER POWER DISCOUNT FOR SUPERGOLD CARD HOLDERS

New Zealand First is deeply concerned about the effect of increasing power prices on the elderly and we are formally asking for your assistance in setting up a discount scheme for SuperGold cardholders.

Our proposal is for a 10 per cent discount for New Zealanders on winter electricity, to be initiated immediately by the State Owned Enterprises (SOE) power companies, Mighty River Power, Meridian and Genesis.

We acknowledge that everyone is affected by rising power prices but we are particularly concerned about the aged and vulnerable who are more susceptible to winter ailments.

New Zealand First suggests that such a scheme could be introduced using Section 4 (1) (c) of the 1986 SOE Act, which stipulates the **social obligation** provision that an SOE *“...exhibits a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so”*.

The changes can be enacted swiftly under existing legislation, or the Government can use new legislation already prepared by New Zealand First.

We have completed considerable research into the viability of this submission.

It would potentially benefit more than 590,000 SuperGold Card holders by about \$100 on their cold weather bills at a total cost to the SOEs of about \$34 million. However some, if not all, of this cost could be recouped by the increased customer base.

Our research has also shown that these power companies and the Commerce Commission act like a price-fixing cartel which sees domestic users pay more than their fair share for electricity.

Domestic users are paying considerably more for power than both commercial and industrial electricity users. New Zealand First thinks this is unfair to senior citizens.

They helped build and pay for one of the most reliable and inexpensive electricity systems in the world but unfortunately they are now at the mercy of the price fixing cartel.

A copy of this letter has been sent to SOE shareholding ministers Hon Bill English and Hon Tony Ryall and also to the Minister for Senior Citizens Hon Jo Goodhew.

Mrs Goodhew is on record as admitting she could do "a lot better" over discounts for senior citizens. (*Timaru Herald* 10 March)

'One of my priorities is that it will be more beneficial to both the users and businesses. [We] have new targets for this year, somewhat challenging and far-reaching targets ... to certainly improve the number of discounts in provincial New Zealand.'

Mrs Goodhew's comments were very encouraging.

If she was speaking on behalf of your Government we know that you will consider this request favourably.

We would be pleased to brief your nominee/s about the research carried out and discuss the proposal in a bipartisan manner.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Winston Peters', written in a cursive style.

Rt Hon Winston Peters
Leader
New Zealand First