



## Buller Electricity Limited

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### **MEDIA STATEMENT BULLER ELECTRICITY REACHES INTERIM AGREEMENT WITH TRANSPOWER 23 February 2023**

Buller Electricity Limited (BEL) has notified electricity retailers that an interim arrangement has been reached pausing any increases arising from Transpower's reclassification of BEL's assets until such time as their judicial review application against the Electricity Authority and Transpower is resolved.

Shannon Hollis, BEL Director, said that as a result of the arrangement, BEL will be reducing the price increases previously notified to retailers, and asks that retailers adjust their pricing in line with BEL's notification.

"We recognise this is not an ideal situation for retailers, some of whom may have already communicated the increased prices to their customers," said Ms Hollis. "However our overriding concern has been to avoid the significant hardship for Buller residents and businesses that the massive increase in Transpower's transmission charges would create."

"The effect of this interim agreement, if implemented by retailers, is to provide some much needed relief for Buller consumers for the time being until BEL's substantive challenges are determined by the Court."

Ms Hollis said that BEL knows that retailers and Buller consumers will be looking beyond this interim measure for more certainty and one of the terms of the interim agreement with Transpower is that the parties will seek a substantive fixture as soon as possible so that the legality of Transpower's proposed reclassification of assets can be determined by the Courts without delay.

#### **Background**

Buller Electricity (BEL), the community owned lines network company that supplies the majority of electricity consumers in the Buller district on the South Island's West Coast, has lodged a formal legal challenge opposing a 427% price increase in transmission charges due to come into effect on 1 April 2023.

BEL received final notification from Transpower in December 2022 of exponential increases in transmission charges for the 2023/24 year, having previously advised the SOE that the exercise of Transpower's reclassification powers under the new Transmission Pricing Methodology (TPM) would have unreasonable and seriously adverse economic consequences for the region.

The exponential price increase largely reflects a change to the way in which Transpower has classified Buller's grid assets. The impact is particularly harsh given the small population, some 4850 end-consumers, across whom the increased charges would be levied.

BEL has filed judicial review proceedings in the High Court against the Electricity Authority and Transpower seeking to quash the reclassification decision and applied to the Court for urgent interim orders to prevent it from having to pay the increased costs arising from the reclassification of assets on 1 April 2023 until such time as the company's claims have been determined.

#### **For further information contact:**

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