

NZ Commerce Commission extends Vector's deadline

Electricity lines company Vector has threatened to review every dollar of capital spending on its networks after New Zealand's competition watchdog said it would impose price controls on the company, which it claims is overcharging business customers and undercharging residential customers in Auckland. In the latest move of the long running standoff, Vector declared it would put a freeze on capital spending totalling more than NZ\$600 million. Vector argues the controls would not allow it to recover the cost of capital for planned investment on its networks, and has accused the Commerce Commission of changing the rules midstream. The Commerce Commission extended by a month the deadline for public consultation over its controversial plan. It was seeking submissions on its plan to control Vector's prices by 4 September, but will now accept submissions until 2 October. Commission Chair Paula Rebstock says Vector could propose a settlement to the commission as an alternative to control. Such a settlement would likely involve agreement on pricing levels and quality measures. Vector Chief Executive Mark Franklin says his company – which has watched the value of its shares slide in the face of the regulatory stoush – is encouraged by the deadline extension and is working on its submissions.

[Source essa news]