

From: David De Santis [REDACTED]
Sent: Friday, 28 July 2017 2:33 PM
To: Retail Electricity Inquiry
Subject: Some mathematical wizardry from [REDACTED]

Hello there,
You might like to consider the following:

The Energy providers are a law unto themselves. They make it up as they go along and are allowed to because no-one takes them to task.

I recently received an email indicating the increases for our premises. The [REDACTED] calculation sheet was hypelinked. See hereunder and note the mathematical wizardry.

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| There are 5 charge levels: | First 10.9 usage | : old \$0.2681800 | new |
| \$0.3209800 | increase in % : 19.6882690 | | |
| | next 8.2usage | : old \$0.2589400 | new \$0.3209800 |
| | increase in % : | | |
| 23.9592183 | | | |
| | balance of peak usage | : old \$0.2412300 | new \$0.3209800 |
| | increase in % : | | |
| 33.0597355 | | | |
| | dedicated circuit usage | : old \$0.0834900 | new \$0.1291400 |
| | increase in % | | |
| : 54.6772068 | | | |
| | Electricity supply charge | : old \$0.90662000 | new \$0.99000000 |
| | increase in | | |
| % : 9.19679689 | | | |

The interesting issues : the first 3 charges in the old, and as they have been for years, are always different. All of a sudden with big % increases they are all the same to the 7th decimal point. A bit of mathematical wizardry??. Why do they need to go to the 7th decimal point?? Does that create a profit in the lengthy decimal multiplication.

The dedicated circuit usage - the off peak hot water service?. gone up 54.%. How does that figure go up so high in the overall electricity production and supply costs?? It is off peak hence the lower charge over time. The lowest % increase is for the supply charge??. I thought the supply issue was the lead in the need for increases.? Indeed mathematical wizardry.

The energy regulator has been and is of no help, they should be disbanded and a new body created - their formula , which was heavily criticised by the Reserve Bank as flawed, allowed for the energy authorities ' to make a profit they deemed appropriate'. This allowed the increases of the past with no apparent justification other than the regulators policy being used against it. This allowed the gas industry to gain 'approved' increases because they could get higher prices overseas and the prices locally increased.

When the energy regulator knocked back the electricity providers in their claim for increases in 2016 the providers lodged court action , the energy regulator was on a 'no win / hiding to nothing' for not applying its own policy. The energy regulator obviously has no ability to apply legal strategies or to develop them. Legal precedent dictates that if you have a policy and you don't apply it you lose. Obviously they lost and so did consumers.

The petrol industry is the same and also requires a major inquiry on price manipulation. We get charged the Singapore price for all our petrol but only 20% is produced offshore. We pay for the freight/ shipping costs etc. when 80% is home produced. See the Petroleum Industry website for more info.

I look forward to yur timely advice.

regards,

David De Santis, 28/7/17.