

Electricity prices

Dear Sirs

MONOPOLY PRICING AND RENT-SEEKING

I make the following submission to the Committee.

The attached transcript and submissions are, I believe, on the public record, (see p 182 seq of the transcript). They illustrate a basic problem of the system which is designed to create monopoly rents, not deliver efficient prices.

There is something fundamentally corrupt and evil (as well as economically irrational) about a regulatory system for pricing electricity and other utilities which allows companies and government owners to get rates of return and dividends from assets they never contributed or paid for and then to keep on writing up the value of those assets to boot so their bogus returns get ever greater. Like parasites, they start to destroy the host, which happens when industries leave this country as they are doing.

If the members of the Committee do not understand and deal with this problem then I suggest the inquiry is futile.

Yours faithfully
Terence Dwyer