



Consultation paper

Proposal for further changes to the scheme documents to comply with the Achievement Standards set by the Electricity Commission and Gas Industry Co for approval of a scheme

March 2009

Introduction	1
Approach taken	2
Consultation with Stakeholders	2
EGCC Application	3
Reason for proposing the changes	4
Current process for amending the EGCC Constitution	4
Changes to the way the EGCC Constitution can be changed	5
Attached documents	6

Introduction

1. The Board of the Electricity and Gas Complaints Council (the Board) and the Electricity and Gas Complaints Commission (the Commission) are seeking your comments on proposals to make further changes to the Constitution for the Electricity and Gas Complaints Commissioner Scheme (the EGCC Constitution).
2. The Board and the Commission are proposing further changes in response to feedback from the Electricity Commission and Gas Industry Co joint Evaluation Panel (who are considering the applications for approval) on the areas in which the EGCC Constitution does not meet the Achievement Standards for approval of a consumer complaints resolution scheme.

3. The Board and the Commission referred the feedback from the Evaluation Panel to the Working group established by the Board and the Commission to consider changes to the EGCC Constitution. The Working Group has prepared this paper.

4. The members of the Working Group are:

Board members

- Gillian Blythe, Meridian Energy
- Jo McKirdy, Contact Energy
- Nigel Barbour, Powerco
- Viv Wright, Electra

Consumer representatives

- David Russell
- Frances Ah Mu, Wellington Community Law Centre

Approach taken

5. The Working Group has continued to take the approach that it will only propose changes where it is necessary to meet the Achievement Standards set by the Electricity Commission and the Gas Industry Co (the regulators).
6. Consultation with stakeholders is the next step in the process for making changes to the EGCC Constitution.

Consultation with Stakeholders

7. The Board and the Commission seek your submissions on the proposed amendments to the EGCC Constitution and the specific questions set out in Appendix V by **5 pm on Tuesday 3 March 2009**.

Please respond with your feedback (electronic form preferred) to:

Hellene Wallwork

h.wallwork@egcomplaints.co.nz

Electricity and Gas Complaints Commission

PO Box 6144

Wellington

8. Consumer or community groups may make their submissions in person to Hellene Wallwork. If you would prefer to make your submission this way, please contact Hellene on 04 914 4537.
9. Submissions received will be provided to the Working Group, the Board and the Commission. The Board and the Commission may also post the submissions on the Electricity and Gas Complaints Commission's website. If you do not want your submission to be available in this manner, please state this clearly in your submission.

EGCC Application

10. The Board and the Commission submitted an application to the regulators for the EGCC Scheme to be selected as the approved consumer complaints resolution scheme on 5 December 2008.
11. In January 2009, the Evaluation Panel responded with a series of questions, which the Board and Commission answered.
12. Following this, the Evaluation Panel invited the EGCC Scheme to meet with them to discuss some aspects of the application. This meeting took place in late January.
13. The Evaluation Panel advised some aspects of the EGCC Constitution would need to be amended if the EGCC Scheme was to meet all the Achievement Standards. These broadly relate to:
 - Definition of gas consumer (to match exactly the definition of a small gas consumer in the Gas Act)
 - The process for making changes to the EGCC Constitution (transferring authority to do this to the Commission, preceded by consultation with stakeholders and subject to approval from the regulators)
 - The purpose and scope of the scheme (to more exactly match the words in the Achievement Standards)

- Requiring the Commission to actively monitor and report on member compliance
- Some further refinements of the requirements for the EGCC Commissioner's complaint handling processes
- Separating a code of conduct (about complaint handling) from the codes of practice (the codes of practice will become best practice guidelines for members)

14. The relevant Achievement Standards are set out in Appendix II

Reason for proposing the changes

15. In response to the feedback from the Evaluation Panel, the Board and Commission are proposing further amendments to the EGCC Constitution. The proposed amendments will ensure the EGCC application meets all the Achievement Standards set by the regulators.

16. The proposed amendments set out in Appendix I address all aspects of the EGCC Constitution identified by the Evaluation Panel as requiring further work to comply with the Achievement Standards.

17. The proposed amendments will only come into force if the EGCC Scheme is selected by the regulators as the approved consumer dispute resolution scheme

Current process for amending the EGCC Constitution

18. The processes for changing the EGCC Constitution are:

- i) Most of the deed itself can be changed by member vote (requiring 75% of retailer members and 75% of lines members voting in favour)
- ii) Clause 6 (which establishes the Scheme Amendment Committee process – see paragraph 20 below) can only be changed by member vote after the proposed change has been approved by a Scheme Amendment Committee
- iii) The Rules, Terms of Reference and codes of practice can be changed by a Scheme Amendment Committee process.

19. The Scheme Amendment Committee is established by the Chair of the Electricity and Gas Complaints Council, John Robertson. It is made up of the six members of the Board and six consumer representatives nominated by Consumers NZ (formerly Consumers Institute). The Scheme Amendment Committee votes on proposed changes, and only those receiving support from 10 of the 12 Committee members are passed.
20. After the Board and the Commission have received and considered all the submissions, they will finalise the proposal for the amendments to the existing EGCC Constitution.
21. The Commission will recommend to the Board changes to the rules, terms of reference and codes, which will initiate the Scheme Amendment Committee process. The Board will propose changes to the deed and dispute resolution protocols to members, and give notice of a general meeting at which the vote of members will take place.

Changes to the way the EGCC Constitution can be changed

22. The Achievement Standards require that the Commission (as the overseeing entity) is responsible for any amendments to the EGCC Constitution. The Evaluation Panel identified this requirement as a high priority in meeting the Achievement Standards for an approved consumer dispute resolution scheme.
23. The Achievement Standards require some of the Board's duties to either be transferred to the Commission, or carried out with the approval of the Commission. In order to meet the Achievement Standards, the Commission will have to approve any changes to the EGCC Constitution.
24. The Board will retain its current role in working with the Commission on matters such as funding, with the Commission accountable for all aspects of the scheme.
25. Appendix III summarises the way in which the Working Group is proposing changes could be made to the scheme documents, once the EGCC is selected as the approved consumer dispute resolution scheme.

Attached documents

26. Accompanying this paper are:

- I. Proposed amendments
- II. List of relevant Achievement Standards
- III. Diagram of how changes can be made to Scheme documents (if amendments come into effect)
- IV. Preferred format for submissions and the specific questions from the working group
- V. The current timetable for making changes to the Scheme documents



John Robertson
Independent Chair of the Electricity
and Gas Complaints Council



Richard Janes
Independent Chair of the Electricity
and Gas Complaints Commission