



29th August 2008

Electricity and Gas Complaints Commission
h.wallwork@egcomplaints.co.nz
PO Box 6144
Marion Square
Wellington
Attn: Hellene Wallwork

Dear Hellene,

Re: Consultation Paper: Proposal for changes to the scheme documents to comply with the proposed scheme requirement from the Electricity Commission and Gas Industry Co for approval of a scheme

Thank you for the opportunity to provide comments in relation to proposed changes to the scheme documents. It is important that it is stated that Energy Online Limited (Energy Online) provides comments in direct response to your proposed changes to scheme documents and they should not be interpreted as support for the proposed requirements for a joint complaint scheme by the Electricity Commission and the Gas Industry Company. In relation to the joint complaint scheme, Energy Online does not support the information requirements on the scheme to be provided on all invoices. This requirement appears onerous, obtrusive and unnecessarily prescriptive. Energy Online promotes the EGCC scheme through a variety of channels including the website, terms and conditions, acknowledgement letters, and through our call centre. If the scheme is also advertised on customer invoices, it is our belief that this will detract from the members' internal complaint handling systems.

Question 1(a)

Which changes to the scheme documents do not meet the regulators' proposed scheme requirements?

Energy Online's review of the changes to the scheme documents did not identify any changes that did not meet the regulators' proposed scheme requirements.

Question 1(b)

Which changes to the scheme documents do not meet the recommendations from the Wood Report?

The Wood Report recommends allowing complainants to consent to a confidentiality waiver by electronic means where possible. Change No.57 to the Terms of Reference has been made to comply with this recommendation, however we consider that this change implies that complainants may consent to a confidentiality waiver by any means, rather than specifically in writing, or by electronic means.

Question 1(c)

Which changes to the scheme documents do not otherwise improve the efficiency and effectiveness of the scheme?

Change No.46 to the Rules has deleted the requirement to review the Electricity Code of Practice 12 months after its adoption as this requirement is now redundant. While Energy Online appreciate that this specific rule is no longer required, it is our position that the Codes of Practice continue to be reviewed on a regular basis. B5.1(e) of the Rules states:

- “B5.1 The Electricity and Gas Complaints Commissioner is responsible for:
- (e) reviewing these Terms of Reference and the Codes of Practice and making recommendations to the Commission on any amendments he or she considers are required;”

Energy Online believe that an appropriate frequency for the review of the Terms of Reference and Codes of Practice be set.

Question 2

What other changes are required to be made to the scheme documents in order to comply with the regulators’ proposed scheme requirements?

Energy Online have no comment to make in response to this question.

Question 3: Given that membership of an approved scheme will be mandatory, is it appropriate to retain:

- (a) *the ability for members to withdraw from the scheme? (see 3.13 - 3.15)*
- (b) *the concept of and consequences for defaulting members (see definitions and clause 3.16 – 3.18 of the Deed)?*

It is Energy Online’s position that, given membership of an approved scheme will be mandatory, it is not appropriate to retain the ability for members to withdraw from the scheme provided an appropriate process is retained whereby members are able to bring about changes to the scheme. It appears that the proposed processes for changing the scheme documents (Appendix six) allows for this.

It is Energy Online’s position that the concept of and consequences for defaulting members be retained.

- Question 4: Given that membership of an approved scheme will be mandatory, is it appropriate to retain the Board's power to refuse to accept an application to join the scheme on the basis that the Board believes the applicant:*
- (a) does not have the ability to carry out its obligations under the Constitution? (see clause 3.9(b))*
 - (b) does not have the ability to pay any entry fee or the annual levy the Board requires? (see clause 3.(9c))*

It is Energy Online's position that it is not appropriate for the Board to retain the power to refuse to accept an application to join the scheme on the basis that the applicant does not have the ability to carry out its obligations under the constitution or does not have the ability to pay any entry fee or the annual levy. However, as stated above Energy Online consider it to be appropriate to retain the concept of and consequences for defaulting members, and that this should be utilised by the Commission to address members that are unable to carry out obligations and/or pay the required fees.

If you have any questions or concerns please contact me on 09 539 4605.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kiryn Savage', written in a cursive style.

Kiryn Savage
Quality Manager