

28 JUL 2008

24 July 2008

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Electricity & Gas Complaints Commission
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WELLINGTON

Dear Hellene

Submission on Proposed Changes to the Electricity & Gas Complaints Scheme

Thank you for your email of 22 July outlining (and highlighting) proposed changes to the scheme. I make the following comments in relation to highlighted aspects.

Firstly in the revised codes, para C3.1(CA) clearly in providing services there is a duty of care on all member company staff to ensure that consumers are being signed into the most appropriate contracts for their needs, however the insertion of this section leaves member companies wide open to claims from consumers and monetary penalty where the consumers circumstances may have changed or incorrect information was given at the outset.

Electricity retailers generally take care to ensure that consumers are on the best plan; however they do not monitor the sizes of consumer's families, their domestic circumstances or their consumption patterns and cannot be in a position to know on an ongoing basis what the most appropriate contract is. Similarly when network companies assign ICPs to particular charging groups this is based on the best assessment given the information available.

If this clause is to remain it should use words to the effect that company's have a duty to ensure that consumers are aware of the rights and/or benefits of different contract options. It is the consumer who makes the eventual choice.

Reference C16.1, third bullet point

Once again it is not possible for companies to cooperate and establish arrangements that meet the needs of vulnerable consumers. Of course it is possible to have options and arrangements in place but to state that a company with a consumer contract must cooperate with low income and vulnerable consumers to establish arrangements that meet their needs is simply not possible. Retailers will still undertake last resort disconnections and any such disconnections would be in breach of the suggested addition, because clearly the arrangement had not met the needs of the vulnerable consumer. Therefore I suggest delete this addition.

Clause C22A.1

I'm not sure what this sentence means but the Commission and its staff should be aware that electricity companies, and in particular Network companies, are very strictly regulated in relation to health and safety requirements. This extends to any worksite and to having a duty of care in relation to the public at large. Does the insertion of this clause indicate that the Commission will be undertaking complaints in relation to consumer related breaches of health and safety?

Clause C23.1A

Marlborough Lines, along with many other Network companies, have either business units or subsidiary companies that operate as electrical contracting services. They are competing in the public domain and whilst we have previously committed to the complaints scheme and rules (with minor exceptions) we do not favour including messages on every invoice advising consumers in relation to our internal complaints procedures. We do provide information in newsletter form to all of our consumers and believe that is sufficient.

Likewise with Clause 23.1B we do not favour including details of the Electricity & Gas Complaints Scheme on our contracting invoices.

Clause 23.4

Member companies have already undertaken to inform consumers in relation to the Electricity & Gas Complaints Scheme. This is done by newsletter and/or circular information available at the company's premises. We don't agree with providing information in relation to the Electricity & Gas Complaints Scheme as a matter of practise to consumers regardless of whether the company considers the complaint to be frivolous or vexatious. We note that the Commission also has considerable difficulty with such complainants and there is a point at which member companies will simply incur additional complaint related costs from inviting every frivolous or vexatious complainant to contact the Commission. Member companies need to retain some discretion here.

Different wording is required in relation to Schedule D, which is the Electricity Consumer Dispute Resolution Protocol. We don't agree with the insertion of Clause D1.3H. From our perspective it is sufficient that the Commission monitors and reports on complaint activity. Our company's internal legal compliance procedures require us to report to our directors in relation to cases under action with the Electricity & Gas Complaints Commission. We believe that is all that is necessary under the circumstances.

We look forward to hearing of further possible changes to the Scheme.

Yours sincerely



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Company Secretary

cc Vivienne Wright
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