

29 August 2008

Electricity and Gas Complaints Commission
PO Box 6144
Wellington

By email: h.wallwork@egcomplaints.conz

SUBMISSION ON THE PROPOSED CHANGES TO THE SCHEME DOCUMENTS TO COMPLY WITH THE PROPOSED SCHEME REQUIREMENTS FROM THE ELECTRICITY COMMISSION AND GAS INDUSTRY CO FOR APPROVAL OF A SCHEME

Our submission addresses the four questions set out in appendix 3 of the consultation document.

Question	Response
<p>Q1 Which changes to the scheme documents listed below DO NOT:</p> <ul style="list-style-type: none"> (a) meet the regulators' proposed scheme requirements (b) the recommendations from the Wood Report (c) otherwise improve the efficiency and effectiveness of the scheme? 	<p>No comment.</p>
<p>Q2 What other changes are required to be made to the scheme documents in order to comply with the regulators' proposed scheme requirements?</p>	<p>No comment.</p>
<p>Q3 Given that membership of an approved scheme will be mandatory, is it appropriate to retain:</p> <ul style="list-style-type: none"> (a) the ability for members to 	<p>We do not consider it is appropriate for members to withdraw from the scheme while they remain participants under regulation 4 of the Electricity Governance regulations 2003.</p>

<p>withdraw from the scheme? (see 3.13 -3.15)</p> <p>(b) the concept of and consequences for defaulting members (see definitions and clause 3.16 – 3.18 of the Deed)?</p>	<p>Clause 3.13 to 3.15 should be modified to provide that a member will no longer be a member of the scheme if they cease to be a participant under the EG regulations. There will need to be provision for obligations in respect of issues covered in 3.15(c).</p> <p>Clause 3.16 to 3.18 should be amended to reflect the mandatory nature of the membership.</p>
<p>Q4 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:</p> <p>(a) does not have the ability to carry out its obligations under the Constitution? (see clause 3.9(b))</p> <p>(b) does not have the ability to pay any entry fee or the annual levy the Board requires? (see clause 3.(9c))</p>	<p>We do not consider it is appropriate to retain the Board's power to refuse an applicant to join the scheme. We consider that by becoming a participant under the Electricity Governance Regulations 2003 this would require membership of the scheme. The Rulings Panel has powers to terminate or suspend all or any of a participant's rights under the rules. We consider that matters of the nature raised in Q4 (a) and (b) should be able to be dealt with via this method. We acknowledge that this may require some change of regulation.</p>

Thank you for the opportunity to make this submission. Orion does not consider that any part of this submission is confidential. If you have any questions arising from this submission, please contact Dennis Jones (Industry Developments Manager), DDI 03 363 9526, email dennis.jones@oriongroup.co.nz.

Yours sincerely



Dennis Jones
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