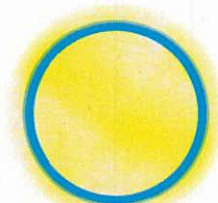


29 August 2008

Electricity and Gas Complaints Commission
PO Box 6144

By email: h.wallwork@egcomplaints.co.nz

POWERCO



Thank you for the opportunity to make a submission on the changes proposed to the Electricity and Gas Complaints Commission ("EGCC") Scheme to comply with the proposed scheme requirements from the Electricity Commission and Gas Industry Company for approval of a complaints scheme.

Powerco supports the approval of an independent complaints resolution scheme for electricity and gas and believes that the approval of an existing scheme (specifically, the EGCC) is preferable and more efficient than the establishment of a new scheme through rules or regulation.

Powerco's submissions on the specific questions asked by the Working Group in Appendix Three to the Consultation Paper (where relevant) and other general comments are set out below.

No.	Question	Powerco Response
1	<p>Which changes to the scheme documents listed below do not:</p> <p>(a) meet the regulators' proposed scheme requirements</p> <p>(b) the recommendations from the Wood Report</p> <p>(c) otherwise improve the efficiency and effectiveness of the scheme?</p> <p>Please provide reasons for your answer.</p>	<p>Comment: The definition of "Gas" in the EGCC Deed has been amended to entirely remove the exclusion for LPG. However, Proposed Scheme Requirements only require the approved scheme to cover <i>reticulated</i> LPG (this will also apply to the "Gas" definition in the Gas Code and Land Code).</p> <p>Recommendation: Retain the LPG exclusion for other uses of LPG (i.e., <i>non-reticulated</i> LPG).</p>
2	<p>What other changes are required to be made to the scheme documents in order to comply with the regulators' proposed scheme requirements?</p>	<p>Comment: The Proposed Scheme Requirement 1.2.5 (set out in Appendix A to the Consultation Paper) states that "The scheme rules will require that the scheme deal <i>only</i> with complaints that [...] have not been dealt with, or are not being dealt with, by another dispute</p>

		<p>resolution forum”.</p> <p>The EGCC’s current Terms of Reference give the Commissioner a discretion not to investigate a complaint if it has been or becomes the subject of any proceedings before another dispute resolution forum (B1.10(d)).</p> <p>Recommendation: The current EGCC Terms of Reference be amended to remove any discretion so that the Commissioner <i>cannot</i> consider a case that has been or is being dealt with in another forum.</p> <p>Comment: Clause A1.2(b) of the EGCC Rules relating to the appointment of industry representatives is different to clause A1.2(c) relating to the appointment of consumer representatives, yet the Proposed Scheme Requirements set the same criteria for both.</p> <p>Recommendation: Clause A1.2(b) of the EGCC Rules should be amended to include the requirements in clause A1.2(c)(i) and (ii).</p>
3	<p>Given that membership of an approved scheme will be mandatory, is it appropriate to retain:</p> <p>(a) the ability for members to 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>(a) There is no real need for members to have the ability to withdraw from the EGCC Scheme while it is compulsory to participate in an approved scheme and there is only one approved scheme. The ability to withdraw from the scheme will only be necessary if, in the future alternative schemes are approved by the Electricity Commission/Gas Industry Company. If the ability to withdraw from the scheme is retained and a member withdraws when there is no alternative approved scheme, this will just become a matter for the Electricity Commission/Gas Industry Company.</p> <p>(b) If there is only one approved scheme, it will not be appropriate for a defaulting member to be expelled from the scheme. Other penalties should be considered for</p>

		defaults (perhaps in consultation with the EC and GIC).
4	<p>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>It is not appropriate for the Board of the EGCC to be able to refuse to accept an application to join the EGCC if the EGCC is the only approved scheme. If members do not carry out their obligations or fail to pay any entry fee or annual levy, this should be dealt with in the same way as other defaults – by some other penalty.</p>

General comments

Amendments to Codes

Clauses C3.1(a) and CA3.1(ca) of the Electricity and Gas Codes should be amended to clarify that only companies with consumer contracts are required to ensure that consumers enter into the most appropriate contracts for their needs. It is not appropriate for this obligation to rest on all companies.

The requirements of clauses C23.1A and clause C23.1B of the Electricity Code (similarly with CA23.1A and B of the Gas Code) should be consistent with each other - the requirement in A should be amended to be consistent with that in B so that the requirement only applies to companies with a direct relationship with consumers.

Complainants

Because the proposed amendments have the effect of extending the scope of who can complain (i.e., not just consumers but any person), Powerco is concerned that complainants under the EGCC Scheme be limited to the existing categories of *Consumer Complaint* and *Land Complaint*.

It is inappropriate for disputes relating to aspects of Powerco's day to day business (other than the provision of Line Function Services or the location of Powerco's assets on Landowners' land) to be dealt with by the EGCC. Powerco would be concerned if the changes to the EGCC Scheme widen the scope of claims able to be made through the Scheme.

Closing of internal complaints process files

An issue that has arisen for Powerco is that, often complaints have been through Powerco's internal complaints system and Powerco has provided a proposed solution or explanation but no response is received from the complainant. Such files are often left open for months (even years) as it is hard to know when to

consider such a complaint closed or whether the complainant may at some stage in the future take the complaint to the EGCC.

Powerco suggests the EGCC consider putting a time limit on a complainant's acceptance or rejection of a member company's proposed solution. This will assist with the timely resolution of complaints and will help matters be resolved while the events resulting in the complaint as are relatively recent.

We are happy to discuss any of our comments further.

Yours sincerely

A handwritten signature in black ink, appearing to read "Goodeve".

Paul Goodeve
Regulatory & Business Manager