



electricity & gas
complaints commission

the electricity consumer

Code of Practice

3

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Code of Practice

the electricity consumer

SCHEDULE C

THE ELECTRICITY CONSUMER CODE OF PRACTICE **EDITION 3**

(This document is effective 18 April, 2005. Reprinted February 2006.)

C1	WHAT IS THE ELECTRICITY CODE?
C1.1	The Code contains undertakings by Electricity Company members of the Electricity and Gas Complaints Council to their Consumers under the Scheme for fair and reasonable dealings with Consumers.
C1.2	The provisions of the Code should be interpreted in light of Clause C2 and Clause C3 and should be applied in a manner which is consistent with these Statements of Purpose and Principles.
C2	STATEMENT OF PURPOSE
C2.1	The Electricity and Gas Complaints Commissioner Scheme is designed to create a forum where Consumers can access an independent dispute resolution service for complaints about their electricity Lines Company or Retailer.
C2.2	The purpose of the Electricity and Gas Complaints Commissioner Scheme is to provide a service that is: (a) Free to Consumers; (b) Accessible; (c) Fair; (d) Effective; (e) Accountable; and (f) Independent.
C2.3	The Code is a document which sets out the principles, requirements, services and actions a Consumer can reasonably expect from their Retailer or Lines Company.

C3	STATEMENT OF PRINCIPLES
C3.1	<p>The following Principles articulate the basic values which underpin the Code’s purpose and objectives:</p> <ul style="list-style-type: none"> (a) Consumer complaints should be handled promptly, fairly, and with respect to complainants throughout the process; (b) All information given to Consumers should be accurate, up to date and easy to understand; (c) Consumer Contracts should clearly define the rights and obligations of the contracting parties, and companies must bring these rights and obligations to the attention of Consumers; and (d) The Code sets out certain minimum standards of behaviour of good industry practice, and Consumer Contracts should seek to exceed those minimums where possible.
C4	LOCATION OF DEFINITIONS
C4.1	Words that are capitalised (e.g. Consumer Contract, and Company) have specific meanings in this Code. If these words are not defined when first used, they are defined under C29 Definitions at the back of the Code.
C5	WHO IS COVERED BY THE CODE?
C5.1	Every Retailer and Lines Company, who is a member of the Electricity and Gas Complaints Council is covered by this Code.
C5.2	This means that they must follow the provisions set out in the Code.
C6	WHAT IS A CONSUMER CONTRACT?
C6.1	A Consumer Contract is an agreement between a Consumer and a Company for the supply of electricity and/or Line Function Services.

C7	WHAT IS THE CONNECTION BETWEEN THE CODE AND A CONSUMER CONTRACT?
C7.1	The Code explains to Consumers what they can expect in their dealings with a Retailer or Lines Company.
C7.2	A Consumer Contract must not contain provisions which are inconsistent with the Code. The provisions of the Code will apply to the extent of any inconsistency.
C7.3	A Consumer Contract may include terms or conditions additional to or more favourable to the Consumer than those set out in the Code but these terms or conditions must not be inconsistent with the undertakings of the Code.
C8	WHO DEALS WITH COMPLAINTS RELATING TO THE CODE?
C8.1	Only the Company and the Electricity and Gas Complaints Commissioner can deal with complaints relating to the Code.
C9	WHAT CAN THE CONSUMER EXPECT FROM A CONSUMER CONTRACT?
C9.1	<p>A Consumer Contract must:</p> <ul style="list-style-type: none"> • Be easy to understand; • Clearly set out the rights and obligations of both the Company and the Consumer; • Refer to any other information that is part of the terms and conditions of the Consumer Contract; • Be easy for Consumers to obtain; • Allow Disconnection only as a last resort except for reasons of safety or other reasons authorised under the Electricity Regulations 1997; and • Provide for free, accessible, fair and effective systems for resolving Complaints within a Company.
C10	CHANGES TO CONSUMER CONTRACTS
C10.1	<p>If a Company changes the terms and conditions of a Consumer Contract, the Company must:</p> <ul style="list-style-type: none"> • Give no less than 30 days notice before making any changes to the terms and conditions of the Consumer Contract; and

- Explain the reasons for the changes to the Consumer Contract terms and conditions when it gives the Consumer notice about the change.
- C10.2 The Consumer Contract must describe how the Company will communicate any changes to the terms and conditions of the Consumer Contract that may be made under the Consumer Contract. However, any change in the frequency of billing and/or frequency of meter reading must be individually communicated to the Consumer in writing.

C11 CHANGES TO PRICE

- C11.1 If a Company increases the price of electricity supplied under a Consumer Contract, including for example any increase in variable electricity prices and/or daily fixed charge prices, the Company **must**:
- Give no less than 30 days notice before increasing the price of electricity; **and**
 - Explain the reasons for the increase in price when it gives the Consumer notice about the change.
- C11.2 The Consumer Contract must describe how the Company will communicate any increases in the price of electricity. If the increase in price is more than 5%, then a separate notice of the increase must be individually communicated to the Consumer in writing as soon as practicable.
- C11.3 For the avoidance of doubt, a Company is not required to give a Consumer advance notification of a decrease in the price of electricity supplied.

C12 SERVICES PROVIDED

- C12.1 The Consumer Contract must describe the services provided to the Consumer. This includes any quality standards that the Consumer should expect from the Company in providing these services.
- C12.2 A Consumer Contract must set out how the Company will respond to the Consumer where quality of service standards are not met, including any compensation that would be paid to the Consumer if the Company does not meet its obligations.

- C12.3 The quality of service standards **must**:
- Comply with the Electricity Act 1992 and the technical regulations and technical electrical codes of practice;
 - Be no less than good industry practice prevailing in New Zealand; **and**
 - Require that equipment used in the provision of Line Function Services will be monitored and maintained in line with good industry practice prevailing in New Zealand.

C12.4 The Consumer Contract must include a warning to Consumers to protect Sensitive Appliances from voltage spikes.

C13 PRICE INFORMATION

C13.1 The Consumer Contract must refer to the relevant prices or pricing schedule (as may be produced by the Company from time to time) of products and services available to the Consumer.

C14 BILLING

- C14.1 Consumer Contracts **must** set out:
- That the Consumer is liable for the charges for all the services included in the Consumer Contract and is responsible for making sure that the contractual requirements are met;
 - That the Consumer will only be liable for charges from the date of occupancy or responsibility unless another date has been agreed between the Consumer and the Company;
 - That, except in the case of bills based on estimates, if the Company makes an error and charges an incorrect amount, the Consumer:
 - is entitled to a refund of the difference between the incorrect and correct amounts where the Consumer has paid too much; or
 - is only liable to the Company for the correct amount.
 - The billing period and/or reconciliation period.

- C14.2 Where a Consumer has chosen a price option offered by a Retailer that includes fixed charges for electricity and Line Function Services, the Company's bill must identify the fixed charge component of the bill separately from the variable charge.
- C14.3 If a Company's bill includes charges for goods and services other than the supply of electricity or Line Function Services, these should be itemised separately unless the Consumer has agreed otherwise under the Consumer Contract.
- C14.4 If a Company's bill to a Consumer is based on a method of estimating electricity and/or Line Function Services usage:
- The Consumer should be given the opportunity of reading their own meter(s) and giving the reading(s) to the Company until the Company arranges for the meter to be read;
 - The Company must provide, on request, a simple explanation of how estimates are calculated and amend an estimated bill when the Consumer provides a valid meter reading;
 - The Company must make sure that its bills state clearly if an estimate has been used; and
 - The Company must state in the Consumer Contract whether the Consumer is required to pay estimated accounts.

C15 **METERING**

- C15.1 Meter readings used by a Company for billing a Consumer must comply with electricity industry standards and codes of practice for meter reading. Meter readings should take place a minimum of four times a year unless the Consumer agrees individually otherwise or does not provide the Company with reasonable access to the meter.
- C15.2 On request the Company must inform the Consumer of the results of any meter test, and, if it is not clear in the Consumer Contract, inform the Consumer of any extra charge the Consumer may incur as a result of the Company testing the Consumer's meter prior to undertaking the work.
- C15.3 The Company must inform the Consumer prior to taking any action on the Consumer's meter which may impact on the Consumer's bill or result in an extra charge.
- C15.4 The obligations on Companies to inform Consumers under Clause C15.2 and Clause C15.3 do not apply where the Company has reasonable cause to suspect that fraud, theft or meter tampering has taken place.

C16 | **PAYMENT OPTIONS**

- C16.1 A Company with a Consumer Contract (or the person who does that Company's billing on its behalf) must have policies in place that assist a Consumer who is having difficulty paying a bill.
- C16.2 Where currently offered payment options are to change, reasonable notice must be given and adequate information provided to explain the changes to Consumers before the change takes effect. The minimum notification provisions of C10 Changes to Consumer Contracts apply.
- C16.3 If alternative payment options are offered to Consumers, these should be supported by a simple explanation of how the options operate, either in the Consumer Contract or in a separate publication or notice.

C17 | **BONDS**

- C17.1 If a Company requires a Bond:
- The Company must give to the Consumer the reason for that decision;
 - The Bond must not be more than the expected loss if a Consumer doesn't pay;
 - The Consumer Contract should state if interest is payable on the Bond;
 - The Bond must be held on trust in a separate account; **and**
 - The Consumer Contract must state:
 - the period of time within which the Bond must be paid to the Company; **and**
 - how long the Company will keep the Bond and that if the Company keeps the Bond for longer than 12 months, it must provide its reasons for doing so to the Consumer; **and**
 - how the Bond will be refunded.

C18 | **DISCONNECTION AND RECONNECTION**

- C18.1 Consumer Contracts must set out the conditions under which Consumers can be disconnected.

- C18.2 Consumer Contracts must state that a Company may only disconnect a Consumer for non-payment where the non-payment relates to bills (including a Bond) associated with the supply of Retail Services, Line Function Services, and/or electrical energy.
- C18.3 Where a Company intends to disconnect a Consumer because the Company considers that the Consumer has not paid a bill (including a Bond), Disconnection should be the Company's last course of action.
- C18.4 If a Consumer has started using and is pursuing the dispute resolution processes set out in the Consumer Contract (including the Electricity and Gas Complaints Commissioner Scheme) in relation to that Consumer not paying the bill, the Company must not disconnect that Consumer or commence credit recovery action until the processes are exhausted.
- C18.5 This means that a Consumer should not be disconnected for non-payment of part of an account that is the subject of a dispute resolution process. However, a Consumer may be disconnected for non-payment of that part of an account which is not in dispute.
- C18.6 A Consumer should not be disconnected on the basis of an estimated account unless it is fair and reasonable in the circumstances to do so.
- C18.7 Except in the case of agreed or emergency Disconnections, Consumer Contracts **must:**
- Provide for at least seven days notice of warning of Disconnection and allow an additional three days for the delivery of the notice; and
 - Provide for a Final Warning no less than 24 hours nor more than seven days before Disconnection. The Final Warning must specify these timeframes. If the Disconnection is not prevented by the Consumer and not completed within these timeframes, the Company must issue another Final Warning.
- C18.8 Consumer Contracts must explain when charges for temporary Disconnection and/or Reconnection apply. When warnings are delivered as per the provisions of C18.7, they must include and make explicit what additional charges over and above the recovery of billing arrears will apply.
- C18.9 Temporary Disconnection and/or Reconnection charges should not be more than the level required to meet the overall costs of the Disconnection and/or Reconnection service.

C18.10	<p>Disconnection notices should include:</p> <ul style="list-style-type: none"> • Information about the Company’s dispute resolution processes; • Contact details of the Company’s credit department so that the Consumer can contact that credit department to arrange payment of a bill that has not been paid; and • The cost of Reconnection.
C19	FAULTS
C19.1	Information about 24-hour telephone numbers to call for faults must be provided on every bill to a Consumer.
C20	PLANNED SHUTDOWNS
C20.1	A Consumer Contract must clearly state a minimum notice period before a Planned Shutdown which should be no less than four days unless agreed otherwise in the Consumer Contract.
C20.2	Companies must notify Consumers of a Planned Shutdown within the notice period.
C21	OBLIGATIONS FROM POINT OF SUPPLY
C21.1	A Company must supply information (on request) to a Consumer about a Consumer’s electricity supply that explains where the Lines Company’s ownership and responsibilities end in relation to the network.
C21.2	A Consumer Contract must set out the responsibilities of the Consumer, the Electricity Retailer and the Lines Company in relation to ownership of equipment. For example, a Consumer Contract must clearly set out the extent to which the Consumer is responsible for the maintenance of trees and/or other structures on the property where these could affect the supply.
C21.3	A Consumer Contract must explain the Consumer’s responsibilities for compliance with all Line Function Services safety and technical requirements under regulations and codes of practice.

C22 | ACCESS TO PREMISES

- C22.1 Consumer Contracts must include provisions permitting reasonable access to a Consumer's Premises for the direct purposes of the Retailer or Lines Company and any agent or subcontractor of that Company. The consequences of not granting access should also be set out in the Consumer Contract. Other conditions of access should be in line with the provisions of the Electricity Act 1992.
- C22.2 Where a Company is in the possession of keys and/or security information for a Consumer's Premises, the Company should have formal procedures for the secure storage and use of and return of these keys and/or security information.

C23 | CONSUMER COMPLAINT RESOLUTION

- C23.1 Companies must have a free, accessible, fair and effective, internal Consumer Complaints handling process.
- C23.2 Companies must accept Consumer Complaints in any reasonable form from a Consumer including written and oral, and via a variety of delivery mechanisms including face-to-face, posted, hand-delivered, facsimile or electronic.
- C23.3 Companies **must**:
- Provide information to Consumers about how their Complaint will be dealt with, **and** by when;
 - Provide written information about their Consumer Complaints handling processes; **and**
 - Treat Consumers courteously and with respect.
- C23.4 Companies **must** also:
- Train their staff about their Consumer Complaints handling processes;
 - Use processes that are easy to understand, easy to use and free to Consumers;
 - Provide adequate resources for their Complaints handling processes;
 - Tell Consumers that there is an Electricity and Gas Complaints Commissioner to whom they can go if their Complaint is not resolved; **and**
 - Review their Consumer Complaints handling process regularly.

- C23.5 Companies must provide for appropriate remedies to Consumers.
- C23.6 Companies must collect and analyse information about Complaints, and use it to adjust business practices as required.
- C23.7 For Consumers, Retailers must have in place an effective process to ensure there has been an offer and acceptance of the Consumer Contract.

C24 **LIABILITY**

- C24.1 Except as permitted under Clauses C24.2 and C24.3, a Consumer Contract must not limit the scope of liability, in contract or tort, of a Company to a Consumer to less than liability for physical damage to property where it can be shown that the Company has been negligent and the amount and nature of the Consumer's loss was reasonably foreseeable.
- C24.2 A Consumer Contract must not limit the monetary amount of liability, whether in contract or tort, of a Company to a Consumer for an event or a series of closely related events occurring on a network system to any amount less than \$10,000. This clause does not prevent or limit any provision in a Consumer Contract stating that liability is subject to any monetary cap contained in the Consumer Contract for an event or series of closely related events in relation to more than one Consumer on a network system.
- C24.3 A Consumer Contract must not fix a per annum cap on liability in respect of one or more Consumers on a network system or for events or a series of closely related events occurring on a network system.
- C24.4 Notwithstanding the provisions of the Code, and in particular Clause C24, Consumers have access to any remedies that arise under the Consumer Guarantees Act 1993. Where the Code conflicts with the Consumer Guarantees Act, the Consumer Guarantees Act will take precedence.

C25 **FORCE MAJEURE CLAUSES**

- C25.1 A Consumer Contract must define the situations covered under Force Majeure clauses and explain how a Company will respond in such circumstances.

C26 | **PRIVACY**

- C26.1 A Consumer Contract must adhere to the provisions of the Privacy Act 1993 and accordingly:
- Set out the purposes for which the Company collects information from individuals; and
 - Confirm that Consumers will have ready access to information held about them and the opportunity to correct this information.

C27 | **OVERSIGHT AND REVIEW OF THIS CODE**

- C27.1 The Electricity and Gas Complaints Commission is responsible for overseeing and reviewing this Code.

C28 | **ENFORCEMENT OF THE CODE**

- C28.1 The undertakings of a Company in this Code are not intended to create rights enforceable by a Consumer against a Company under the Contracts (Privity) Act 1982.

C29 | DEFINITIONS

C29.1 Terms used in this Code have the following meanings:

Bond means the bond or sum of money provided by a Consumer as security for non-payment.

Code means this Code of Practice which comprises Schedule C of the Constitution for the Electricity and Gas Complaints Commissioner Scheme.

Company means a member of the Electricity and Gas Complaints Commissioner Scheme who is either a Retailer or a Lines Company. "Companies" and Electricity Companies have corresponding meaning.

Consumer means: A person who is supplied, or who applies to be supplied, with electricity by a Retailer in accordance with a Consumer Contract for consumption of electricity;

A person who is supplied, or who applies to be supplied, with Line Function Services in accordance with a Consumer Contract and who also consumes electricity;

Includes any person using the services supplied under that Consumer Contract or paying part or all of the fees for the services provided under the Consumer Contract.

Consumer Contract means the agreement with a Consumer providing for the supply of electricity and/or Line Function Services to a Consumer and includes any additional publications, which contain information about the service to Consumers.

Disconnection means the movement or removal of equipment so that no electricity can flow to a Consumer's Premises.

Electricity and Gas Complaints Council means the governing body under the Electricity and Gas Complaints Commissioner Scheme.

Electricity and Gas Complaints Commissioner Scheme means the Electricity and Gas Complaints Commissioner Scheme implemented by the Electricity and Gas Complaints Council.

The Electricity and Gas Complaints Commissioner *is* the person appointed to that position by the Electricity and Gas Complaints Commission.

The Electricity and Gas Complaints Commission *means* the Commission set up under the Electricity and Gas Complaints Commissioner Scheme. It provides an independent overview of the Scheme and comprises an independent chairperson, two representatives of industry members and two consumer representatives appointed by the Minister of Consumer Affairs.

Provide a Final Warning *means* that the Company must take all reasonable steps to ensure a Consumer receives this warning. This may include making contact to the Consumer's last known address or phone number.

Force Majeure *means* circumstances beyond the control of the Company, for example failure to supply electricity due to causes beyond the Company's control such as a storm.

Lines Company *means* a Company which operates a local network for conveying electricity and provides Line Function Services to Retailers or directly to Consumers. Lines Companies includes lines services businesses, whether incorporated or not.

Line Function Services *has the meaning* set out in section 2 of the Electricity Act 1992 and as further provided for in a Consumer Contract and includes metering services where a Lines Company provides or has provided these services.

Planned Shutdown *means* the period when electricity is not available due to routine planned maintenance. A planned shutdown excludes situations where the electricity network needs to be taken out of service for emergency reasons such as to ensure the integrity of the electricity network or for safety. In general, planned shutdowns (where required) would be used for all work falling under the Lines Company's Asset Management Plan.

Point of Supply *has the same meaning* as given to it in the Electricity Act 1992.

Premises means the site to which electricity is supplied or is to be supplied to a Consumer.

Reconnection means the movement or replacement of equipment so that electricity can flow to a Consumer's Premises which had been disconnected.

Retailer means any supplier of electricity to Consumers.

Retail Services mean all services supplied under an interposed Consumer Contract (except Line Function Services) and all services supplied under a supply only (consumer contract) and includes metering services where a Retailer provides or has provided these services.

Sensitive Appliances means electrical equipment that has electronic circuitry or control systems in them. Major household appliances that fall into this category include, but are not limited to, TVs, microwaves, stereos, computers, radios, washing machines and driers, fridges, freezers, videos, DVDs and dishwashers.