



PO Box 5875, Lambton Quay, Wellington 6145
 Telephone 0800 22 33 40 Facsimile 0800 22 33 47
info@egcomplaints.co.nz www.egcomplaints.co.nz

11 March 2014

By email: submissions@ea.govt.nz

Submissions
 Electricity Authority
 PO Box 10041
 Wellington 6143

EGCC submission – Retail data project – Issues paper

Thank you for the opportunity to comment on the Electricity Authority (“the Authority”)’s retail data project issues paper dated 28 January 2014. This submission is made by the Electricity and Gas Complaints Commissioner.

	Question
1	Do you agree that there is incomplete data about retail costs and prices?
	Yes, for the reasons the Authority has identified.
2	Do you agree that the consequences of incomplete data include inefficient decisions and reduced confidence in retail competition?
	Yes, for the reasons the Authority has identified.
3	Do you agree that there is incomplete information about retail tariffs?
	<p>Yes, for the reasons the Authority has identified.</p> <p>The office of the Electricity and Gas Complaints Commissioner (“EGCC”) receives complaints related to incomplete or confusing information about retail tariffs. These complaints often present as complaints about price or marketing.</p> <p>In 2013, the EGCC received at least 180 complaints (out of 1,821 total complaints) where the issues involved either price or marketing. In many of these cases, the complainants were unhappy with the information they had been provided about retail tariffs. Some examples of</p>

	<p>complaints of this nature include:</p> <ul style="list-style-type: none"> • A residential customer in an apartment building complained she was unaware her retailer had been charging her a non-domestic tariff for many years because the bills did not make clear what tariff category is being applied by the network company. The complainant said she only learned she was being charged on an incorrect tariff (and therefore overcharged) when she called to complain about high bills. She said there was not enough information on her bills for her to know she was being charged an incorrect tariff. • A complaint about a retailer incorrectly stating and charging a customer a variable charge it said was from the local network company. The customer contacted the network company and was told the rates it charged the retailer were not what the retailer was charging him. In addition, the customer said the retailer changed his pricing to a low user tariff with the local network company without notifying him or passing on the cheaper rates to him. • A complaint about a retailer applying a 'commercial' tariff to a bach when the complainant believed she should have been charged a residential tariff. (While some retailers have a policy of charging non-residential rates for holiday homes, the 'commercial' label applied to many non-residential tariffs appears to cause confusion to consumers.) • A complaint where a consumer was charged unknowingly for three phase power when the company knew that only single phase power was supplied. • A complaint where a retailer offered a consumer the low user rate. The retailer later cancelled the low user rate when the retailer discovered the consumer had three phase supply. <p>We have also received cases where the understanding of retail tariffs offered by a retailer appears to be inconsistent among a retailer's employees or contractors. In 2013, the EGCC noticed a pattern of over thirty complaints about door-to-door sales by one retailer. The issues included inconsistent, incorrect and conflicting information about the per unit price, GST (prices inclusive or exclusive), prompt payment discounts and other information given to consumers by the door-to-door salespeople and also the retailer's call centre. We have raised this issue with the retailer involved and are continuing to monitor this issue.</p>
4	<p>Do you agree that there is incomplete information about consumption data?</p>
	<p>Yes, although in our experience this varies depending on the retailer involved. Some retailers have more complete information (either on invoices or on their online account portals). However this is not consistent across the industry, and we do receive complaints that relate to this issue. Some examples include:</p> <ul style="list-style-type: none"> • A complaint where part of the complaint was that a retailer's bills only showed the number of units billed for during the billing period. The bills did not show the start or end meter readings, and did not say whether the meter reading was estimated. There were other billing problems involved during the complaint, and the complainant could not verify whether the number of units billed was correct. The EGCC raised this issue with

	<p>the retailer, who said it would make changes to increase transparency on its bills.</p> <ul style="list-style-type: none"> • A complaint where the retailer told its customer he would receive hourly consumption data once a new smart meter was installed. The customer complained the retailer did not provide him with detailed consumption data as promised.
5	Do you agree that these issues inhibit effective decision-making by consumers?
	Yes.
6	Do you agree that the perception of the electricity retail market as competitive is important for the efficient operation of the electricity industry?
	No comment.
7	Do you consider that the various survey findings on perception of competitiveness in the retail energy market align with reality? Please describe your understanding of current perceptions of retail competition.
	No comment.
8	Do you agree with the objectives of part 1?
	Yes, for the reasons the Authority has identified.
9	What comments do you have on the Authority's preliminary thinking on how to achieve the objectives of part 1?
	Once more robust data on retail pricing is made available to consumers, we believe the Authority may need to implement measures relating to 'energy literacy' so consumers are empowered to make use of the data.
10	Are there alternative approaches you would like the Authority to consider in part 1?
	No comment.
11	Do you agree with the objectives of part 2?
	Yes, for the reasons the Authority has identified.
12	What comments do you have on the Authority's preliminary thinking on how to achieve the objectives of part 2?
	None.
13	Are there alternative approaches that you would like the Authority to consider in part 2?
	No comment.
14	Do you agree with the objectives of part 3?
	No comment.
15	What comments do you have on the Authority's preliminary thinking on how to achieve the

	objectives of part 3?
	It is likely that the objectives of part 3 may be made more complicated with any move towards an increase in variable tariffs and time of use metering.
16	Are there alternative approaches that you would like the Authority to consider in part 3?
	No comment.
17	Do you have any comments on the approach to project presented here?
	No.
18	Do you have any suggestions for topics or particular questions you would like addressed at industry workshops regarding this project?
	We do not have any suggestions for topics or questions for industry workshops. However, we do believe that it will be important for the Authority to ensure a high level of consumer engagement.
19	Would you be interested in providing sample data to the Authority to assist us with developing detailed options?
	Yes, if there is any data the EGCC Scheme can provide the Authority (for example, data on consumer complaints related to these issues).