

Draft addendum to the Medically Dependent Consumer guidelines, and the Vulnerable Consumer guidelines

1. This addendum clarifies and adds to certain aspects of two existing guidelines published by the Authority:
 - (a) Version 2.1 of the “*Guideline on arrangements to assist vulnerable consumers*” available on the Authority’s website at:
<https://www.ea.govt.nz/dmsdocument/8565-guidelines-on-arrangements-to-assist-vulnerable-consumers>
 - (b) Version 2.1 of the “*Guideline on arrangements to assist medically dependent consumers*” available on the Authority’s website at:
<https://www.ea.govt.nz/dmsdocument/8564-guidelines-arrangements-to-assist-medically-dependent-consumers>
2. The terms used in this addendum align with the definitions in the two guidelines noted above. However, in addition, and specific to this addendum, the following applies:
 - (a) MDC/VC – either a Medically Dependent Consumer (MDC) or a Vulnerable Consumer (VC), as applicable
 - (b) VC Guideline – the guideline referred to in paragraph 1(a) above
 - (c) MDC Guideline – the guideline referred to in paragraph 1(b) above
 - (d) The term “Guidelines” refers to both guidelines noted above.
3. This addendum should be read in conjunction with those Guidelines and the Electricity Industry Participation Code 2010.
4. There are three distinct areas that the Authority has included in this addendum, set out in further details in the following sections:
 - (a) Electricity meter operating in a prepayment mode
 - (b) Remote disconnection and connection
 - (c) Retailer – Customer – Consumer –Premises relationship
5. The additional recommendations are shown in blue in the following sections.
6. In addition to these recommendations, the Authority notes that the Guidelines apply to all retailers i.e. both type 1 retailers and type 2 retailers, and that the term “retailer” is defined in the Guidelines to include any distributor that directly charges its consumers for network charges.

1. Electricity meter operating in a prepayment mode

7. The following is recommended in addition to recommendations on prepayment metering in the Guidelines:
- (a) For the purpose of the Guidelines, the Authority defines a prepayment meter as a meter or a system integrated with a meter, that operates in an automated prepayment mode, and effects an automated disconnection when the customer's pre-paid credit has expired. This definition does not include pay-ahead pricing plans¹.
 - (b) The MDC Guideline states that "electricity retailers may strongly recommend that prepayment meters not be installed in premises where there is a MDC".
 - (c) This addendum encourages retailers against recommending prepayment meters to MDCs. At the same time, the MDC Guideline acknowledges that "a retailer's refusal to provide a prepayment meter to a domestic customer because they are an MDC would constitute discrimination". The procedures recommended in the MDC Guideline and this addendum are designed to assist retailers not to act in a discriminatory way.
 - (d) Before providing a prepayment meter to an MDC/VC, the retailer should ensure that the account holder for the domestic premises and the MDC/VC understand:
 - (i) that disconnection will occur at any time after credit expires; and
 - (ii) what warnings the customer will receive prior to the credit expiring; and
 - (iii) how to purchase additional or emergency credit.
 - (e) If a prepayment meter is installed, the retailer in respect of the relevant premises should, where communications allow, provide at least 24 hours' notice to the account holder for the domestic premises of any low balance and/or that credit is running out, and of the consequent risk of electrical disconnection. For clarity, this could be via a warning device inside the domestic premises, or by text, or by phone call (if possible).
 - (f) The retailer should not allow the prepayment meter to trigger disconnection at a time when the prepayment system does not permit the account holder to purchase further credit.
 - (g) An automatic disconnection (with no manual intervention), for a prepayment meter running out of credit, is not considered a disconnection for non-payment if the retailer has met expectations in the Guidelines for pre-payment meters as set out above. This is because the MDC/VC has understood and acknowledged the risks, and decided to be on a prepayment meter where disconnection would occur automatically should the prepayment meter run out of credit. A prepayment metering disconnection therefore does not need to follow the recommendations

¹ A pay-ahead plan is a pricing plan for which a regular contribution is paid by the customer, and unders and overs are managed by the retailer. Although an excessive negative credit balance may ultimately result in a disconnection, the decision to disconnect is a manual decision (i.e. it is discretionary by the retailer).

set out in the “Retailers’ disconnection process for vulnerable consumers” section of the VC Guideline.

- (h) For clarity, if manual intervention or approval is required, the disconnection is not a prepay disconnection and before disconnecting VCs the retailer should follow the process in the “Retailers’ disconnection process for vulnerable consumers” section of the VC Guideline. For MDCs, where manual intervention or approval is needed, as set out in the MDC Guidelines MDCs should not be disconnected.

2. Remote disconnection and reconnection

8. The following is recommended in addition to the Guidelines’ existing recommendations on disconnection:

- (a) For clarity, as set out in the MDC Guidelines, retailers should not disconnect MDCs for reasons of non-payment.
- (b) Where a domestic consumer’s point of connection is:
 - (i) an ICP recorded in the registry, all participants must comply with Clause 10.33A of Part 10 of the Code. Amongst other things this clause states that:
 1. A retailer² must not authorise the electrical connection of a point of connection that a distributor has disconnected for safety reasons or if the connection would breach the Electrical (Safety) Regulations 2010; and
 2. Only a retailer can authorise the electrical connection of a point of connection that has been disconnected for reasons of vacancy or non-payment.
 - (ii) not an ICP, the Authority recommends that the process set out in Clause 10.33A(a) of Part 10 of the Code is followed.

Remote disconnections

- (c) For clarity, the expectations in paragraphs 42 to 48 in the VC Guideline (including footnote 17) still apply for remote disconnections. This means the retailer should determine the MDC/VC status of the domestic consumer or any other person residing at the premises and follow the appropriate Guidelines recommendations.
- (d) Retailers should only carry out remote disconnections at occupied domestic premises if:

² The Code uses the term reconciliation participant in Clause 10.33A. A type 1 retailer that purchases electricity from the clearing manager is a subset of reconciliation participant. In the case of a type 2 retailer purchasing electricity from a trader, the trader has this obligation.

- (i) The retailer has a contract with the account holder for the point of connection; and
 - (ii) The remote meter or device can remotely and safely initiate both a disconnection and reconnection of electricity for the domestic premises; and
 - (iii) The disconnection is not carried out at a time that would endanger a domestic consumer's wellbeing (for example just before nightfall) or if it would be unreasonably difficult for the account holder to seek rapid reconnection (e.g. after midday on the day before a weekend or public holiday, at night, or during a public holiday).
- (e) In the situation that the retailer considers domestic premises to be vacant but the current patterns of metered consumption indicate that the premises is occupied by a domestic consumer, the expectations in paragraphs 42 to 48 in the VC Guideline (including footnote 17) still apply.

Remote connection

- (f) Retailers should not carry out remote reconnection unless the account holder has advised the retailer that it is safe to reconnect the domestic premises.
- (g) In the instance that an MDC/VC is inadvertently disconnected, reconnection should occur as soon as possible.
- (h) For the purpose of the Guidelines, an automatic reconnection of an account holder by a pre-payment meter receiving credit is not considered to be a reconnection of an MDC/VC following a disconnection for non-payment.

3. Retailer – Customer – Consumer – Premises relationship

9. The following is recommended for retailers in addition to the Guideline recommendations on the Retailer – Customer – Consumer – Premises relationship:
- (a) An MDC/VC will need to disclose information to their electricity retailer in order to obtain and maintain MDC/VC status. This creates privacy and contractual issues for the MDC/VC, account holder, and retailer. The Guidelines recommend retailers respect the privacy and confidentiality of domestic customers. Under this addendum, it is recommended that retailers treat all information provided by domestic customers and MDCs/VCs as confidential.
 - (b) Appendix B of the MDC Guideline contains a non-exhaustive list of CEME and should not be solely relied on by retailers to determine MDC status. Retailers should instead rely on the “*Notice of Potential MDC Status*.”³ This notice should be provided by DHBs, private hospitals, GPs or HPs and should be used by retailers to determine MDC status.

³ Defined in the MDC Guideline.

- (c) Where a retailer is aware that a domestic consumer is a MDC/VC or that an MDC/VC is residing at domestic premises, the retailer should record this and ensure that the account holder is offered all appropriate arrangements recommended in the Guidelines, or any other arrangements more favourable than those set out in the Guidelines which the retailer offers to other consumers. The retailer may also negotiate other arrangements with the MDC/VC that are more favourable to the MDC/VC.
 - (d) Retailers should develop a process to verify and reverify MDC and VC status. This process should include any protocols they have agreed with social or budgeting agencies.
10. The following is recommended for retailers and consumers in addition to the Guideline recommendations on the Retailer – Customer – Consumer – Premises relationship:
- (a) If an account holder, MDC/VC or alternate contact does not share information, a retailer has no way of knowing that there is an MDC/VC within domestic premises.
 - (b) An MDC/VC or their alternate contact can give a notification of MDC/VC status in any form, including verbally. An MDC also needs to provide subsequent confirmation to the retailer by providing the “Notice of Potential MDC Status” issued by a DHB, private hospital, GP or HP. In order to allow the retailer to make a decision on MDC/VC status the notification should contain certain information including the identity of the domestic consumer for whom MDC/VC status is claimed, the reasons for that claim, and an authorisation as set out below.
 - (c) Any notification given should include authorisation for the retailer to:
 - (i) retain relevant records
 - (ii) investigate the notification
 - (iii) periodically review the notification
 - (iv) obtain information from Work and Income on the progress and outcome of any referral for an assessment of whether the MDC/VC will receive assistance.
 - (d) If an applicant or a domestic customer, or alternate contact has not provided the retailer with sufficient authority (including for the purposes of the Privacy Act 1993) to enable the retailer to enquire into whether the applicant is a VC or MDC, the retailer should make reasonable efforts to contact the applicant, domestic consumer or alternate contact, as the case may be, and obtain the authority.
 - (e) Each retailer should act reasonably and ensure it has all relevant information in making decisions on MDC/VC status.
 - (f) Where an MDC/VC is the account holder, it is the responsibility of the MDC/VC, or their alternate contact, to notify the retailer of both the presence of the MDC/VC, or any changes to their MDC/VC status, within 7 days of the date of any change.

- (g) Where an MDC/VC is not the account holder:
- (i) it is the responsibility of the MDC/VC, or their alternate contact, to notify the account holder for the domestic premises that the MDC/VC resides in, of the presence of the MDC/VC, or any ongoing changes to their MDC/VC status.
 - (ii) it is the account holder's responsibility to notify its retailer of the presence of the MDC/VC, or any ongoing changes to their MDC/VC status.
 - (iii) When switching retailer, it is the responsibility of the account holder (whether that person is an MDC/VC or not) or the alternate contact to inform the new retailer of the presence of the MDC/VC. The account holder or the alternate contact may have to provide the new retailer with:
 - 1. the MDC/VC notice set out above; and
 - 2. in the case of an MDC, also the *"Notice of Potential MDC Status."*⁴
 - (iv) If the MDC/VC moves to new domestic premises, it is the responsibility of the MDC/VC or the alternate contact:
 - 1. If it is the account holder, to carry out the recommendation in (f) above; or
 - 2. if it is not the account holder, to carry out the recommendation in (g) above.

Sources of additional information

11. Please direct all enquiries to

Electricity Authority
P O Box 10041
Wellington
Attention: Manager Market Operations

Telephone: 04 460 8860
Fax: 04 460 8879
Email: marketoperations@ea.govt.nz

⁴ Defined in the MDC Guideline.