



16 June 2020

Submissions
Electricity Authority
By email: marketoperations@ea.govt.nz

Consultation Paper – Proposed addendum to the guidelines on arrangements to assist vulnerable and medically dependent consumers

Meridian and Powershop appreciate the opportunity to provide feedback to the Electricity Authority on the proposed addendum to the Vulnerable Consumer Guidelines and the Medically Dependent Consumer Guidelines (together, the Guidelines).

We agree with the staged approach the Electricity Authority is taking in respect of updating the Guidelines. While we consider the points below are relevant to the three keys areas identified by the Electricity Authority (and will be of immediate benefit to consumers), we would be happy to discuss the below points in more detail as part of the extensive engagement process, if required.

Electricity meter operating in a prepayment mode

We suggest more clarity is provided on the obligations of a losing retailer during a switching period, in the context of customers with prepayment meters.

For example, if a customer on a prepayment plan initiates a switch but is subsequently disconnected prior to the switch taking effect, we consider the losing retailer should reconnect the ICP prior to the switch taking effect. If this is not done, the gaining retailer will face costs associated with following the Vulnerable Consumer Guidelines with respect to reconnection. We also note the lack of visibility for a gaining retailer – e.g. the gaining retailer would not necessarily know if an acquired customer is on a prepayment plan, nor

would they know what information the customer has been given by the losing retailer about expectations for the reconnection processes.

Accordingly, we suggest the Electricity Authority provide further clarity and guidance on the obligations of a losing retailer during a switching period, to ensure there is sufficient customer protection and that costs are not unfairly pushed onto gaining retailers.

Retailer – Customer – Consumer – Premises Relationship

General comment

As a general comment, a number of proposed guidelines in this area are not framed as an obligation on the retailer, but rather as an obligation on the medically dependent consumer (MDC) and/or vulnerable consumer (VC), the alternate contact or the account holder (despite the first paragraph of both Guidelines stating that “This Guideline articulates the Electricity Authority’s ... expectations of *electricity retailers* in respect of [VC / MDC]”. For example:

- Proposed clause 10(f) notes that 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.

- Proposed clause 10(g) requires:
 - an MDC/VC who is not the account holder to notify the account holder of the presence of the MDC/VC;
 - the account holder to notify its retailer of the presence of the MDC/VC;
 - when switching retailer, the account holder or the alternate contact to inform the new retailer of the presence of the MDC/VC; and
 - if the MDC/VC moves to a new premises, the MDC/VC or alternate contact to comply with proposed clause 10(f) or (g) (depending on whether the MDC/VC is the account holder).

If the guidelines are intended to apply to an MDC/VC, alternate contact or account holder, this raises a number of practical issues (particularly where the obligation imposes a time frame, such as proposed clause 10(f)). In particular, we query how an MDC/VC, alternate contact or account holder will be made aware of the obligations in the guidelines. Accordingly, we recommend a number of the proposed guidelines in clause 10 be re-framed

to apply to the retailer, i.e. that the retailer has the obligation to tell the relevant individual of their notification obligations set out above.

Proposed clause 8(e)

The drafting in proposed clause 8(e) should be amended to permit retailers to undertake reasonable efforts to contact and inform the consumer, rather than follow the requirements in paragraphs 42 to 48 in the existing VC Guidelines (as proposed).

While paragraphs 42 – 48 of the VC Guidelines requires a retailer to make “reasonable efforts to contact and inform” the affected consumer prior to disconnection, the Guidelines further require the retailer to contact the consumer by way of phone call and other methods that require the retailer to have contact details of the consumer. This can easily be satisfied given the customer would have signed up with the relevant retailer.

However, where the domestic premises is considered vacant, but patterns of metered consumption suggest otherwise, the customer has not signed up with a retailer and the retailer will not have sufficient contact details to contact the relevant consumer in accordance with the methods set out in the VC Guidelines. In addition, visiting the domestic consumer’s premises (as set out in the VC Guidelines) is costly and should not be required when the premises is recorded as vacant and the consumer has not responded to the disconnection notices provided by the retailer. Accordingly, a separate “reasonable efforts” standard should be used in proposed clause 8(e), rather than compliance with the existing VC Guidelines.

Proposed clause 10(e)

Finally, we consider the current drafting of proposed clause 10(e) is vague and does not create a clear duty that the retailer can satisfy. We suggest clause 10(e) is removed.

Please contact me if you have any queries regarding this submission.

Yours sincerely



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