



## **OurPower focus on supplying simple cheap power to the people in the WEL Networks footprint and stopping energy hardship.**

We work closely with a number of charitable community organisations, who refer customers who are struggling with energy hardship. These organisations also provide support in areas such as budgeting and food parcels. Many of our customers meet the definition of vulnerable customers and are experiencing energy hardship.

With the goal of helping these customers get out of energy hardship, OurPower aims to provide low cost power through a lean online service model; automated process from meter to invoice to payment, customer self-service website and wherever possible automated electronic communication.

Feedback from the community groups with which OurPower works suggests the electricity savings we provide allow them to create affordable budgets for these customers, reduce their dependence on food parcels and help them reduce debt, in some cases for the first times in their lives.

Some of the customers, however, repeatedly fail to pay bills, or stick with payment plans determined with budget advisors; resulting in debts which we are often forced to write off. In these cases where the customer continually fails to pay bills or reduce outstanding debt (and has not verified there is a 'medical dependent consumer' at their premises), we must disconnect to prevent further accumulation of debit. Any additional costs or delays in this process will result in greater debt write offs which will eventually be passed on to customers.

While our preference is to help customers manage their bills, and disconnection is acknowledged as a last resort; if disconnection is the necessary course of action then we consider the steps should be kept to the minimum required to safely disconnect power. The EA's guidelines on arrangements to assist vulnerable consumers acknowledges that "as all payers are compensating for any non-payers (through retailers' bad debt levels being absorbed into the overall retail price of electricity), the overall costs of achieving the [policy objectives] should be minimised to the greatest extent possible."

Ourpower appreciates the opportunity to submit on the EA's addendum to the Medically Dependent Consumer guidelines and the Vulnerable Consumer guidelines.

**Ngaa mihi**

**The OurPower Team**



Q1	Do you agree the issues identified by the Authority in the three areas (Electricity meter operating in a prepayment mode, Remote disconnection and connection, and the Retailer – Customer – Consumer – Premises relationship) are worthy of attention? If you do not agree, please provide details.
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OurPower agrees that the remote disconnection/reconnection conditions in the MDC/VC guidelines require significant updates to reflect the current technology available in the industry and ensure that they are fair to MDC/VC and retailers.

Q2	Do you agree with the proposed additions to the Guidelines in the addendum to clarify how these issues should be addressed? If you do not agree, please provide details.
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OurPower agrees that it is essential in remote disconnection and reconnection that safety is a priority, and agree with the guidelines around safety, such as not disconnecting at a time which would endanger a consumer’s wellbeing (for example just before nightfall) or if it would be unreasonably difficult for the account holder to seek a rapid reconnection, and confirming with the account holder that it is safe to reconnect a premises before doing so.

While we acknowledge the proposed additions are well intentioned, we believe the guidelines are likely to have unintended consequences and abused by customers who are not acting in good faith; which we believe is not reasonably defined within the MDC/VC guideline.

We consider the guidelines around remote disconnection and reconnection limit the ability of retailers to effectively utilise technological innovation to create cost savings which can be passed to customers, and will lead to consumers paying more for electricity. These changes may also have the unintended consequence of creating more rigorous application and acceptance process for joining a retailer, which could lead to reduced retailer/plan options for vulnerable consumer and therefore poorer outcomes for those in energy hardship.

We disagree with the restrictions on a retailers’ ability to disconnect properties where no customer has signed up for the electricity supply (‘vacant’), unless retailers are also exempt for paying for consumption during the ‘vacant’ period. In the absence of a contract, the need to go through a longer process to disconnected power will increase unrecoverable costs which is borne by the retailer and ultimately customers who are acting in good faith (i.e. additional consumption during the period and cost of site visits). Where someone has failed to contact us, how are we expected to contact them? The only method is a visit to the property, which has a cost associated with it.

Presently retailers often leave the power connected for a short period when customers move out, for the convenience of the new occupant. The proposed change may result in the unintended consequence that retailers remotely disconnect immediately upon move out to avoid this additional costs.

Q3	What other issues in the existing Guidelines should be addressed in Phase 2 of the review of the Guidelines (the full review of the Guidelines, in their entirety)?
<p>Clear definitions to assist retailers in identifying when a customer is a vulnerable customer and when they “through bad faith do not intend to pay their electricity bill” or “could be considered fraudulent users of domestic electricity” would assist with knowing when and how to best apply these rules. While we recognise the positive intent of the guideline, they are subject to abuse by some customers and associated costs are borne by the retailer, and ultimately the customers who are acting in good faith.</p> <p>A path for retailers to <u>safely, and without jeopardising the wellbeing of their customers</u>, cease to supply customers who repeatedly fail to pay bills or take steps to address debt, but are unable to be disconnected due medical dependency on electricity – e.g. a site visit with adequate notice to advise customer of the risk of disconnection and need to be proactive and make alternative arrangements for their own safety and wellbeing. As the guidelines acknowledge, the retailers have a right to be paid, and the cost of keeping electricity connected for MDC customers who don’t make payments is borne by the retailer, and ultimately the customers who are acting in good faith. While consumers’ lives are much more valuable than any level of retailer debt, we believe the EA should allow a path to prevent consumers abusing this guideline.</p> <p>The Guidelines should truly recognise “retailers’ right to be paid” – the cost of site visits to advise of impending disconnection (in circumstances where a site visit would not otherwise be required) should be passed onto the customer who is failing to engage with other communication, however at this stage, the retailer may be aware that additional disconnection fees are likely to serve only to increase customer bad debt.</p> <p>If customers are not engaging (and some may be actively avoiding contact) after the retailer has attempted to contact them using the multiple channels the customer has nominated and agreed to (e.g. phone number and email), the retailer should not have to incur additional costs related to creating other methods to contact them (i.e. engaging somebody to perform an additional site visit, which incurs fees, and could be seen as physically intimidating consumers into paying, may result in safety risks). Adding additional cost, when the debt is already doubtful, is likely to increase bad debt write-off, which “all payers are compensating for...through retailers’ bad debt levels being absorbed into the overall retail price of electricity”.</p> <p>Recognition that if site visits are required where remote disconnections are possible, this incurs additional costs and safety risks. A remote disconnection gives a retailer the ability to use technology to reduce the costs and risks; and these savings can be passed through to consumers, resulting in more affordable prices for all customers. Onerous demands on retailers in complying with the guidelines may result in unexpected additional costs to the consumer. The MDC/VC guidelines, may result in negative energy hardship outcomes, rather than benefitting vulnerable consumers.</p>	