

16 June 2020

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

Consultation paper addendum to the MDVC guidelines

1. Introduction

- 1.1. The Lines Company Limited (TLC) thanks the Electricity Authority (Authority) for the opportunity to submit on the Authority's *Updating the "Guideline on arrangements to assist vulnerable consumers" and the "Guideline on arrangements to assist medically dependent consumers"*, Consultation paper addendum to the MDVC guidelines, 2 June 2020.
- 1.2. In April 2020, the Authority asked retailers and TLC to assess whether our processes aligned with two existing guidelines – "Guideline on arrangements to assist vulnerable consumers" and the "Guideline on arrangements to assist medically dependent consumers".
- 1.3. Following a recommendation from the Electricity Price Review (EPR), the Authority and Ministry of Business, Innovation and Employment (MBIE) have commenced a project to update the existing Guidelines. This is due to be completed by the end of 2020.
- 1.4. The project will be delivered in three phases:
 - (a) Phase 1: issue a short, urgent addendum to the Guidelines, covering off three key areas;
 - (b) Phase 2: facilitate an extensive engagement process with consumers, retailers, social and support agencies and other stakeholders to update the Guidelines in their entirety – including the new material in the addendum;
 - (c) Phase 3: regulate a set of minimum standards from the updated Guidelines.
- 1.5. The consultation paper seeks feedback on Phase 1, the short urgent addendum to the Guidelines.
- 1.6. TLC is supportive of the EPR recommendations and the project.

2. Question one

- 2.1. 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?
- 2.2. Yes, TLC agrees that the issues identified are worthy of attention, consideration and discussion.

- 2.3. Prepayment meters could be an option for vulnerable customers with bad credit who struggle to gain service through a retailer.
- 2.4. TLC supports providing prepayment meters to select vulnerable customers provided the Guidelines are fully explained and the customers are supported and understand the implications. We also believe that there does need to be an onus on customers to be responsible and reach out for support if they are struggling.
- 2.5. TLC does not support prepayment meters for medically dependent customers. TLC believes that the risk is too high with the potential for these customers to be disconnected due to being distracted by their condition and miss or unable to purchase additional credit, for example.
- 2.6. TLC supports the recommendations outlined in the consultation document for further definition around responsibilities for notifying, verifying and applying for MD/VC status. TLC would support further work on an industrywide standard definition and application of MD/VC status.

3. Question two

- 3.1. Do you agree with the proposed additions to the Guidelines in the addendum to clarify how these issues should be addressed?
- 3.2. Yes, TLC agrees with the proposed additions to the Guidelines in the addendum to clarify how these issues should be addressed.

4. Question three

- 4.1. 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)?
- 4.2. A full review of the Guidelines is warranted, and TLC would appreciate contributing to this review.
- 4.3. Consideration also needs to include discussion on, not just the Guidelines, but how we can assist people to better manage and address questions concerning affordability.

5. Conclusion

- 5.1. TLC acknowledges the work of the EPR, the Authority, MBIE and all industry participants in the care and consideration being given to our medically dependent and vulnerable customers.
- 5.2. Affordability, not just with energy bills, remains a specific area of concern for New Zealand. This requires attention and solutions with collaboration from Central Government, Local Government, industry, specialist support agencies and others.
- 5.3. TLC is of the view that this process is also an appropriate time to consider support being targeted e.g. the winter energy payment could be directed to customers retailers or TLC.

Yours sincerely
Jo Ireland

GM Customer Service and Communications