



15 June 2020

MDVC Addendum Feedback
Electricity Authority
PO Box 10041
Wellington 6143

By email: marketoperations@ea.govt.nz

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Thank you for the opportunity to comment on the proposed updates to the *Guidelines to assist vulnerable consumers* and *Guidelines on arrangements to assist medically dependent consumers*. In response to the EA's specific questions:

Q1. Do you agree with 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?

(i) Electricity meter operating a prepayment mode

Contact supports the proposed text set out in Paragraph 7(a)–(h).

Contact prepay electricity services are available at customer premises with smart metering. As a result, prepay services are system driven, with any prepay disconnection being undertaken remotely. As the EA's paper notes, approximately 87% of domestic premises have remote metering across New Zealand. Contact does not offer prepay services to those premises where a manual disconnection would be required.

(ii) Remote disconnection and reconnection

Contact broadly agrees with the proposed clarifications for remote disconnection and reconnection.

However, we do not agree with the proposed requirement that remote electrical disconnections should not be carried out on domestic premises where a retailer has no contract with a domestic consumer, patterns of metered consumption indicate that the domestic premises are occupied, and despite efforts, the retailer is unable to contact the customer to ascertain whether the customer might be vulnerable or medically dependent. In those instances, Contact would be required to send someone physically to the property when it is being disconnected, consistent with the requirements under footnote 17 of the Guidelines.

Contact send two reminder letters over a series of 22 business days to premises where the previous occupier has ended their contract. The letters provide all the information the occupier needs to become a Contact Energy customer and highlights the need to contact us urgently if they or anyone at the premises is a vulnerable or medically dependent customer. The final letter is a disconnection warning letter and provides detail on timing and actions required if the property is disconnected. If the previous occupier was a medically dependent customer then additional validation is undertaken to confirm the customer has ended their contract with Contact.

Contact does not support this proposed requirement, which would increase costs as a result of physical disconnection, where remote disconnection following appropriate notice, is possible. In these instances, Contact would not have established any relationship with the customer. Additionally, reconnection after a remote disconnection is completed within one hour (often less) whereas a manual reconnection after manual disconnection can take up to 24 hours. Remote disconnection is safer from a Health and Safety perspective, especially as contact with customers at site visits is successful less than 30% of the time.

The cost of a remote disconnection and remote reconnection is also less than 10% of the cost of a manual disconnection and reconnection, reducing the build-up of additional debt for the occupier.

(iii) Retailer – Customer – Consumer – Premises relationship

Contact supports the proposed clarifications that will ensure the contractual terms, privacy and protection of medically dependent and vulnerable customers.

We are happy to discuss any aspects of our submission. Please do not hesitate to contact Sarah Crowe or I if you have any queries.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Abbott', with a stylized flourish at the end.

Chris Abbott
GM Regulatory Affairs and Government Relations