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TRUSTPOWER SUBMISSION: CONSUMER CARE GUIDELINES CONSULTATION PAPER

1. Introduction and overview

- 1.1.1 Trustpower Limited (**Trustpower**) welcomes the opportunity to continue to provide feedback to the Electricity Authority (**the Authority**) in the course of its consultation relating to medically dependent consumer (**MDC**) and vulnerable consumer (**VC**) processes.
- 1.1.2 We are pleased to help inform the Authority's thinking by making a submission on its *Consumer care guidelines* consultation paper (**the Consultation Paper**).
- 1.1.3 The current draft version of the Consumer Care Guidelines (**the Guidelines**) reflects the significant amount of effort that the Authority, and the wider industry, has put in to date.
- 1.1.4 Our answers to the specific questions posed in the Consultation Paper have been structured in the format requested by the Authority and are attached in Appendix A.

2. Trustpower's views

2.1. The Consumer Care Guidelines should be enforceable to ensure all consumers benefit from the arrangements

- 2.1.1 Trustpower fully supports the establishment of the new Guidelines.
- 2.1.2 Nonetheless, we consider that making the Guidelines enforceable would best satisfy recommendation B6 of the Electricity Price Review (**EPR**) Panel's Final Report¹. We do acknowledge, however, that this is dependent on changes to relevant legislation being made to provide the Authority with an explicit consumer protection function.
- 2.1.3 We continue to consider that a formal, consistent and enforceable arrangement is required to address the risk that some individual customers may otherwise not benefit from the voluntary arrangements.²
- 2.1.4 The Authority will be able to address any competition and innovation concerns it may have with an enforceable arrangement through slightly less prescriptive drafting. This will allow retailers to

¹ Recommendation B6: Set mandatory minimum standards to protect vulnerable and medically dependent consumers

² A risk which continues to rise as the number of electricity retailers continues to increase.

address the needs of the consumer, and the requirements of the Guidelines, in the most efficient and effective manner.

2.2. The right balance of responsibilities needs to be achieved to ensure the long-term benefit for consumers

- 2.2.1 We consider that it is important that the types of consumer behaviour that will result in positive market outcomes are encouraged by these arrangements.
- 2.2.2 While there are limitations in how this can be established under these arrangements, we consider it would be beneficial for consumers to be aware of the type of conduct needed from them to help facilitate the relationship with their retailer and ensure that the best outcomes can be achieved.
- 2.2.3 While the expectations of retailers are made clear in the Guidelines, we support the Authority further considering the development and publication of an ancillary document (for example a Consumer Charter) which outlines the type of behaviour and conduct consumers can expect from retailers, as well as the type of behaviour required and expected of consumers to help deliver the best outcomes for both parties.
- 2.2.4 The level of service and assistance retailers can provide is only as good as the information they receive from the customers (and consumers). Retailers need the help and cooperation of consumers to be able to manage, maintain, and grow the relationship and to deliver long-term benefits to those same consumers in a timely manner.
- 2.2.5 Establishing an ancillary document which outlines the behavioural expectations of retailers and customers would provide a useful reference for customers (and their advocates) around behavioural expectations and assist in nudging consumers toward behaviour that is consistent with delivering on the intent of the Guidelines.

2.3. We support the Authority's collaborative and engaging consultation process

- 2.3.1 The process that the Authority has run through the course of its MDC and VC Guidelines consultation has been highly collaborative, engaging, and valuable for Trustpower to have been involved in.
- 2.3.2 Trustpower has appreciated the opportunity, to not only be a part of the industry-wide discussions concerning vulnerable consumers that have occurred so far, but also hopefully help the Authority in its decision-making process. To this effect, Appendix A of this submission outlines some specific operational matters for the Authority to consider, all of which we believe will ensure the practicality of the proposed new arrangements.
- 2.3.3 We support this new highly collaborative process which has been adopted by the Authority and believe that it worked well for this consultation. We recommend the Authority continue to adopt these methods for more widespread use in future.

2.4. We consider compliance costs for retailers should remain reasonable

- 2.4.1 Finally, we note that there is likely to be an increase in compliance costs for retailers adhering to the recommendations of the proposed Guidelines.
- 2.4.2 Trustpower broadly supports the points raised in the submission made by the Electricity Retailers Association of New Zealand (**ERANZ**).
- 2.4.3 While we acknowledge the Authority's desire to ensure fees for customers are cost-reflective, it is also important that the Authority ensures that retailer's compliance costs are reasonable and not unnecessarily excessive.

2.4.4 Any increase in costs experienced by retailers will likely be on-passed to consumers. Consumers already experiencing financial difficulties are likely to be further negatively impacted.

For any questions relating to the material in this submission, please contact me on 021-837-246, or Tom Kennerley, Advisor Strategy & Regulation on 027-810-3326.

Regards,

A handwritten signature in blue ink, appearing to read "S. Merchant". The signature is fluid and cursive.

STEVEN MERCHANT
MANAGER CUSTOMER EXPERIENCE

Appendix A: Responses to consultation questions

Overarching questions

1. Do you agree with the structure of the guidelines?

Part	Clause	Feedback
Overarching	N/A	Trustpower agrees with the overall intent and structure of the Authority's proposed Guidelines, however we have some concerns about some of the operational requirements stipulated. We have outlined these concerns in the remainder of our submission.

2. Do you agree with the change in focus from 'vulnerability' to 'consumer care' applying to all domestic customers, and the reasoning behind this change?

Part	Clause	Feedback
Overarching	N/A	The Guidelines clearly highlight that a decision has been made to make retailers responsible for all consumers, as opposed to just their contracted customers. Our view is that if the Authority is wanting to widen the scope and change the focus of the Guidelines from vulnerability to consumer care to this extent, there needs to be a significant increase in flexibility afforded to retailers by removing some of the more prescriptive drafting. Too much prescription in this space has the potential to inhibit innovation and create barriers for retailers in providing an effective and efficient service to customers.

3. Do you have thoughts on the concept of these guidelines sitting within a wider consumer care guidance package?

Part	Clause	Feedback
Overarching	N/A	We consider that most customers already have access to some form of a wider consumer care guidance package through their retailer. Trustpower has factsheets, FAQ documents and other support materials available. The Authority's proposal seems a natural extension to this, and one that will need to be constantly reviewed over time to ensure it is delivering the right outcomes for consumers.

Questions on the Explanatory Note

4. Do you agree with the inclusion of an Explanatory Note? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
Explanatory Note	N/A	Trustpower considers the inclusion of the Explanatory Note is useful in the context of the Guidelines.



5. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
Explanatory Note	viii	We agree with the Authority that retailer innovation must be maintained and that prescribed specific actions creating minimum safeguards for consumers should only apply where absolutely necessary. As the Authority acknowledged at the commencement of Phase 2 of the MDC and VC Guidelines review process, retailers' compliance with the existing documents is already very high. We consider that the Authority, and wider industry, should continue to foster retailer competition and innovation by allowing retailers sufficient flexibility to deliver the best outcomes in the long-term interest of consumers within the bounds of the Guidelines.

Questions on Part 1: Purpose

6. We have not included a (sub) purpose statement specific to each Part, at the start of every Part. It could be possible to group parts and provide a purpose statement for each (e.g. Parts 2&3, Parts 4-7, then separately for each of Parts 8, 9 and 10). Do you think we should, and if so, why?

Part	Clause	Feedback
1	N/A	We do not consider sub-purpose statements are required for each part. In our view, the current proposed Part 1 focussing on overall purpose of the Guidelines in their entirety appears to be sufficient.

7. Do you agree with the purpose statement, the overarching principles, or the intended outcomes?

Part	Clause	Feedback
1	Purpose	<p>There is a strong focus on the expectations of retailers in the Guidelines document. The existing MDC and VC Guidelines balance the responsibilities between retailers and consumers a lot better. We realise establishing obligations for consumers is not enabled by the current legislative framework, but we consider that the industry should be encouraging the right behaviours amongst consumers and promoting a symbiotic relationship between them and the retailers wherever possible. It is in the consumers' best interest to work with the retailer to achieve the most advantageous outcomes.</p> <p>We consider that a solution to this may be the publication of a Consumer Charter document (or suitable alternative) that outlines the type of behaviour and conduct consumers can expect from retailers, as well as the type of behaviour required and expected of consumers to help deliver the best outcomes for both parties.</p>
1	Principles	We are happy with the principles as proposed by the Authority.



Part	Clause	Feedback
1	Outcomes	Overall, we are happy with the outcomes as proposed by the Authority, subject to our comments concerning Principle C under question 8 below.

8. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
1	Principle A	Through our review of the Guidelines document, the first reference to “MDCs” occurs in clause 4, Principle A (c). For completeness sake, we recommend that MDCs is defined in full (medically dependent consumer/s) the first time it is used in the Guidelines document. Based on the current drafting, that is in this clause.
1	Principle B	We propose the following drafting changes to Principle B: <i>“Retailers have a right to be paid and competition and innovation are should be supported”</i> .
1	Principle C (b)	Trustpower believes it is critical that these outcomes are actually measured, as opposed to just being measurable. We suggest the wording of this clause is amended to reflect this: <i>“Consumer outcomes are measurable accurately measured.”</i>
1	Principle C (c)	Trustpower believes it is critical that these outcomes are actually measured, as opposed to just being measurable. We suggest the wording of this clause is amended to reflect this: <i>“Retailer alignment with the guidelines is measurable accurately measured.”</i>
1	Principle C (d)	We believe it is unclear what “information” is being referred to here. Is it intended that this refers to raw data, meaning that the Authority will collect the raw data and then undertake their own external independent assessment of each retailers’ alignment and adherence to the Guidelines? Or does it refer to the resulting information provided by the retailer once they have undertaken their own self-assessment of their adherence to the Guidelines? We believe further clarity on this matter would be beneficial.

Questions on Part 2: Retailers to publish a consumer care policy

9. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
2	N/A	Trustpower agrees, in principle, with the recommendations of Part 2 of the Guidelines and consider the meaning to be clear in this section (subject to our further comments and our answer to question 10). We do wish to remind the Authority that, while retailers are a key and integral part of the proposed processes, they are not the only part. Customers and, in some cases, consumers, also play a very important role. As outlined above, wherever applicable, customers’



Part	Clause	Feedback
		<p>(and consumers’) should be encouraged to ‘do the right thing’ (e.g., regular provision of timely and accurate information to retailers, responding to retailers’ requests).</p> <p>We believe that this Part, and the Guidelines as a whole, need to retain a lens of realism. It is highly unlikely that a retailer will be able to provide for every customer (or consumer) in every situation and commit to a positive outcome in every eventuality. As the Authority is aware from its facilitated workshop process to date, every customer is unique and often has their own unique set of circumstances. There is no ‘one-size-fits-all’ approach.</p> <p>As part of the recommendations of the Guidelines, retailers will be required to publish a Consumer Care Policy. It is important to ensure that there is a reasonable practicality applied to this. Retailers need to be able to operate in an environment that provides sufficient flexibility where commercial outcomes, and consumer benefit, can be realised at the same time. We suggest this Part in the Guidelines is reviewed and the ‘strength’ of the wording is lessened (where possible) to introduce a ‘reasonableness’ factor. Some specific examples are highlighted in Question 10 below.</p>

10. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
2	6(c)	<p>Trustpower considers Clause 6(c) to put too high a burden on retailers. We suggest this is amended to provide retailers slightly more leniency as it may not be possible to adapt communication methods based on the needs of customers (or consumers that a retailer interacts with) in every situation.</p> <p>We suggest an amendment similar to: <i>“commits the retailer to timely, clear, and accessible communications with customers and any consumers the retailer interacts with who are not a customer of the retailer, with the retailer adapting its communications based on its customers’ needs <u>where possible</u>”</i>.</p>
2	6(d)(i), (ii), (iii) & (iv)	<p>Trustpower considers that retailers need to be providing customers with a full range of options. Referrals to, and engaging with, social and/or support agencies are just one of the options available to the retailer.</p>
2	6(e)	<p>We also consider clause 6(e) to put too high a burden on retailers. We suggest this is amended to provide retailers slightly more leniency as it may not be possible to ensure disparate outcomes are avoided for all customers.</p> <p>We suggest an amendment similar to: <i>“commits the retailer to ensuring, <u>where possible</u>, that all customers have access to the support offered in accordance with these guidelines in a way that avoids disparate outcomes arising from such things as differences in</i></p>



Part	Clause	Feedback
		<i>language, ethnicity, educational achievement, culture, gender, physical and intellectual ability, health, income, wealth, and with transparent support options (e.g., payment plans)”.</i>
2	9	<p>We believe the Authority needs to further clarify what specific written communications this clause applies to. Does this apply to the first written communication, all written communications, or only certain written communications at certain points in the customer journey? We consider it excessive to reiterate the existence and location of the Consumer Care Policy multiple times with the same customer unnecessarily. This will likely increase the possibility of an adverse reaction from the customer in question, which is something we wish to avoid if they are already under stress from being in payment arrears.</p> <p>We suggest amending the wording to something similar to that in clause 10: <i>“Retailers should include the following statements, or phrases with the same meaning, in their <u>first</u> written communications (whether via an email, letter, web application or other method of written communication) <u>on particular issues</u> with customers who are in payment arrears (and use reasonable efforts to do so in appropriate follow-up written communications):”.</i></p>
2	10	<p>We believe additional punctuation is required in the drafting of this clause. We believe commas should be inserted around “or phrases with the same meaning”, so this clause is aligned with Clause 9.</p> <p>We believe the drafting should read as follows: <i>“Retailers should include the following statements, or phrases with the same meaning, in their first oral communications on particular issues with customers who are in payment arrears (and use reasonable efforts to do so in follow-up oral communications):”.</i></p>

Questions on Part 3: Information and records relating to consumer care

11. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
3	N/A	Trustpower generally agrees with the recommendations in this Part, subject to our comments under Question 12 below. Overall, the meaning appears clear, with the exception of the point raised in Question 12 below.

12. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?



Part	Clause	Feedback
3	13(a)(iv) & (v)	<p>We would like the Authority to further clarify the difference between a customer-nominated “support person” (Clause 13(a)(iv)) and “alternate contact person” (Clause 13(a)(v)). We consider that, in the vast majority of cases, an alternate contact person and a support person for a customer would likely be the same person.</p> <p>We also consider that care needs to be exercised to ensure barriers are not created for customers in providing details of an alternate contact person. Retailers need to be able to gather this information through a process that is simple, non-invasive and where customers do not feel harassed.</p> <p>Some retailers may only be able to record the details of one other alternate contact person on a customer’s account, with these details only being included on the account with the account holder’s authorisation. Changes to data fields (and any other amendments of this nature) will likely require system-level changes for any retailer, which will come at a substantial cost. This cost would inevitably be on-passed to customers.</p> <p>Given these factors, we question the need for the Guidelines to specify these two separate roles and consider one alternate contact person should be sufficient.</p>

Questions on Part 4: When a customer signs up or is denied a contract

13. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
4	N/A	<p>We largely agree with the Authority’s recommendations in this part, subject to proposed changes and comments made under question 14 below.</p> <p>We believe that the Authority needs to clarify the role of an alternate contact person, and how that role can be effectively undertaken within the parameters and requirements of the Privacy Act 2020. Clause 16(a) of the Guidelines states that retailers should guarantee their customers’ privacy and ensure they comply with the Privacy Act. It is our understanding that the account holder providing the retailer with authorisation to add this alternate contact person to their account is sufficient to enable the alternate contact person to access the customer’s information and make decisions on their behalf.</p>

14. Should further assistance be available (within these guidelines) for retailers, for when they are engaging with a customer that they are declining supply? Should further matters for a retailer to consider be included?



Part	Clause	Feedback
4	N/A	We would appreciate the Authority clarifying what their intent is behind this question as we believe is not clear what is being asked. Can the Authority please advise what the “further assistance” for retailers may involve or refer to? Is the Authority also able to elaborate on what they mean by “further matters for a retailer to consider”?

15. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
4	20	The requirement to ensure a customer has understood any piece of information is quite a high, and difficult, burden of proof for retailers to meet and is untenable in the context of these Guidelines. If consumers are aware that ‘an understanding’ is required for any disconnection processes (for example) to be legitimate, there is a much higher likelihood that they can use their ‘lack of understanding’ to game the system. It is very easy for a consumer to say they did not understand certain information or a piece of correspondence from a retailer. On the contrary, it is very difficult for that retailer to prove otherwise.
4	20(b)	Trustpower does not believe too much negative emphasis should be placed on the roles and responsibilities of an alternate contact person as this could, potentially, lead to an undesired outcome. Our primary concern is that a customer would choose not to provide a retailer with the details of an alternate contact person for fear of them being contacted in an instance of their non-payment of an invoice or non-engagement with the retailer. We do not wish to disincentivise customers from providing Trustpower with this information as having an alternate contact person’s details in our system is highly valuable, particularly if there is an emergency situation involving an unplanned outage.
4	20(b)(i)	<p>We consider it highly impractical for an individual customer to specify the time period within which they believe they should respond to a retailer, particularly given the number of customers Trustpower currently contracts with. This would add considerable time and cost due to the significant variation between customers (as would occur with leaving this to a customer’s subjective interpretation and/or preference).</p> <p>We suggest an amendment to the current clause similar to: <i>“the retailer contacting the customer’s alternate contact person (where provided): should the customer not respond to a query from the retailer within the that <u>retailer’s standard timeframe period specified by the customer</u>”.</i></p> <p>In addition, if the requirements of Clause 16(d) are implemented as currently drafted, customers’ contact information should be checked and updated at least every three months (providing the customer is engaging with the retailer). This should mean that the numbers of instances where a customer does not respond to a query from a retailer are very low.</p>
4	21	There appears to be an overlap between this clause and Clauses 8, 9 and 10 in Part 2. If a customer is facing payment difficulties, Clauses 9 and 10 indicate that they should already have been made aware of the retailer’s Consumer Care Policy and the support



Part	Clause	Feedback
		available. Clause 8 recommends that the Consumer Care Policy is made available on the retailer’s website, so new customers should already be aware of its existence. Accordingly, we consider Clause 21 to be superfluous and unnecessary and should be deleted.
4	23(a)(iii)	Trustpower would like the Authority to further clarify the level of detail retailers are expected to provide to the consumer when undertaking the recommendations in this clause. We believe it is not clear how much information retailers are required to give a person about the reason why they were denied a contract, and the degree to which the retailer should suggest actions the consumer could take in the future to avoid being in a similar situation. While we support the intent to help a consumer, we think the extent to which retailers are required to provide this assistance needs to be clear. We ask the Authority to consider the cost and time that could be expended by the retailer in these situations, particularly given the fact that the person will not go on to become a customer with that same retailer.
4	24	<p>We consider it impractical for a retailer to, separately and proactively, contact an alternate contact person (and possibly a support person, notwithstanding our answer to Question 12 concerning this proposed function) to seek their agreement to act in the specified capacity. Retailers must be able to assume that the new customer already has the express approval or agreement of the alternate contact person when the retailer is provided with their details.</p> <p>Retailers already make thousands of sales and thousands of outbound calls a year to its account-holding customers, so attempting to undertake the recommendations of this clause and making deliberate effort to contact consumers that are not their customers will mean significant additional cost is incurred. This cost will inevitably be on-passed to customers. Accordingly, we do not consider this clause is necessary or in the long-term interest of consumers, and suggest it is removed.</p>
4	25	<p>Trustpower does not believe it is appropriate or necessary to explicitly discuss the matters of non-payment and non-engagement with a new customer. It is our view that this sends the wrong message and Trustpower prides itself on approaching conversations from a place of trust. Regardless, this information is already available to the customer as part of Trustpower’s terms and conditions.</p> <p>Indicating to a customer that they may enter the credit cycle, as is required by this clause, is not behaviour that Trustpower wishes to engage in, especially considering a significant number of our customers pay their accounts in full and on time. Advising every new customer of our credit and collections process will reap little benefit as most will consider it irrelevant, possibly insulting, and will not remember the information (regardless of whether they are told verbally or in writing).</p> <p>We consider that detailing this information in our terms and conditions is sufficient to inform any new customer without potentially damaging the relationship with the retailer in its early stages. Accordingly, we do not consider this clause necessary and suggest it is removed.</p>



Questions on Part 5: Business-as-usual account management

16. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
5	N/A	Overall, Trustpower agrees with the recommendations in this part and considers the majority of this section to be clear in meaning. This is subject, however, to our comments in answer to Question 17.

17. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
5	28(b)	<p>Whilst we understand the Authority’s intent with this clause, we consider it to be, not only costly for a retailer like Trustpower to undertake, but also difficult in that there is very little definition provided. For example, is the Authority able to define the term “materially” when it comes to a reduction in a customer’s energy use? Does “energy use” refer to electricity use, or is it deliberately broad to include other forms of energy? What time period does this material reduction apply to; is it a reduction across three months, six months, nine months, twelve months?</p> <p>Irrespective of the answers to the above questions, it would be too costly for a retailer to engage in this undertaking if the expectation is for that retailer to make proactive, outbound contact with customers on this matter. We consider there to be too many variables at play when assessing a customer’s energy usage. Examples of circumstances that may cause a customer to have a material reduction in their energy use (that do not relate to payment difficulties) could include:</p> <ul style="list-style-type: none"> • The customer owns a holiday home that is used for only a portion of the year; or • The customer’s electricity use changes due to seasonality; or • The customer’s child/ren have departed the family home to go to university or live elsewhere; or • The customer has had bottled gas installed at the property (with another gas provider) and no longer uses as much electricity; or • The customer’s partner has passed away leaving only one person resident at the premises; or • When international travel resumes, the customer has travelled overseas for a period of time.
5	29(b)	<p>Trustpower wishes to express concern with this clause as it is promoting a process (proactively offering another retailer’s services in place of their own) that is not commercially viable for a retailer to undertake. We consider it unreasonable to expect a retailer to advise a customer of another retailer’s pricing and/or payment plan and encourage them to take it.</p> <p>Customers already have the tools and services available to them to compare pricing and payment plans between retailers, such as the Powerswitch website. We believe retailers, in this situation, should only recommend, to a customer, that they visit the</p>



Part	Clause	Feedback
		<p>Powerswitch website, or direct them to a social or support agency that may be able to objectively evaluate other offers in the market. It is our view that it should be up to an independent third party to provide any advice in this space.</p> <p>In addition, the wording of this clause seems to be impacted by information asymmetry. Trustpower, for example, can only truly know (with certainty) what Trustpower is offering to customers, we do not have the same level of certainty around what other retailers are offering into the market. Similarly, we would not want our competitors giving advice to their customers, or other consumers, about Trustpower’s potential pricing or payment plans as we do not know, with certainty, whether these plans are being accurately represented.</p>

Questions on Part 6: When payment difficulties are anticipated or arise

18. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
6	N/A	<p>We wish to point out that many recommendations suggest the involvement of a social or support agency (such as a budgeting advisory service). While a customer engaging with one of these agencies may prove useful to the customer, and possibly assist them in reducing or paying for future electricity bills, we must also be cognisant of the fact that the majority of these services do not provide immediate assistance to customers for paying a current overdue invoice.</p> <p>Trustpower would also like the Authority to consider the customer’s role in these scenarios involving payment difficulties. While Part 6 outlines what retailers are expected to do to assist a customer who is unable to pay their bill (either in full or in part), we also think that Authority needs to encourage the right behaviour from the customer who has defaulted (or is in the process of defaulting) on paying their bill. We consider that changes in customer behaviour, particularly in instances of repeated non-payment, are more valuable in resolving these types of issues than any actions that a retailer can take. A Consumer Charter document may help to provide the necessary clarity in this space.</p> <p>Trustpower also considers that the majority of recommendations in this section will add varying levels of cost to retailers’ standard operations, which will inevitably be passed on to their customers.</p>

19. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?



Part	Clause	Feedback
6	38	We consider that the proposed timeframes specified in this clause will extend Trustpower’s current credit cycle. This is not in the customer’s best interest as the potential for debt to grow and become unmanageable increases the longer the customer is in the credit cycle.
6	40(d)	<p>As previously stated in our response to question 12 concerning clauses 13(a)(iv) & (v), we do not consider the customer needs to have two alternate contact people listed on their account.</p> <p>We suggest amending the wording of the drafting to: <i>“remind the customer they may nominate a support person or an alternate contact person, and if the customer nominates one or both, record these <u>this</u> persons in accordance with Part 3 and use these <u>this</u> contact persons as requested by the customer”</i>.</p>
6	40(e)	<p>Trustpower does not consider providing a customer with advice or information on how to improve energy efficiency at their premises is a responsibility that falls solely on the retailer. We believe this duty to the customer falls on the electricity industry as a whole. Industry participants including retailers, distributors, social and/or support agencies, and organisations like the Energy Efficiency Conservation Authority, or programmes like ERANZ’s Energy Mate can all contribute meaningfully in this space. We do believe, however, that retailers are able to undertake the recommendations in the second half of this clause by helping inform a customer of where they can obtain the necessary advice or information.</p> <p>We suggest amending the wording of this clause to reflect this: <i>“provide the customer with information to improve energy efficiency at their premises and/or help inform the customer of where they can obtain advice or information on the efficient use of electricity and improving energy efficiency at their premises”</i>.</p>
6	40(h)	<p>Trustpower disagrees with the proposal that retailers pause the repayment process in a situation where a customer seeks the assistance of a social or support agency but that this is unlikely to lead to payment of an outstanding invoice. We consider that retailers should have the discretion to pause the debt repayment process or credit cycle where and when they deem it appropriate. In our experience, customers are often already significantly overdue in paying their invoice when they get to this point in the credit cycle. Pausing the repayment process for a further 14 days will only exacerbate the amount of debt owed by the customer. As previously mentioned, most budgeting advisory services (and other social/support agencies) do not actually help customers resolve any issues of outstanding debt, they merely help with changing behaviour for future payment cycles.</p> <p>We also seek clarity from the Authority as to the next steps after the 14-day period comes to an end, as this is not clear in the current Guidelines.</p> <p>This clause also omits a key detail as to the frequency of this 14-day ‘pause period’. Is it the Authority’s intent that this occurs every payment cycle if the customer engages with a third-party agency?</p>



Part	Clause	Feedback
6	42(c)	<p>Trustpower agrees with the premise and intent of this clause but considers the three-month timeframe too prescriptive and is likely to stifle innovation.</p> <p>We recommend that the wording of the clause is amended as follows: <i>“communicate with the customer every three months <u>as often as required</u> to see how the customer is managing the payment plan. If the customer indicates they are having payment difficulties (e.g., taking payday loans to meet payments):”</i>.</p>
6	43	<p>It is Trustpower’s view that this clause puts too heavy an onus on retailers and is overly prescriptive. We suggest the retailers are permitted to use their discretion concerning timeframes in these circumstances, rather than being governed by an arbitrary one such as “five business days”.</p> <p>We suggest the clause is amended as follows: <i>“Retailers should, within five business days, contact a customer who falls behind in their repayments <u>as soon as practicable</u> (being prepared to justify to the customer either why the contact was immediate or why a delay occurred in the contact), and:”</i>.</p>

Questions on Part 7: Progressing to disconnection for non-payment of invoices and reconnection

20. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
7	N/A	<p>Part 7 is the section that Trustpower considers to be the Guidelines’ most unworkable for a number of reasons, including its proposed significant increases in cost for retailers, as well as a great deal of impracticality associated with some of the proposed processes and timeframes. In most cases, the intent and meaning behind the clauses is clear but we have a significant number of operational concerns that we have identified in Question 21 below.</p>

21. Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
7	52(a)	<p>As previously mentioned in response to Clause 38 under Question 19, the proposed changes to the credit cycle will lengthen the existing timeframes, which is not in the best interest of customers. We feel that the Authority is being too prescriptive in specifying the timeframes required. In our view this just adds an unnecessary layer of complexity, does not provide retailers enough flexibility, and is often impractical. We believe the Authority should consider, and account for, the intent of the retailer in their undertakings of these processes, rather than trying to define a one-size-fits-all approach.</p>



Part	Clause	Feedback
		<p>In line with earlier responses, we recommend the Authority remove the reference to a customer’s “support person” from this clause. Alternate contact person should be sufficient.</p> <p>We believe revised wording for this clause should be: <i>“make at least five attempts to contact and inform the customer before disconnection, with at least three attempts through the customer’s preferred communication channel and a further two attempts through other communication channels, which must include the customer’s support person alternate contact person (where provided)”</i>.</p>
7	52(b)	<p>Trustpower considers the recommendation that a retailer provides a disconnection notice to a customer in person (whether that be via courier in a ‘signature-required’ parcel, or through a retailer’s representative visiting the premises) to be impractical and far too costly.</p> <p>While we acknowledge the Authority’s desire to ensure fees for customers are cost-reflective, it is also important that the Authority ensures retailers’ compliance costs are reasonable and not unnecessarily excessive. The cost of in-person visits for delivery of disconnection notices, for example, would eventually need to be recovered from the customer.</p> <p>Engaging a third-party contractor to physically attend a premises on behalf of the retailer to hand-deliver a disconnection notice is a cost of approximately \$75-\$150 per visit, a cost that the retailer is unable to bear when we consider that Trustpower sends out a significant number of these notices each month. Aside from the cost, there is also a high potential for health and safety concerns that may, over time, lead to an unwillingness by these contractors to attempt to deliver these notices. We believe that customers being presented with disconnection notices are unlikely to accept the notice, either through not being present at the premises or refusing to accept delivery. It also begs the question, if a customer refuses to accept the notice, what happens next?</p> <p>While sending a disconnection notice via a courier (in a package that must be signed for by the recipient) is a cheaper option relative to the physical attendance of a third-party contractor, it is still a significant increase in cost while still facing similar challenges (e.g., customers refusing to sign or not being at the premises to take delivery). We think it appropriate to point out that we issue many more final disconnection notices to customers via standard post than the number of actual disconnections we undertake, so the existing process seems to be working.</p>
7	52(c)	<p>In our opinion, the specific seven-day period for providing a final notice of disconnection to a customer is too short. Our experience tells us that final disconnection notices are one of the most effective mechanisms through which customers are encouraged to pay. We want to promote this ‘eleventh hour’ payment wherever possible, but also ensure customers have sufficient time to make payment or seek financial assistance from support agencies such as Work and Income New Zealand (WINZ).</p>



Part	Clause	Feedback
		<p>Trustpower believes that WINZ will experience a significant increase in demand with the volume of customers seeking financial assistance likely to increase (and continue to do so) as the impacts of the COVID-19 pandemic on the New Zealand economy become more apparent and significant. This increased demand will, therefore, cause processing time to also increase, and we feel that this needs to be considered in the Guidelines.</p> <p>Ongoing changes to the New Zealand Post system, particularly reduced frequency of deliveries, will also have an impact. The longer it takes for a disconnection notice to arrive at a customer’s premises, the more time needs to be allowed for in the Guidelines. If we issue a final notice and send this to the customer via standard post (taking into account our comments made in response to clause 52(b) above), the customer is left with a very short space of time to arrange payment of the invoice before disconnection occurs.</p> <p>Considering the comments above, we feel ten days is a more appropriate timeframe, thus giving the customer slightly more time to arrange payment of the bill.</p> <p>Accordingly, we suggest making the following change to the recommendation in this clause: <i>“provide the customer with a final notice of disconnection at least 44 calendar days after the invoice was issued and not less than 24 hours or more than seven <u>ten</u> days before disconnection.</i></p>
7	54(b)	<p>Trustpower would appreciate further guidance from the Authority on how they expect retailers to effectively and efficiently make contact with consumers resident at an uncontracted premises (aside from the already mentioned costly ‘in-person’ methods). The retailer, in almost all cases, will have no relationship with the tenant at an unregistered premises, so obtaining contact details is extremely difficult. We already undertake investigative actions where possible to try and identify and communicate with the unregistered tenants, but often this produces no results.</p> <p>Notwithstanding our comments above, in situations involving uncontracted premises we consider a less prescriptive set of Guidelines is better to allow for any variety of possible circumstances.</p> <p>Perhaps the Authority could consider amending the wording of the clause to: <i>“make at least three attempts <u>a reasonable effort</u> to contact and inform the consumer, before disconnection, over a seven day period”.</i></p>
7	54(e)	<p>Our comments on Clause 52(b) under Question 21 also apply to uncontracted premises discussed in this clause. There is added complexity with uncontracted premises as the retailer does not have a relationship with the occupier. Our question posed to the Authority about how retailers can practically contact uncontracted premises (refer to comment on Clause 54(b) under Question 21) applies to this clause too.</p>



Part	Clause	Feedback
7	54(f)	Trustpower considers this clause to be too prescriptive. We suggest the Authority allow the retailers more flexibility when it comes to the timeframes in these situations.
7	55, 55(a) & (b)	<p>Trustpower considers the wording of these clauses to be very convoluted and confusing. The matters discussed in Clauses 55(a) and 55(b) do not apply to consumer/s at an uncontracted premises. By nature, the retailer does not have a contract with the occupiers of the premises in question. Therefore, it follows that they will not have an electricity invoice for payment, nor will they have an agreed-upon payment plan in place.</p> <p>55(a) is also unclear in the definition of “payment” in this circumstance. Does the Authority intend it to mean full payment? If not (and part-payments are included) what is the threshold for a part payment to be considered sufficient? A retailer should still be able to disconnect a customer if they have only paid a portion of the bill and do not appear to be making any additional effort to pay the outstanding balance.</p> <p>We also disagree with the use of the terminology “potential MDC”. We consider that this should read as “unverified MDC”, as the scope of applications for a “potential MDC” is far too broad; any consumer could, potentially, be an MDC.</p> <p>In our experience, for uncontracted premises, we often never find out who is residing at the unregistered property. If we do find out, we try and ascertain whether any consumer living at the premises is, or may be, an MDC. This is necessary in case we need to progress with disconnection because the consumer/s at the premises have refused to register with a retailer (which does occur on occasion). It is worth noting that, in Trustpower’s experience, consumers who refuse to register into properties or contract with a retailer are generally not vulnerable, medically dependent on electricity, or suffering any form of payment hardship. These consumers tend to fall into one of three categories:</p> <ul style="list-style-type: none"> • They are not aware of the need to register into a property (often the case with new immigrants to New Zealand); or • They have overlooked registering into a property and the retailer has not been able to make contact yet (often the case for people moving into apartments); or • They are taking advantage of the situation and trying to avoid having to pay for as long as possible. <p>In these circumstances, actual disconnection (albeit a last resort option) is often quite effective at prompting action from the occupier of the premises and resolving the issue. With the remote disconnection / reconnection capability of smart meters, these processes are now very fast, much less costly (when compared to standard meters requiring the physical attendance of a technician), and the inconvenience to a consumer is significantly reduced.</p>
7	58	As previously mentioned, disconnection for non-payment only applies to customers in a registered premises. For uncontracted premises, the reason for disconnection is non-registration of the property with a retailer. We believe this difference should be

Part	Clause	Feedback
		<p>highlighted.</p> <p>A possible wording change could be: <i>“Retailers should ensure that any notice <u>or final notice</u> of disconnection for non-payment <u>or non-registration</u>, and any final notice of disconnection for non-payment, aims to engage the post-pay customer (or consumer for uncontracted premises) to resolve the payment issue by containing at least the following information:”.</i></p> <p>It follows that there should be options provided under Clause 58 that elaborate on what information a retailer must include in a disconnection notice for non-registration of a property with a retailer.</p>
7	58(b)	We suggest the Authority keeps this clause very generic and removes any prescription around the different types of payment options available. Retailers should be able to address this recommendation in the way that they consider to be the most effective and efficient for a customer through presenting them with the most relevant payment options.
7	59(d), 59(d)(i) & (ii)	Similar to our comments made on Clause 20 under Question 15 and Clause 52(b) under Question 21, we ask the Authority to provide further clarity on how it suggests retailers ensure a customer or consumer receives and understands disconnection notices (excluding the already mentioned ‘in-person’ methods which we have already identified as being cost-prohibitive), and what happens should a customer or consumer refuse to accept delivery of a notification or not respond to the retailer’s correspondence.
7	59(e)	<p>We believe a typing error has been made in this clause through the omission of a word.</p> <p>We believe it can be rectified by amending the clause: <i>“in the case of remote disconnection of the premises, <u>if</u> the electricity meter or disconnection device to be used cannot safely disconnect and reconnect the premises”.</i></p>
7	60	<p>As the Authority is aware, there is no real risk posed by appliances in the case of remote disconnection. Providing the necessary checks and processes are in place for reconnecting premises, this clause almost is not required. However, we understand the Authority’s intent and are happy to promote best practice where appropriate. We are happy for this clause to be retained providing amendments are made to reflect the fact that it is incredibly difficult for retailers to contact an uncontracted premises as there is usually no relationship with the consumers residing there.</p> <p>Accordingly, we suggest the wording in the recommendation is amended to include a ‘reasonable efforts’ clause: <i>“Retailers should, immediately prior to disconnecting a post-pay customer’s premises or any uncontracted premises, <u>make a reasonable effort to attempt to contact the customer or the consumer (in respect of uncontracted premises), so the customer or consumer has an opportunity to turn off appliances prior to disconnection that could be problematic when reconnected (e.g., ovens or heaters).</u>”</i></p>
7	61(b)	We believe an error has been made in the placement of a comma in this clause.



Part	Clause	Feedback
		We believe it can be rectified by amending the clause: <i>“advise the customer or consumer at the premises to contact the retailer, including, if necessary, information relevant to the customer’s or consumer’s situation to enable this (e.g., how the customer or consumer can contact the retailer if the customer or consumer has no phone or internet)”</i> .
7	61(c)	Trustpower considers it quite burdensome for retailers to ensure that any representatives attending a customer’s premises definitively ascertain whether there are any reasons why the disconnection should be put on hold. In line with Clause 61(a), we suggest amending the wording of the clause to afford retailers slightly more flexibility by applying the ‘reasonableness factor’ to the entire recommendation: <i>“make a reasonable effort to ascertain and reasonably consider whether there are any reasons why the disconnection should be put on hold (e.g., there is, or may be, an MDC at the premises or there is a dispute in progress between the customer and the retailer).”</i>
7	60-62	We consider that these clauses are not located in the appropriate location in this Part as they do not appear to relate to the heading they are currently under. We consider that these should fall under the heading “The process for notifying post-pay customers of disconnection for non-payment of electricity invoices and carrying out disconnection”. This would mean they would be numbered as Clauses 59-61, with the current Clause 59 becoming the final Clause 62 under the heading “When disconnection should not occur”.
7	65(b)	Providing this level of support to a consumer that has ceased to be a customer will add cost. While it remains in the best interest of the retailer for the recently-disconnected consumer to pay any arrears owing and re-contract with the retailer, there is a limit to the amount of support a retailer can provide someone who has progressed through the entire credit cycle and still not paid their invoice.
7	67(a)	We consider the wording of the clause be amended to allow the retailers flexibility in how they assist post-pay customers in these situations. We suggest amending the wording to read: <i>“undertake the recommended actions in Part 6 (where appropriate)”</i> .
7	67(b)	This recommendation will require a significant amount of time for retailers’ staff to undertake an individualised approach to monitoring and analysing customers debt repayment behaviour, activities that will likely add quite substantial cost on to retailers as individual customer’s circumstances are rarely the same. This cost will likely then be on-passed to customers.

Questions on Part 8: Additional recommendations for medically dependent consumers

22. Should we include a Part making additional recommendations specific to MDCs? Or, should we have recommendations relating to MDCs throughout Parts 4-7?



Part	Clause	Feedback
8	N/A	We consider that a separate part relating solely to MDCs is the most appropriate format to accurately convey this information to retailers and consumers. The intent of the Guidelines is to apply to all consumers, regardless of status. We believe it is easier to refer potential MDCs to one part of the Guidelines rather than multiple clauses across multiple parts. Similarly, it is easier to tell non-MDC consumers that Part 8 in its entirety is not applicable. We support the Authority's proposed structure of the current Guidelines.

23. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
8	N/A	In general, Trustpower is supportive of the recommendations in this Part relating to MDCs, subject to our comments in response to Question 24 below. The intended meaning appears clear.

24. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
8	75(a)(ii)	Please refer to our response on Clause 78(b) under Question 24, the answer given there applies to this clause also.
8	75(b)(i) & (ii)	Please refer to our response on Clause 55 under Question 21 for our concerns with the use of the term "potential MDC".
8	76(a)(iii)	Recording an MDC's type of internet connection (fixed or mobile) is not currently a standard process. Amendments of this nature for any retailer will likely require system-level changes, which will come at a substantial cost. This cost would inevitably be on-passed to customers. We also ask the Authority to clarify why they consider capturing this information as being beneficial to retailers and/or MDC's?
8	76(a)(iv)	As previously stated in our response to Question 12 concerning Clauses 13(a)(iv) & (v), we do not consider the customer needs to have two alternate contact people listed on their account. We suggest removing this clause altogether.
8	77	Please refer to our response on Clause 55 under Question 21 for our concerns with the use of the term "potential MDC".
8	77(a)	We question the Authority's logic applied in this clause. We consider that the account holder should always be the first point of contact, whether they are the MDC or not. We believe alternate contacts should only be utilised if contact with the primary customer (in this case the MDC) cannot be achieved. They are, by definition, alternate and not primary.



Part	Clause	Feedback
		Please refer to our response on Clause 55 under Question 21 for our concerns with the use of the term “potential MDC”.
8	77(b)	<p>Trustpower maintains its view (previously highlighted in our response to question 12 concerning Clauses 13(a)(iv) & (v)) that we do not consider the customer needs to have two alternate contact people listed on their account.</p> <p>Accordingly, we suggest removing this clause altogether.</p> <p>Notwithstanding the above, please refer to our response on Clause 55 under Question 21 for our concerns with the use of the term “potential MDC”.</p>
8	78(a)	<p>Minor drafting note, we consider additional parentheses are required in this clause to avoid confusion.</p> <p>We suggest: <i>“seek to ensure customers understand and agree to the obligation (if created via the retailer’s terms and conditions) to inform the retailer if the customer, or a consumer usually resident at the customer’s premises, is an MDC”.</i></p>
8	78(b)	<p>We support the Authority’s proposal in having a single process to identify and confirm the MDC status of customers, so long as this is rigorous, robust and there are strong controls in place. We support the ERANZ proposal that a Ministry of Health-certified medically dependent consumer database is created to assist retailers in keeping track of MDCs and providing them with the necessary support. We consider this to be the most robust and efficient process for monitoring and managing MDCs in the electricity industry. Electricity retailers are forced to take on the financial risk for MDCs, not the health practitioners, so a robust process must be developed and followed.</p> <p>Notwithstanding our comments above, we are keen to understand the level of support that the Authority has gained from the Ministry of Health, District Health Boards, and other medical communities for this proposal? In on our experience, we encounter numerous difficulties when it comes to accessing the relevant documents or information of customers (or associated consumers) that are MDCs. Some of these difficulties include:</p> <ul style="list-style-type: none"> • Getting MDC status information from private doctors / general practitioners is often untimely and irregular; • There appears to be a lack of support from various health boards around the country in providing MDC information to retailers or distributors; and • There is a risk for a lack of consistency being applied by health practitioners to the MDC status criteria and approval process. Some doctors may be incredibly strict in their interpretations, while others may not be, and there is the risk that some may have their decision influenced by long-standing relationships with families or particularly difficult patients.



Part	Clause	Feedback
8	84	<p>Minor drafting note, we consider additional commas are required in this clause to make it easier to read.</p> <p>We suggest: <i>“Retailers should make all reasonable efforts to contact, as soon as practicable, a customer, or a consumer usually resident at a customer’s premises, who the retailer believes could be an MDC, to obtain an application, in any form, for MDC status from the customer or the consumer.”</i></p>
8	88(a)	<p>As outlined in our response on Clause 78(b) under Question 24, trying to obtain the relevant documentation from a private doctor / general practitioner, District Health Board or private hospital is not always very easy or straightforward. A robust process is essential to ensure that any concerns the health community hold around privacy (particularly around releasing private medical information to a third-party electricity retailer) are proactively addressed. In order for this process to work effectively and efficiently, the Authority, wider industry and the health community will need to work together to develop this process and make sure it is well-known to all medical practitioners and is easy to follow. The centralised MDC database, that ERANZ has advocated for over the last few years, should meet the needs of all parties involved, most importantly the MDCs themselves.</p>
8	89(a) & (b)	<p>Please refer to our response on Clause 55 under Question 21 for our concerns with the use of the term “potential MDC”.</p>
8	91	<p>Trustpower considers this clause needs to be amended slightly to give the retailers slightly more flexibility in ensuring the accuracy of their records. We consider the once-every-twelve-months timeframe to be adequate for business-as-usual purposes. However, we feel retailers should be able (and encouraged) to act if they receive any new information that may impact upon the status of an MDC.</p> <p>Consequently, we feel the wording of the clause should be amended as follows: <i>“Retailers may choose to confirm the validity of a HP Notice verifying a customer or a consumer usually resident at the customer’s premises as medically dependent, but no more frequently than once every 12 months, unless the retailer acquires new information that leads them to reasonably believe that the circumstances of the MDC have changed. Where a retailer wishes to confirm or reconsider the MDC status of a customer, or a consumer usually resident at a customer’s premises, the retailer should reimburse the customer or consumer for the reasonable costs incurred if the retailer confirms the customer’s or consumer’s MDC status.”</i></p>
8	92	<p>Minor drafting note, we believe there has been error in the drafting of this clause.</p> <p>To rectify this error, we suggest: <i>“Retailers may, at their discretion and subject to the customer’s agreement, allocate the status of MDC to a customer who may be medically dependent or to the customer’s premises if a consumer <u>who</u> usually resides there who may be medically dependent.”</i></p>
8	95(c) & (d)	<p>Please refer to our response on Clause 55 under Question 21 for our concerns with the use of the term “potential MDC”.</p>



Questions on Part 9: Bonds and fees

25. Do you agree with the explanation of what a fee is?

Part	Clause	Feedback
9	N/A	Trustpower agrees with the Authority's proposed definition of fee.

26. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
9	N/A	We agree with the intent of the recommendations included in this Part, subject to our comments in response to question 27. Overall, the meaning appears clear.

27. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
9	102(d)	Trustpower believes that the requirements of Clause 103, "Retailers should ensure all fees charged under this Part are reasonable...", will cover off the need to separately stipulate anything around maximum limits concerning fees set via a method or calculation. Accordingly, we suggest this clause is removed.
9	104	<p>While setting up the necessary processes and systems to enable a fee to be split across at least five billing cycles may be difficult, Trustpower is supportive of the Authority in proposing this change. We believe it is in the best interest of the customer and the retailer to enable this functionality.</p> <p>We consider the one exception to the above, however, concerns fees payable for reconnection. In line with Principle B³ outlined in Part 1 of the Guidelines, it is our view that if a customer has had their electricity supply disconnected for non-payment of one (or multiple) invoices, it is our expectation that the customer pays the outstanding amount (owing to the retailer) in full before electricity supply is restored at the customer's premises. We consider it crucial that there is still an incentive for a customer to pay their invoice at the final step, as restoring electricity supply prior to receiving payment in full sends the wrong message to the customer. As no formal obligations can be placed on customers in these Guidelines, we need to ensure we encourage the right behaviours wherever possible.</p>

³ Principle B: Retailers have a right to be paid and competition and innovation are supported



Questions on Part 10: Information disclosure and monitoring

28. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
10	N/A	While Trustpower believes that these additional information disclosure recommendations will add some cost, we consider retailers will be able to tolerate this as the reporting requirements proposed are not significantly larger than those already in place under the existing MDC and VC Guidelines. We also consider that undertaking the various reporting requirements is not going to be overly onerous, so are happy for the Authority to proceed with the information disclosure and monitoring processes as proposed. Overall, we generally agree with the recommendations in this Part, subject to our comments in response to Question 29 below. In Trustpower’s view, the meaning of most clauses in this Part appear clear.

29. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
10	115	<p>Whilst we agree with the publication of retailers’ Consumer Care Policies, we disagree with the timeframe that the Authority has proposed. We consider it to be better practice for retailers to submit their Consumer Care Policies to the Authority by 1 July preceding the year to which they apply. This is to ensure consumers do not experience any confusion between different versions of the Consumer Care Policy being available publicly.</p> <p>We foresee potential confusion arising for customers if the version of the Consumer Care Policy published on the Authority’s website differs to that published on the retailer’s own website. For example, in August 2022, the Authority publishes the Consumer Care Policies for the period 1 July 2021 – 30 June 2022. By this time, the retailers have already published their updated Consumer Care Policies for the period 1 July 2022 – 30 June 2023. There are now two versions of the document publicly available for consumers to access.</p> <p>Publishing the policy immediately preceding the year it applies to also means that customers, and the Authority, can easily and immediately see what policy is applicable at any particular time, rather than trying to analyse this retrospectively. When using a retrospective lens, we consider it may be difficult to identify what version of the policy was in place at a certain time for a certain customer if changes have been made to the policy throughout the year. The Authority would have records of any changes made to the policy throughout the year as the retailer would be submitting any updated versions to the Authority electronically through their web browser-based upload facility.</p> <p>For clarity, when it comes to the retailers submitting their attestations of compliance, we agree that these should be completed at the end of the financial year.</p>



Part	Clause	Feedback
10	117	We understand that the initial alignment plan is the retailer's way of indicating how and when they will ensure their processes align with, and adhere to, the Guidelines. In our view, however, it is not clear if there is any expectation from the Authority around timelines expected as part of this alignment plan. Are retailers required to ensure they align their processes to the recommendations of the Guidelines within six, 12, or 24 months (or some other period)? Some further clarity from the Authority around this would be appreciated so we know what sort of timeframe we will be working towards.

Questions on monitoring alignment and outcomes

30. Do you agree with the monitoring process that the Authority intends to follow?

Part	Clause	Feedback
Monitoring	N/A	Trustpower is supportive of the Authority's monitoring process as proposed in the Consultation Paper, subject to any comments provided in answer to Question 31 below.

31. Do you agree with the process set out for monitoring consumer complaints? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
Monitoring	N/A	We disagree with the Authority's proposed process for managing consumer complaints stipulated in paragraphs 196(b) and (c)(ii) of the Consultation Paper. Trustpower believes that consumers wishing to complain about a retailer's potential non-compliance with their Terms and Conditions, or non-alignment with the Authority's Guidelines, should be directed to the retailer in the first instance. We do not consider that consumers should be contacting Utilities Disputes Limited (UDL) immediately in these circumstances (especially as the Guidelines are not currently proposed to be an enforceable document). Our experience with UDL is that they will often refer the consumer back to the retailer in the first instance to try and resolve the complaint directly. We believe the Authority should promote the existing processes undertaken by retailers and UDL in this area.

Questions on implementation

32. Do you agree with a 30 June 2021 implementation date for the proposed guidelines? If you disagree please provide reasons and the date that you would propose.



Part	Clause	Feedback
Implementation	N/A	We consider an implementation date of 30 June 2021 to be acceptable providing there is sufficient time and flexibility afforded to retailers as part of their initial alignment plans. The Authority's response to our question on Clause 117 (under Question 29) will enable Trustpower to provide a more definite answer to this question.

Questions on the indicative impact assessment

33. Do you agree with the type of benefits identified?

Part	Clause	Feedback
Impact	N/A	<p>While the Authority is not required to undertake a formal cost benefit analysis (CBA) in this circumstance, we support the Authority in undertaking this important step.</p> <p>We note that ascertaining expected incremental benefits for domestic consumers in this space is incredibly difficult, and make the following observations in response to the six expected benefits listed in the Consultation Paper:</p> <ul style="list-style-type: none"> • The amount of time spent liaising with their retailer over repayment of the debt: Trustpower does not believe this will reduce. On the contrary, we consider the time spent by a consumer liaising with a retailer over the repayment of any outstanding debt will actually increase due to the prescriptive nature of the Guidelines in its current form (and the associated timeframes). • The amount of time in debt: We think it is highly unlikely that the amount of a time a consumer spends in debt will reduce as many 'final' courses of action outlined in the Guidelines involve a social or support agency, the majority of which are unable to provide immediate financial assistance to consumers to assist with unpaid debt. • The fees incurred through being in debt: Yes, Trustpower agrees that, over time, the fees incurred through being in debt will reduce. • Time not spent on the best price plan to meet their needs: Yes, Trustpower considers that the time consumers spend on the incorrect pricing plan will reduce over time, as it needs to. • Time before referral to support and/or social agencies: Perhaps, we believe that consumers may see a reduction in the time that elapses before they engage the assistance of a support agency. As previously stated, these agencies are not often able to provide immediate financial support. • The number and duration of electrical disconnections: Yes, Trustpower agrees that the number and duration of electrical disconnections will likely reduce over time.
Impact	N/A	We disagree with the Authority's assessment of the benefits for retailers resulting from these Guidelines.

34. Are there benefits missing?



Part	Clause	Feedback
Impact	N/A	Notwithstanding our comments in the remainder of the submission, Trustpower does not consider any specific benefits to consumers or retailers have been omitted by the Authority at this time.

35. Do you propose alternative methods to estimate the size of any particular benefit, or a different estimated magnitude?

Part	Clause	Feedback
Impact	N/A	No comment from Trustpower at this time.

36. Do you agree with the type of costs identified?

Part	Clause	Feedback
Impact	N/A	We tend to agree with the view that consumers will encounter very little cost as a result of the implementation of these Guidelines. The costs will predominantly fall on retailers.
Impact	N/A	<p>We believe the Authority has under-reflected the likely costs and we expect the costs for retailers to be higher than those outlined in the Consultation Paper. As outlined above, we consider that though some processes may be more well defined for retailers, thereby reducing effort in some cases, retailers will expend more time and more cost enacting the recommendations in the Guidelines.</p> <p>While we acknowledge the Authority’s awareness that retailers’ alignment with the Guidelines will not come without cost, we note that the Authority must ensure that the cost incurred by retailers is reasonable, as any added cost will likely be on-passed to customers. As a result, we encourage the Authority to better reflect the likely costs in their CBA to ensure that overall a net benefit will be derived from the new arrangements.</p> <p>Aside from increased costs for process alignment with the Guidelines and additional reporting measures, specific instances where retailers may encounter higher costs include:</p> <ul style="list-style-type: none"> • Disconnection notices being sent via courier with a signature required will increase costs quite dramatically for the segment of customers that this affects; • More detailed and more frequent involvement of social and/or support agencies in many stages in processes outlined by the Guidelines will increase costs for retailers; and • Irrespective of our comments on Part 7 above, the suggested changes around the vacant property process have the potential for additional unbilled consumption and service charges to be incurred by retailers. We anticipate further costs in the form of additional disconnection notices, additional customer contacts and engagements, and potentially being required to hand-deliver final disconnection notices.



37. Are there costs missing?

Part	Clause	Feedback
Impact	N/A	Notwithstanding our comments in the remainder of the submission, Trustpower does not consider any specific costs to consumers or retailers have been omitted by the Authority at this time.

38. Do you propose alternative methods to estimate the size of any particular cost, or a different estimated magnitude?

Part	Clause	Feedback
Impact	N/A	No comment from Trustpower at this time.