



Wellington Electricity  
Lines Limited

85 The Esplanade  
Petone, PO Box 31049  
Lower Hutt 5040  
New Zealand

Tel: +64 4 915 6100  
Fax: +64 4 915 6130  
[www.welectricity.co.nz](http://www.welectricity.co.nz)

IISC is a service provider to we\*

Jonathon Staite  
Electricity Authority  
2 Hunter Street  
Wellington 6011

Dear Jonathon

**Re: Consultation Paper— Raising consumer awareness of Utilities Dispute  
and Powerswitch Services**

Wellington Electricity's submission should be considered to be inclusive of the explanatory context in this letter (referred elsewhere in our submission as Part '1'), accompanying the attached Appendix C: Format Submission (referred elsewhere in our submission as Part '2').

**Utilities Disputes**

In relation to the Utilities Disputes (UD) aspect of the consultation, Wellington Electricity is in general supportive of the Electricity Networks Association (ENA) submission on this consultation. We are supportive of the need for an 'independent' dispute service and agree with the need for increased awareness of the service amongst consumers. To this end we have included within our submission document a number of suggestions for how best to ensure that consumers who wish to dispute the resolution outcomes provided by their Electricity Distribution Business (EDB) are made aware that they can seek the services of UD to mediate that dispute.

To that latter point, we submit that the most practical and efficient outcome for consumers is to ensure that they are made aware of and utilise the services of UD in relation to the disputed component of a complaint, rather than as a primary recipient of complaints. We have dedicated Resolutions resources who receive and resolve consumer complaints firstly, and then work within our business to establish controls which mitigate the risks of further complaints of that nature being generated. We believe that complaints are a valuable form of feedback for our company to understand the consumer perspective and should be used to identify potential improvements in our service.

We support promoting awareness of UD's services if the consumer cannot reach a resolution with their service provider. We need, however, to continue to focus on improving the efficiency of our complaint handling rather than aiming to increase the utilisation of UD across all complaints. We don't need to risk duplicating resources, slowing down the timeframe required to resolve complaints,

confusing consumers and missing the fact that we already generate positive outcomes for consumers through our own resolution service. To illustrate the point, over the last 2 years approximately 3% of the complaints we received were referred to UD. The remaining 97% were resolved in consultation with and agreement of the consumers involved, that we had satisfactorily resolved their complaint, with no reference to UD.

Therein lies the problem. The UD constitution requires all complainants to be advised by their service provider of UD. However, resolving the complaint at source is more efficient and filters out a risk of consumers wanting a second opinion if they want to “resolution shop” for a better answer. The UD constitution fails to recognise that service providers understand prior complaint precedence and that case outcomes gathered over many years can be provided to complainants in an efficient manner. If not satisfied with the outcome they are referred to UD, assuming they have jurisdiction to receive the complaint.

We believe that the scheme could be improved further by consistently recording the number of successful resolutions by service providers without referral to UD – after all the purpose of a scheme is a safety net, not a front line complaint resolution scheme. Making these amendments to the UD constitution would go a long way to updating the scheme so that it coordinates with service providers’ complaint handling services.

Our website, contact centre and all emails where we have corresponded with consumers who have raised complaints remind them of their right to engage UD’s services. Though it is still possible that a consumer might have ignored these reminders and remained unaware of the UD service, we believe that the majority of customers who utilised our own resolution service were satisfied with the agreed outcomes. We are happy to work with UD if they would like to consult with any customers whose complaints we have resolved in the past.

Like the ENA, we are supportive of the need to consult with consumers and their relevant representatives in relation to this topic to ensure that the right issues are identified and subsequently worked on. We are also in support of forming a cross-industry group to tackle the issues raised to ensure that the solutions generated consider the often cross-organisational nature of issues.

### **Powerswitch**

Wellington Electricity acknowledges that, as an EDB which operates a primarily interposed relationship with consumers, it is largely within the domain of retailers to comment in relation to a need for raised awareness of the Consumer’s Powerswitch service (Powerswitch).

That being said, we believe that in addition to improving general consumer awareness of the availability of this service, Consumer has a role to play in promoting general awareness and understanding of cost-reflective pricing within the Powerswitch website. The cost comparison service does not currently enable consumers to understand which retailers pass on forms of cost-reflective pricing such as the Time of Use pricing which an increased number of EDBs now offer.

By promoting awareness of this form of pricing Consumer can provide an important and independent advocacy role. EDBs are unable to advise consumers which retailers pass on cost-reflective pricing without potentially encroaching on our requirement to provide a level playing field for the retailers

who trade on our network. Providing independent advice on how this pricing works, who offers it and how it might benefit consumers willing to shift electricity consumption away from network peaks ultimately supports the Electricity Authority's goal of promoting Efficient Pricing.

Kind regards

A handwritten signature in blue ink that reads "Howard Smith". The signature is written in a cursive, flowing style.

Howard Smith  
Customer Service Manager  
Wellington Electricity

M +64 21 114 5155 DDI +64 4 915 6162 T +64 4 915 6100 F +64 4 915 6130  
W [www.welectricity.co.nz](http://www.welectricity.co.nz)

## Appendix C Format for submissions

### Question 1: Do you agree the issues identified by the Authority are worthy of attention?

We are supportive of the principle of increased consumer awareness of the Utilities Disputes and Powerswitch services. We consider however that the target of 25% is not supported by any clear rationale and like the ENA believe that targeting consumers at the point at which they have a dispute with the outcome (or an aspect) of a provider's proposed resolution for their complaint may be a more effective targeting of resources as opposed to raising general awareness levels.

### Question 2: Do you agree with the objectives of the proposed amendment? If not, why not?

We support the objective of raising awareness but propose it to be a targeted rather than general response as per our answer to Question 1. We also believe that the code amendments effectively duplicate our existing obligations to promote awareness of UD under the scheme rules and are unlikely to achieve the proposal's stated objective to increase awareness. We are however, as explained elsewhere within this consultation response, happy to review whether we can improve consumer awareness of our complaints process and the role of Utilities Disputes. We believe that consumer consultation is an important component of this review and propose to engage a sample of those who have used our resolution services before to do so.

Though we agree that guiding principles are important in ensuring a consistent level of quality, some of the suggested actions underneath each principle are prescriptive and may not achieve their targeted aim. For example, clause 2.4a suggests that information on Utilities Disputes be made available on the front page of our website without needing to scroll or click further. Though it may increase the number of potential referrals to Utilities Disputes, it does not necessarily mean that:

- a) The service provider will not directly provide a resolution to their complaint without any intervention from UD; or
- b) That the time taken to resolve the complaint will decrease by involving UD.
- c) That it may frustrate complainers who contact UD only to be referred back to the service provider – this handing-off is a poor start to obtaining resolution.UD

We can make still improvements to our website which will provide consumers with additional ways in which to access information on our complaints process (which already promotes the UD service). In addition, we can improve the nature of the information presented by providing real-life case studies of how we have successfully resolved complaints. Actions such as these can be undertaken with relatively low effort and time without the need for any amendments to the Code.

We believe that it is still more appropriate to highlight the role of UD when there is a dispute with an aspect of a provider's proposed resolution rather than at the commencement of the complaint process. We are however, keen to support the development of consistent guidelines, informed by consumer feedback and developed in consultation with other industry service providers.

In relation to Powerswitch, we believe that in addition to improving general consumer awareness of the availability of this service, Powerswitch itself has a role to play in promoting general awareness and understanding of cost-reflective pricing. By promoting awareness of, for example, Time of Use pricing and more specifically which retailers pass this pricing on to consumers Powerswitch can provide an important role in supporting efficient pricing and ultimately help consumers understand how they can benefit from this form of pricing.

**Question 3: Do you agree the benefits of the proposed amendment outweigh its costs?**

We believe the assumptions on which the cost-benefit analysis are based are flawed and observe that the assertions in relation to unmet need and low awareness amongst low incomes to be unsupported by any evidence within the paper. More specifically, the NPV benefits claimed do not match our experience of the time taken to resolve a complaint when involving UD in the process.

Over the same 2 year period (2018, 2019) as mentioned in Part 1 of our submission, the average time taken to resolve a complaint was approximately 16 days. For UD complaints that same measure was just over 46 days. Though it could be argued that a complaint referred to UD may be more complex case and that we could exclude from the 46 day timeframe the 20 day timeframe it takes for the service provider to attempt a resolution, it still leaves us with a longer timeframe to resolve the complaint than UD complaints. On that basis it is difficult for us to support the claimed time savings assumptions within the NPV analysis.

**Question 4: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.**

We do not believe that the proposed amendment is preferable to other options. Like the ENA we consider that consulting with consumers is a necessary step in clearly identifying the issues, in many cases providing further explanation, and that a cross-industry process may help to address the issues raised. Enshrining the authority's proposed amendments in code risks 'hard-coding' solutions to issues which may not be relevant or more appropriately sit within the UD legislation. We believe that simple improvements such as the examples provided in our response to Question 2 can be relatively quickly implemented.

**Question 5: Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?**

We believe that a more targeted approach with consumers would be a more efficient use of resources. By increasing the proportion of complaints which are handled by UD this may in fact be counter-intuitive to the "efficient operation of the electricity industry for the long term benefit of consumers" by duplicating the resources involved in resolving complaints.

**Question 6: Do you have any comments on the drafting of the proposed amendment?**

Wellington Electricity agree with the Electricity Network Association's (ENA) submission on this question.

**Question 7: Do you have any comments on the proposed principles?**

Wellington Electricity agree with the Electricity Network Association's (ENA) submission on this question. As pointed out in our response to Question 2, we believe that the prescriptive nature of some of the guidelines may work against the intended objectives and favour working with consumers and other providers to identify what changes we can make to better promote UD services at the point of dispute.