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Submission on the Proposed Guidelines for Improving Consumer Awareness of Utilities Disputes and Powerswitch

Introduction

1. This is Vector Limited's (Vector) submission on the Electricity Authority's (the Authority) consultation on the proposed *Guidelines for improving consumer awareness of Utilities Disputes and Powerswitch* (Guidelines), dated 29 September 2020. We acknowledge the Authority's engagement with stakeholders on these Guidelines via a Zoom webinar on 15 October 2020.
2. We agree with the Authority's decision to amend some of its initial proposed amendments to the *Electricity Industry Participation Code 2010* (the Code) to improve consumer awareness of Utilities Disputes and Powerswitch, following the first submission process. We particularly support the Authority's decision to:
 - a. apply the new requirements only to a subset of communications, rather than to all communications;
 - b. specify the nature rather than the form of the communications, providing participants with flexibility on how they can best comply with the new requirements and allowing innovation in service delivery; and
 - c. separately specify when consumers need to be made aware of Utilities Disputes and Powerswitch, i.e. information on both providers should not be grouped together. This removed the unnecessary requirement on electricity distributors to include information on Powerswitch in communications to their customers.
3. We set out below our responses to the questions in the consultation paper on the proposed Guidelines and make a few suggestions.

Responses to consultation questions

Q1. Do you agree or disagree that guidelines to support the implementation of 11.30A to 11.30E are needed?

4. Vector agrees that guidelines that support the implementation of new clauses 11.30A to 11.30E of the Code are needed to provide greater clarity and certainty to industry participants on how they can comply with the new requirements. This is particularly relevant in relation to clauses that are likely to attract multiple interpretations.
5. We agree that the use of visual examples in the Guidelines should be intended to support participants, rather than replace their ability to innovate to meet the wording and intent of the Code amendments in a way not covered by the Guidelines.

6. We suggest that the Guidelines be additionally seen, if not promoted, as a reference document to which examples can be added, removed, or amended over time. This would ensure that: 1) the Guidelines remain 'fit for purpose', 2) unnecessary compliance costs on participants and consumers are avoided, and 3) service innovation that benefits consumers is not stifled.

Q2. Do you agree or disagree these guidelines should include information on how compliance could be achieved and visual examples? If no, what information should the guidelines provide?

7. We agree that the proposed Guidelines should include information on how compliance could be achieved, including visual examples. We prefer 'in principle' guidance with practical suggestions, rather than prescriptive information, that would allow participants to find the most efficient ways of complying with the new requirements.
8. We seek greater clarity regarding the Authority's expectations on how participants could comply with the new Code requirements using these different types of communication or communication channels:
 - a. Telephone queries – What is a “query” for compliance purposes? At what point(s) in the entire conversation on the same issue is it appropriate for the participant to provide the information to the customer?
 - b. Outbound communications – It would be helpful if the types of communication that are captured under “directed outbound communications” are clarified in the Guidelines, with examples.

We believe greater clarity is also required around broadcast and automated messages, e.g. notices directed to customers of specific suburbs, or automatically generated communication such as mail merge.

Greater clarity could also be provided regarding communications to customers via social media, apps and push notifications. For example, is it sufficient to provide a link to the Utilities Disputes website in a text message?

- c. Emergency communications – We agree with the strong concerns expressed at the 29 September Zoom webinar that the requirement to provide information during emergency situations could take up distributors' time that is more urgently needed to address the problem. Distributors also need to respond to the spike in urgent inbound calls that is expected during such situations. We support suggestions by participants for these extraordinary situations to be taken into account in the Guidelines.
- d. 'Non-electricity' communications – We seek clarification in the Guidelines whether tree trimming notices are captured under the new Code requirements, i.e. considered as 'outbound communications about an electricity service'.

Q3. Are there any additional questions that should be included in the FAQ section?

9. In relation to Question 1 in the FAQs table (page 23 of the proposed Guidelines), our smart metering business – Vector Metering – does not foresee the requirement to communicate when “acting as an agent for the retailer” to be unreasonably onerous. Vector Metering believes this would involve adding a paragraph to our communications with the relevant retailer's customers.

10. The Authority's *Decision and reasons paper* on the new Code amendments, dated 1 September 2020, indicates that monitoring compliance will primarily be through the participant audit regime and that auditors will assess participants' compliance during regular audits (page 21). We suggest that the timeframes/frequency and processes involved in these audits, and the penalties for 'non-compliance', be included in the FAQs section or another relevant section in the Guidelines. We also suggest that any such audits be signalled well in advance to participants that will be the subject of these audits in the Authority's website and Market Brief.

Q4. Do you have any comments on the proposed guidelines and examples provided?

11. The proposed Guidelines (page v) indicate that the new Code amendments and the Guidelines will be reviewed by the Consumer Advisory Council and the Authority in the future.
12. It is not unreasonable to expect unforeseen situations or new ways of communicating with customers to arise due to technological advances which will be suggested by participants to be clarified in the Guidelines. We suggest that, on the Authority's part and while the Consumer Advisory Council remains to be established, any new/suggested examples be considered as part of the Authority's annual omnibus Code Review. While the Guidelines do not form part of the Code, these support the implementation of the new Code amendments and refreshing the Guidelines at least on an annual basis will help ensure the Guidelines remain 'up to date'. This would also avoid separate/standalone consultation processes to consider potential incremental changes or improvements to the Guidelines.

Concluding comments

13. Please contact Luz Rose (Senior Regulatory Partner) at Luz.Rose@vector.co.nz or 04 803 9051 if you have any questions or require further information.
14. No part of this submission is confidential, and we are happy for the Authority to publish it in its entirety.

Yours sincerely
For and on behalf of Vector Limited



Neil Williams
GM Market Regulation