

Proposed Consumer Care Obligations

Consultation paper

6 August 2024

Executive summary

As a kaitiaki of electricity in Aotearoa New Zealand, consumers are at the heart of everything the Electricity Authority Te Mana Hiko (the Authority) does. Mandating the Consumer Care Guidelines (Guidelines) will be a significant milestone, underscoring our commitment to ensuring consumers receive the care and protection they need in a world where electricity is vital to achieving healthy and prosperous lives.

Our use of, and need for, electricity continues to grow and change. The Authority is responding by ensuring our power system evolves alongside this. We want to safeguard a secure, resilient and reliable future for Aotearoa where consumers have choices in accessing the energy they need and confidence in the system.

Protecting the interests of consumers is an integral part of our operations. In 2022, we were given an additional statutory objective that bolstered our ability to do this. The objective, to protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers, ensures that, as the electricity market continues to evolve, consumers know we are keeping our focus tightly on protecting what's important to them.

Consumer Care Obligations

Since the Guidelines were introduced in 2021, our journey to improve consumer protections has progressed steadily. In early 2024, we made the decision to mandate the Guidelines – making these consumer protections enforceable from 1 January 2025.

To mandate these protections, the Electricity Industry Participation Code 2010 (Code) needs to be amended to include the Guidelines as obligations. In this consultation, we propose the Guidelines be renamed to 'Consumer Care Obligations' to reflect their proposed mandatory status.

We are proposing to introduce a new Part in the Code, Part 11A, which will include the Consumer Care Obligations as a Schedule.

Impact on consumers

The proposed Consumer Care Obligations will significantly enhance consumer protections for an increasing number of consumers as our population continues to grow.

By mandating the Guidelines, we will create a solid regulatory framework that ensures consistent and supportive protections for all residential consumers across the electricity sector. This will be particularly crucial for those consumers who need it the most, such as medically dependent consumers and consumers facing hardship.

As part of this process, we are proposing operational improvements to the existing Guidelines to ensure the Consumer Care Obligations are clear and workable rules. These changes will clarify what the proposed Consumer Care Obligations cover, address some gaps in the Guidelines, and give retailers some flexibility to best protect consumers.

Impact on retailers and distributors

The proposed Consumer Care Obligations will apply to all retailers as defined in the Electricity Industry Act 2010 (Act), which means that any business selling electricity to residential consumers will be subject to the Consumer Care Obligations. Additionally, some of the proposed obligations will apply to distributors, highlighting their responsibilities and the coordinated efforts required between retailers and distributors to promote consumer protection. These obligations will come into force on 1 January 2025.

The proposed operational improvements will give retailers and distributors better clarity of their consumer care responsibilities and make it easier for them to achieve the protections set out in the Consumer Care Obligations by improving practicality and providing more operational flexibility.

In summary, the proposed Code amendment will ensure:

- enhanced protection for residential consumers, especially for medically dependent consumers or for those facing hardship
- clear, practical, and enforceable obligations on retailers, improving transparency and accountability.

We want to hear from you

This consultation seeks feedback from all stakeholders on the Authority's proposal to include the Guidelines into the Code as the Consumer Care Obligations.

Due to their original voluntary nature, we recognised the need for some operational improvements to ensure the obligations are clear and workable once they become enforceable provisions of the Code.

Over the past six months we have conducted a detailed review of the Guidelines and engaged stakeholders in two workshops to refine the proposed Consumer Care Obligations. During this process, we have made sure to maintain the policy intent and consumer protections present in the Guidelines.

Included in this consultation is our regulatory statement for the proposed Code amendment, which includes our evaluation of the costs and benefits of the proposed changes. We welcome your feedback on this.

[We have developed a consultation quick-guide to support consumers to have their say.](#)

Next steps

Consultation is open now and closes at 5pm on 10 September 2024.

Following consultation, we intend to release a decision paper in December 2024. We will continue to prepare monitoring, compliance, and education strategies to support the implementation of the proposed Consumer Care Obligations from 1 January 2025.

Our commitment to improving and strengthening protections for consumers doesn't end here. The Authority is committed to the continuous improvement of the proposed Consumer Care Obligations to ensure they stay fit for purpose as the electricity industry evolves.

We would like to acknowledge the petition received from Common Grace Aotearoa, as part of the Everyone Connected Campaign, which was signed by 8,047 people and delivered to the Authority on 24 July 2024.

As stated in our February 2024 decision paper, issues not covered already by the Consumer Care Guidelines are currently being considered to inform our work programme and priorities moving forward. We are exploring the potential benefits and implications of banning disconnection and reconnection fees, with the aim to ensure any policy changes we implement are sustainable and equitable for all. We intend to communicate and consult on potential work programmes related to continued consumer care in due course. Our retail data project will also gather data on fees and prepay prices.

Thank you to the retailers and consumer advocates who have worked with the Authority in our journey to update the Guidelines into Code obligations. Your knowledge, insights, and perspectives have helped ensure the proposed operational changes in this consultation address the clarity, workability, and enforceability issues raised without losing the intended protections for consumers.

Together, we can ensure every consumer receives the care and respect they deserve. We look forward to your feedback and to continuing our collaborative efforts for a more consumer-focused electricity market.

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This consultation paper and all appendices are available on [our website](#).

1. What you need to know to make a submission

What this consultation is about

- 1.1. The Electricity Authority Te Mana Hiko (Authority) is consulting with interested parties on the proposal to introduce Part 11A: Consumer Care into the Electricity Industry Participation Code 2010 (Code).
- 1.2. The proposal will mandate the recommendations in the existing Consumer Care Guidelines¹ (Guidelines), with operational changes to resolve clarity, workability and enforceability issues identified with the Guidelines.
- 1.3. The proposed Consumer Care Obligations will primarily apply to retailers who contract with residential consumers, with a small number of obligations on distributors. We want to hear from retailers and distributors on whether the proposed Code amendment is clear and workable.
- 1.4. We also want to hear from consumers. Consumers can either respond to the questions in this consultation paper, or for an easier option, read through our [consultation quick-guide](#) and complete the [consumer survey](#).
- 1.5. This paper explains the Authority's proposed Code amendment, sets out the regulatory statement for the proposed Code amendment, and seeks feedback on both.²

Our terminology

- 1.6. In this paper we use the term 'Guidelines' when referring to the existing, voluntary Consumer Care Guidelines. We use the term 'Consumer Care Obligations' when referring to the proposed Code obligations, that we are proposing replace the Guidelines.

How to make a submission

- 1.7. If you are providing feedback by responding to the questions in this paper, please provide your submission in electronic format (Microsoft Word) in the format provided in Appendix D. Submissions should be sent to ccc@ea.govt.nz with the subject line "Consumer Care Consultation Paper – Submission from [Name / Organisation]".
- 1.8. For consumers responding to the consumer survey, please note these will be recorded as formal submissions.
- 1.9. If you cannot submit electronically, please contact us at the email provided above or on 04 460 8860 to arrange an alternative method.

What happens to your submission

- 1.10. The Authority intends to publish all submissions it receives, including those received via the consumer survey. If you consider the Authority should not publish any part of your submission, please:
 - a. indicate which part(s) should not be published,

¹ Consumer Care Guidelines: <https://www.ea.govt.nz/documents/2093/Consumer-Care-Guidelines.pdf>

² As required under section 39 of the Electricity Industry Act 2010.

- b. explain why you consider we should not publish that part, and
 - c. provide a version of your submission that the Authority can publish (if we agree not to publish your full submission).
- 1.11. If you indicate part of your submission should not be published, the Authority may discuss this with you before deciding whether to not publish that part of your submission.
- 1.12. Please note all submissions received by the Authority, including any parts the Authority does not publish, can be requested under the Official Information Act 1982. This means the Authority would be required to release material not published unless good reason existed under the Official Information Act to withhold it. The Authority would normally consult with you before releasing any material that you said should not be published.

When to make a submission

- 1.13. Please submit your feedback by 5pm on 10 September 2024.
- 1.14. We will acknowledge all submissions electronically within two business days. If you do not receive an acknowledgment, please contact us.

What happens next

- 1.15. The Authority will consider all feedback it receives and make a final decision on the Code amendment to mandate the Guidelines. Any Code amendments will come into effect on 1 January 2025.

Where to find supporting information

- 1.16. The Guidelines and supporting information are available on our website: [Consumer care & medically dependent | Electricity Authority \(ea.govt.nz\)](https://www.ea.govt.nz/consumer-care/medically-dependent/).
- 1.17. This consultation paper is the latest in a series of papers that explore the need to update and strengthen the Guidelines. We refer to two papers in particular throughout this paper to avoid repetition. For more information on the issues discussed in this paper, please refer to:
 - a. the 2023 consultation paper:
[Options to update and strengthen the Consumer Care Guidelines](#)
 - b. the 2024 decision paper:
[Updating and strengthening the consumer care guidelines](#)

2. Moving from voluntary guidelines to mandatory Code obligations

The Authority decided to mandate the Guidelines

- 2.1. After carefully considering and consulting on the different options to update and strengthen the Guidelines, the Authority decided to mandate the Guidelines, reflecting our commitment to improving consumer protections in the electricity market. This decision, the limitations of the current voluntary Guidelines, and the need for improvements are explained in the 2024 decision paper³.
- 2.2. By mandating the Guidelines, we will establish an enforceable framework that ensures comprehensive, consistent and supportive consumer care protections across the electricity sector.

Renaming the Guidelines the Consumer Care Obligations

- 2.3. We have proposed renaming the Guidelines to 'Consumer Care Obligations'. The term 'obligations' is more appropriate now we are amending the Code to impose obligations on industry participants. The term 'guidelines' is normally associated with non-binding advice or recommendations.
- 2.4. Renaming the Guidelines to Consumer Care Obligations also clearly signals the shift from voluntary guidance to mandatory obligations and will support effective implementation and compliance by ensuring all stakeholders understand these will be mandatory.

The Consumer Care Obligations will be included as a new Schedule to the Code

- 2.5. The proposed new Part 11A of the Code includes a new Schedule 11A.1: Consumer Care Obligations, which mandates Parts 2 to 9 of the Guidelines.
- 2.6. We explored different options for mandating the Guidelines, including the option of incorporation by reference. We consider including the Consumer Care Obligations as a Schedule to a new Part of the Code focused on consumer care is the best way to establish enforceable obligations on participants, and to ensure alignment with existing Code obligations.
- 2.7. We will also publish a consumer-focused summary of the Consumer Care Obligations, so consumers can easily access clear and simple information about their rights and what to do if they feel their rights have not been met.

We have proposed improvements to make sure the Consumer Care Obligations are clear and workable

- 2.8. In deciding to mandate the Guidelines, we recognised the need for operational improvements to some of the Guidelines. This ensures the Consumer Care Obligations will be clear and workable once they become enforceable provisions of the Code.

³ [Updating and strengthening the consumer care guidelines](#)

- 2.9. Over the past six months we have conducted a detailed review of the Guidelines to address operational issues. We engaged with targeted stakeholders in two workshops to refine the proposed Consumer Care Obligations while maintaining the policy intent and consumer protections present in the Guidelines.
- 2.10. By way of summary, operational changes proposed include:
- a. **Making the scope of some obligations clearer** so retailers can better understand and meet their obligations, consumers can better understand their rights, and the Authority can effectively enforce the Consumer Care Obligations where necessary.
 - b. **Improving definitions** to prevent misinterpretation. We have refined existing definitions, added new terms where necessary, and deleted unused terms and definitions of terms already defined in the Code.
 - c. **Simplifying some highly prescriptive recommendations** to give retailers some operational flexibility in how they comply with the Consumer Care Obligations. We have replaced some highly prescriptive recommendations with simpler obligations to achieve the same outcome and allow for operational flexibility in how this is achieved.
 - d. **Reducing repetition and removing unnecessary wording** by consolidating some overlapping clauses within the Guidelines. We have also removed wording that is not necessary to mandate the Guidelines, such as references to existing legal obligations.
 - e. **Improving practicality for some obligations** to ensure retailers can meet their obligations and consumer protections are preserved.
 - f. **Using clearer, consistent and simpler wording** to ensure the obligations are well understood and cohesive.
 - g. **Addressing some gaps in the Guidelines** to ensure the Consumer Care Obligations provide a comprehensive and cohesive set of protections and to ensure retailers are clear about their obligations. To do this, we have added and expanded some obligations to address gaps in some of the existing protections and processes set out in the Guidelines.
 - h. **Retaining flexibility where this best promotes consumer protection.** For example, retailers should continue to have discretion to decide whether to require confirmation of medical dependent consumer status from a health practitioner. We consider requiring confirmation in every case would impose unnecessary costs on consumers and retailers.

Q1. Do you have any feedback on our approach to making operational improvements to the Guidelines, to ensure the proposed Consumer Care Obligations are clear and workable?

3. Clarifying the application of the Consumer Care Obligations

- 3.1. Some clarifications to the application of the Consumer Care Obligations are proposed to ensure they capture the right participants and align with existing obligations in the Code.

Introducing a new term – ‘residential consumer’

- 3.2. We are proposing to use a new term for the Consumer Care Obligations, ‘residential consumer’, which means a person who uses electricity in respect of residential premises, and ‘residential premises’ means any premises used or intended for occupation by any person as a place of residence.⁴
- 3.3. The proposed Consumer Care Obligations will apply to all retailers who sell electricity to residential consumers.
- 3.4. We have preferred the term ‘residential consumer’ over the term ‘domestic consumer’ which is defined in the Act.⁵ Under the Act, a domestic consumer means a person who purchases or uses electricity for ‘domestic premises’. However, the term ‘domestic premises’ excludes certain categories of premises described in section 5(1)(c) to (k) of the Residential Tenancies Act 1986, which includes places such as hostels, homes for the care of sick, disabled or aged persons, and places providing temporary accommodation.
- 3.5. Adopting the term ‘domestic consumer’ in the Consumer Care Obligations would mean that, if a retailer sells electricity to a consumer who is living at one of those excluded types of premises (such as a consumer living in a unit in a retirement home), they would be excluded from the definition of ‘domestic consumer’, whereas that same consumer would be captured if they were living in a unit in a retirement village instead, as retirement villages are not excluded from the definition of domestic premises.
- 3.6. Using the term ‘residential consumer’ ensures all residential consumers who buy electricity from a retailer (and all residential consumers who live at a customer’s premises) have the same protections under the Consumer Care Obligations, avoiding any exclusions. This approach best promotes the policy intent of the Guidelines.
- 3.7. We note our additional statutory objective and corresponding function use the term ‘domestic consumer’. To the extent that ‘residential consumer’ captures a broader group of consumers than ‘domestic consumer’, we consider that mandating the Guidelines in relation to this group is consistent with our main statutory objective and with section 32 of the Act, which outlines what the Code may contain. We explain why we think the proposed Code amendment meets the Authority’s statutory objectives in section 12 of this paper.

⁴ See clause 11A.2 of the proposed Code amendment in Appendix A.

⁵ See section 5 of the Electricity Industry Act 2010.

The obligations will apply to all retailers who sell electricity to residential consumers

- 3.8. Like the Guidelines, the proposed Consumer Care Obligations will apply to retailers as defined in the Act. Under the Act, 'retailer' means a business engaged in retailing, and 'retailing' means the sale of electricity to a consumer other than for the purpose of resale.⁶
- 3.9. This definition does not distinguish between network types (that is, whether electricity is sold on a local distribution network or a secondary network that is indirectly connected to the national grid). This means that any person who sells electricity to residential consumers as part of their business is a 'retailer' and will be subject to the proposed Consumer Care Obligations. This will include, for example, a person who buys electricity and on-sells it to residential consumers on a secondary network such as an apartment building or retirement village.

Some of the obligations will apply to 'traders' under the Code

- 3.10. We propose clarifying how some of the recommendations in the Guidelines operate when a retailer is not a 'trader' under the Code.
- 3.11. The Code imposes a number of obligations on retailers who are 'traders'. However, a retailer is only a 'trader' if they buy electricity from the clearing manager, rather than from another participant. Only traders can accept responsibility under the Code for the supply of electricity at an ICP. Traders are required to enter agreements with distributors when they trade at an ICP on the distributor's network (under Part 12A of the Code) and have arrangements with metering equipment providers (under Part 10 of the Code).
- 3.12. Some of the recommendations in the Guidelines relate to arrangements with distributors and metering equipment providers. We propose clarifying that these obligations will only apply to retailers who are traders, to align with their existing obligations under the Code.
- 3.13. To ensure these obligations are workable, we propose clarifying that other retailers who have a contract to supply electricity to a residential consumer must share the necessary information with the trader responsible for the supply of electricity at the ICP. This clarification will simplify the obligations on those retailers who do not already have arrangements with distributors and metering equipment providers, without compromising consumer protection.

Distributors will also have some obligations under the Consumer Care Obligations

- 3.14. Under the Guidelines, the term 'retailer' is deemed to include any distributor that directly invoices its customers. The Guidelines refer to the provision of distribution services throughout. However, we understand that, in practice, distributors do not direct invoice residential consumers, only large commercial or industrial consumers. On that basis, we do not propose to apply the Consumer Care Obligations to distributors in the same way as retailers who have a direct contractual relationship with residential consumers, as it is unnecessary.

⁶ See section 5 of the Electricity Industry Act 2010.

3.15. Instead, we propose including some limited obligations on distributors, which are discussed in section 11.

Q2. Do you have any feedback on the proposals to clarify the application of the proposed Consumer Care Obligations?

4. The purpose of the Guidelines remains

We propose maintaining the purpose of the Guidelines

- 4.1. Part 1 of the Guidelines outlined the purpose, overarching principles and key outcomes of the consumer care guidance package, including the Guidelines, when it was introduced in 2021.
- 4.2. The Authority is satisfied the purpose of the Guidelines remains appropriate for mandated obligations and meets our statutory objectives. We have repeated the Part 1 purpose statement in clause 11A.1 of the proposed Code amendment, alongside a reference to our statutory objectives. We have also strengthened the purpose statements in each part of the proposed Consumer Care Obligations to assist with the interpretation of the obligations in each part.
- 4.3. We have not included the remainder of Part 1 in the proposed Code amendment as the overarching principles and intended outcomes are explanatory only and do not need to be included to mandate the Guidelines.
- 4.4. We are also conscious that since the Guidelines were first published, the Authority has been given an additional objective and function to protect domestic consumers in relation to the supply of electricity to those consumers. Our focus in developing the proposed Code amendment has been on ensuring the proposed Consumer Care Obligations meet our statutory objectives and deliver better outcomes for consumers as well as introducing clear obligations for retailers.

Q3. Do you have any feedback on the purpose statement for the proposed Part 11A of the Code?

5. We propose strengthening our monitoring of consumer protections

Proposed obligations will give the Authority the tools to ensure compliance

- 5.1. The proposed Code amendment includes a compliance reporting framework that will replace the current voluntary alignment regime under Part 10 of the Guidelines.
- 5.2. In our earlier papers⁷ we had envisaged compliance monitoring being addressed under a separate project on improving the Authority's monitoring of the retail market (discussed below). However, as we developed the proposed Code amendment and considered retailer feedback on the proposed clause 2.16 information notice, we reached the view that a mandatory compliance reporting framework to replace Part 10 of the Guidelines should be the primary tool used to monitor compliance. This will be supported by enhanced monitoring of key outcomes through the *Improving retail market monitoring* project.
- 5.3. The compliance reporting framework is outlined in clauses 11A.4 to 11A.11 of the proposed Code amendment and is similar to existing compliance reporting regimes under other parts of the Code. It includes the following obligations and mechanisms that will give the Authority the necessary tools to ensure compliance with the proposed Consumer Care Obligations:
 - a. **Annual compliance reporting and certification:** Retailers must annually report to the Authority on their compliance with the Consumer Care Obligations, including a summary of any non-compliance and corrective actions taken. Compliance reports must be accompanied by a certification signed and dated by a director or chief executive officer of the retailer (or by a person holding an equivalent position).
 - b. **Providing information on request:** Retailers must provide details about their relevant policies, procedures and processes, and any other supporting evidence, on request from the Authority.
 - c. **Record-keeping:** Retailers must keep records of activities regulated under the Consumer Care Obligations for a proposed period of five years from the date the relevant customer contract is terminated or the date the uncontracted premises are disconnected.
 - d. **Independent reviews:** The Authority can require an independent review of a retailer's compliance. Retailers can nominate, and may need to pay for, an independent reviewer depending on the findings of that review.

Enhanced monitoring through the retail data project

- 5.4. The Authority is intending to enhance its monitoring of the retail market by issuing a new information gathering request (using the powers in clause 2.16 of the Code). More information about the *Improving retail market monitoring* project can be found on [the Authority's website](#).

⁷ Paragraph 3.34 of the 2023 Consultation Paper: [Options to update and strengthen the Consumer Care Guidelines and](#) paragraph 7.4 of the 2024 Decision Paper: [Updating and strengthening the consumer care guidelines](#)

- 5.5. In this project we aim to streamline and increase the collection of data about the retail market through a single, comprehensive and mandatory data request. This will give the Authority substantial data on key metrics important for consumer protection, such as consumer debt, prepay arrangements, disconnections, medically dependent consumers, and complaints. Improved data collection in these key areas will enable the Authority to:
- a. **make more informed decisions:** with better data about the retail market, the Authority can make evidence-based decisions regarding regulatory measures and interventions
 - b. **enhance monitoring:** data in these key areas will improve our ability to monitor how retailers deal with their customers and consider whether further investigation is required to ensure consumer care obligations are upheld
 - c. **identify trends and issues:** access to comprehensive and detailed retail data will allow the Authority to identify trends and emerging issues more effectively, facilitating proactive measures to protect consumers
 - d. **publish insights and metrics:** with better data the Authority can publish metrics and insights for use by participants, researchers, and consumer advocates. This will enable more meaningful participation in policy consultation and result in better policy development.

Development of a new outcomes framework to monitor impact of the proposed Consumer Care Obligations

- 5.6. To ensure the effectiveness of the Consumer Care Obligations, we are developing a new outcomes framework. This framework will guide our monitoring efforts to use data collected from retail providers to assess compliance and measure the impact of the obligations. Specifically, we will evaluate the following outcomes:
- Outcome 1: All residential consumers receive care and respect in every interaction with their retailer
 - Outcome 2: Customers receive a consistent minimum level of care from their retailer, ensuring equitable treatment across the electricity sector
 - Outcome 3: Customers are on the most suitable plan for their circumstance
 - Outcome 4: Customers experiencing payment difficulties are connected and supported, with retailers only using disconnection as a last resort measure
 - Outcome 5: Medically dependent consumers are not disconnected

Q4. Do you have any feedback on the compliance monitoring provisions in the proposed Part 11A of the Code, or on the Authority's new outcomes framework?

6. We have proposed improvements across the Guidelines

- 6.1. This section highlights some of the key operational improvements we are proposing to make the proposed Consumer Care Obligations clear and workable. The next sections detail key operational improvements by topic.

Improving terminology

- 6.2. The proposed Consumer Care Obligations will use the same defined terms as the Guidelines, with some improvements, except where terms are already defined in the Code,⁸ or will no longer be needed.⁹ Terms are defined in clause 11A.2 of the proposed Code amendment. Defined terms are bolded where they are used in the Consumer Care Obligations to signal to readers the term has a defined meaning.
- 6.3. Key improvements are discussed below.

Product offerings, pricing plans and payment options

- 6.4. We have proposed new definitions for:
- a. 'product offering' to mean an offer for the supply of electricity at an ICP offered by a retailer and
 - b. 'payment options' to mean the payment methods and options offered by a retailer in relation to a product offering or contract.
- 6.5. These definitions are used alongside the existing term 'pricing plan' to clarify obligations for retailers when providing information or advice about their products and services to customers.
- 6.6. We have also proposed changes to the definition of 'pricing plan'. This makes it clear that a pricing plan means the rate or rates charged for electricity supplied to the customer under their contract, or offered as part of a product offering, and includes:
- a. rates charged per kWh (such as night, daily, anytime rates)
 - b. any fixed rates or fixed or variable charges (such as a daily fixed charge)
 - c. any costs related to the supply of electricity which are passed through to the customer.

Simplifying references to support and social agencies

- 6.7. Currently, 'social agencies' and 'support agencies' are separately defined and referred to throughout the Guidelines. We have proposed simplifying this in the Consumer Care Obligations by expanding the definition of 'support agency' to include both government and non-government agencies, thereby including social agencies. This avoids the need for two separate terms.
- 6.8. We have also removed recommendations that support agencies must be 'reputable' (replacing this with 'appropriate' in some cases) or funded by the Ministry for Social Development (MSD), giving retailers more operational flexibility where appropriate.

⁸ Such as the terms 'Authority', 'distributor', 'retailer', 'reconnection'.

⁹ Such as the terms 'AMI', 'Code', 'DHB', 'disconnection', 'distribution services', 'health agency', 'individual emergency response plan'.

This reflects feedback from stakeholders that these terms were unnecessary, noting the number of agencies funded by MSD represent only a small portion of the financial mentor services available nationwide that provide support to consumers.¹⁰ Some retailers suggested there should be a centralised repository for financial mentor service providers they can use to refer consumers to. This suggestion falls outside of the scope of this consultation but is a matter the Authority is exploring collaboratively as a result of the [electricity wānanga](#) we held in early 2024.

Clarifying the meaning of ‘payment plan’

- 6.9. Some recommendations in the Guidelines do not apply if a customer is on a ‘payment plan’, such as the recommended actions when a customer is experiencing payment difficulties.¹¹ However, the term ‘payment plan’ is currently defined very broadly and would include any arrangement a customer has with their retailer for payment of electricity and related services, such as an arrangement to pay by direct debit. We do not think this term is intended to be read so broadly – as this would clearly undermine the intent of the protections and is not consistent with how ‘payment plan’ is described elsewhere in the Guidelines.¹²
- 6.10. Another issue is some recommendations in the Guidelines use the term ‘debt payment plan’, which is not defined.¹³
- 6.11. We propose using the term ‘payment plan’ consistently throughout the Consumer Care Obligations and clarifying that a payment plan means an agreed plan between a retailer and a customer *who is anticipating or experiencing payment difficulty*. We think this definition is more workable and better aligns with the existing policy intent.

Q5. Do you have any feedback on the proposed improvements to terminology?

Aligning standards of behaviour – when we use ‘best’ and ‘reasonable’ endeavours

- 6.12. Currently, different terms with substantially the same meaning are used to express the standard of behaviour required of retailers at different points throughout the Guidelines. We propose to simplify these references and consistently use the terms:
- a. ‘reasonable endeavours’ to replace existing references to ‘reasonable efforts’, ‘reasonable actions’ and ‘reasonable attempts’
 - b. ‘best endeavours’ to replace existing references to ‘all reasonable actions’ and ‘all reasonable efforts’.
- 6.13. These terms should be given their normal meanings. ‘Reasonable endeavours’ generally requires taking steps that are reasonable in all circumstances, having regard to any financial or practical implications that might make some courses of action more appropriate than others. That is, the retailer may select from the range of steps which might be reasonable. The term ‘best endeavours’ sets a higher standard

¹⁰ Stakeholder feedback raised that there is likely over 800 financial mentor services nationwide, whereas there are only 180 agencies recognised by MSD.

¹¹ See paragraph 43 of the Guidelines.

¹² See paragraph 43(j) of the Guidelines.

¹³ See paragraph 46 of the Guidelines.

of behaviour, as it requires taking all possible courses of action to fulfil the stated objective, within practical limits.

Q6. Do you have any feedback on the proposal to align standards of behaviour in the proposed Consumer Care Obligations?

7. Proposed key operational improvements to Parts 2-5 of the Guidelines

- 7.1. We have set out in detail the proposed changes to the Guidelines in Appendix B and have highlighted some of the key improvements in the following sections:

Key improvements to Part 2 of the Guidelines: Retailers to publish a consumer care policy

- 7.2. Part 2 of the Guidelines recommends retailers publish a consumer care policy and include certain information on their websites and in their initial communications with customers in payment arrears. The proposed Code amendment mandates most of these provisions in Part 2 of the Consumer Care Obligations, although some paragraphs have been moved to different parts to better reflect the order in which the obligations will be engaged in practice.
- 7.3. The main operational improvement we have proposed to Part 2 of the Guidelines is to simplify some of the prescriptive recommendations. Some retailers expressed concerns about overly prescriptive guidelines for providing a consumer care policy. They wanted the ability to develop their own policies while meeting clear requirements. We have proposed changes to give some flexibility while ensuring clear requirements remain.¹⁴ Retailers will have to ensure their policy and communications address the matters identified. This will provide retailers with operational flexibility in deciding how best to achieve the consumer protections mandated in the Consumer Care Obligations.
- 7.4. We have also proposed changes where the Guidelines recommend a retailer's consumer care policy 'commits the retailer' to certain behaviour. Now we are mandating the Guidelines, these obligations should be on retailers directly under the Code, instead of requiring retailers to impose obligations on themselves in their consumer care policies.¹⁵

Q7. Do you have any feedback on Part 2 of the proposed Consumer Care Obligations relating to consumer care policies and related matters?

Key improvements to Part 3 of the Guidelines: information and records relating to consumer care

- 7.5. Part 3 of the Guidelines recommends retailers collect, record and use information about a customer's communication preferences, invoicing preferences, and potential to experience payment difficulties and harm arising from difficulty accessing electricity.
- 7.6. The proposed Code amendment mandates these provisions in Part 4 of the Consumer Care Obligations. We have proposed reordering this Part to better reflect the order in which the obligations will be engaged in practice.
- 7.7. Minor operational improvements have been made to this Part to:

¹⁴ See discussion in Appendix B at paragraphs 8 to 11.

¹⁵ See discussion in Appendix B at paragraph 7(b).

- a. clarify that retailers must request and use the information specified in Part 3 of the Guidelines (not just “have and use processes and systems to do so”)¹⁶
- b. improve practicality and operational flexibility of some of the recommendations to request information, so retailers are only required to request relevant information, and have some flexibility in deciding what information is relevant and how it is recorded¹⁷
- c. replace the recommendation that retailers check “the customer should be able to understand the retailer’s communications” with a more workable obligation to use reasonable endeavours to adapt communications based on the needs of the customers receiving them. This includes using a customer’s communication preferences to inform the retailer’s communication with that customer to the extent reasonably possible.¹⁸

Q8. Do you have any feedback on Part 4 of the proposed Consumer Care Obligations relating to information and records relating to consumer care?

Key improvements to Part 4 of the Guidelines: when a customer is signed up or is denied a contract

- 7.8. Part 4 of the Guidelines recommends retailers take specific actions when signing up a new customer or denying a contract to a person inquiring with a retailer. The proposed Code amendment mandates these provisions in Part 3 of the Consumer Care Obligations, which will be titled ‘Signing up customers and contract denials’.
- 7.9. We have proposed reordering Part 4 of the Guidelines to make it Part 3 of the Consumer Care Obligations to better reflect the order in which the obligations will be engaged in practice.
- 7.10. Minor operational improvements have been made to:
 - a. clarify the purpose of this Part is to ensure residential consumers are fully informed of all relevant information before and after contracting with a retailer, and that residential consumers who may be denied a contract are supported¹⁹
 - b. improve the practicality of some of the recommendations on retailers, and make the proposed Code obligations clearer and more workable²⁰
 - c. change the recommendation that retailers provide certain information to new prepay customers to an obligation to provide that information *before* entering into a new prepay contract, to ensure residential consumers are fully informed before deciding to enter a prepay contract with the retailer.²¹

¹⁶ See discussion in Appendix B at paragraphs 14 and 15.

¹⁷ See discussion in Appendix B at paragraphs 14(a)(ii), (iv) and (viii), 15(d) and 17(b).

¹⁸ See discussion in Appendix B at paragraph 14(a)(v).

¹⁹ See clause 7 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 18.

²⁰ See discussion in Appendix B at paragraphs 21, 24, 25, 26.

²¹ See clause 9 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 28.

Q9. Do you have any feedback on Part 3 of the proposed Consumer Care Obligations relating to when a customer signs up or is denied a contract?

Key improvements to Part 5 of the Guidelines: Business-as-usual account management

- 7.11. Part 5 of the Guidelines makes recommendations to retailers to take specific actions during business-as-usual account management. The proposed Code amendment mandates these provisions in Part 5 of the Consumer Care Obligations: Business-as-usual account management.
- 7.12. A small number of operational improvements have been proposed to this Part. This includes:
- a. changes to address gaps in the existing Guidelines and require:
 - (i) annual customer interactions include asking for confirmation that information recorded by the retailer about any medically dependent consumers remains current (as well as information recorded under Part 3 of the Guidelines, which is already a requirement)²²
 - (ii) notices to prepay customers warning them of low credit balances include specified information to help the customer understand the importance of topping up²³
 - b. improving the practicality of some of the recommendations on retailers (especially in relation to giving advice on the best plan for a customer).²⁴

Q10. Do you have any feedback on Part 5 of the proposed Consumer Care Obligations relating to business-as-usual account management?

²² See clause 19(c) of the Consumer Care Obligations in Appendix A.

²³ See clause 24(2) of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 35.

²⁴ See clause 20 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 31.

8. Improving protections for customers experiencing payment difficulties – Parts 6 and 7 of the Guidelines

- 8.1. Parts 6 and 7 of the Guidelines establish procedures for retailers to follow from the point a customer anticipates or experiences payment issues, through to disconnecting a customer for non-payment. Part 7 also includes recommendations for uncontracted premises.
- 8.2. The proposed Code amendment mandates these provisions in Parts 6 and 7 of the Consumer Care Obligations, with operational improvements proposed to make the scope of some obligations clearer, address some gaps in the Guidelines, and to improve practicality and operational flexibility where appropriate. More detail about the proposed improvements can be found in **Appendix B**.

Clarifying the scope of the obligations

- 8.3. The proposed Code amendment includes expanded purpose statements for Parts 6 and 7 of the Consumer Care Obligations, to better assist retailers with interpreting their obligations under these parts.
- 8.4. The purpose statement for Part 6 now explains that this Part requires retailers to take specific actions when a customer is in arrears, or when the retailer knows a customer is experiencing payment difficulties. This is for the purpose of supporting those customers to maximise their potential to maintain access to, and afford, a constant electricity supply suitable for their needs. The purpose statement for Part 7 now sets out obligations for the purpose of minimising harm to residential consumers caused by insufficient access to electricity.
- 8.5. We have also proposed clarifying when some of the obligations in Part 6 are engaged.²⁵ To ensure the Consumer Care Obligations provide workable protections, the proposed Code amendment imposes certain obligations when a retailer knows or is deemed to know a customer is experiencing payment difficulties. Clarifying when a retailer is deemed to know a customer is experiencing payment difficulties should therefore assist retailers in understanding when their obligations are engaged.
- 8.6. The proposed clarifications in Part 6 also make it clear that a retailer does not contravene the Consumer Care Obligations when they are not aware of a customer's payment difficulties for reasons beyond their control. However, retailers will be required to act when they do become aware of information that a reasonable retailer would consider is indicative of anticipated or actual payment difficulty.

Improving practicality and operational flexibility

- 8.7. We have proposed some changes to improve the practicality and operational flexibility of some of the recommendations in Parts 6 and 7 of the Guidelines, including:
 - a. clarifying retailers' obligations in Part 6 to support customers experiencing payment difficulties do not need to be followed for every customer who misses a single payment. This recognises that one missed payment could be for reasons unrelated to payment difficulties and retailers should have

²⁵ See clause 25(2) of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 76.

some flexibility to determine when a customer is experiencing payment difficulties and would therefore benefit from the protections²⁶

- b. providing some flexibility in the timing of the steps retailers must follow when a customer is in payment arrears, so retailers can choose to give customers a longer period to make a payment before initiating the process for missed payments under Part 6²⁷
- c. clarifying that a retailer must comply with all relevant and applicable obligations under Part 6 before disconnecting a customer's premises under Part 7, but that the retailer does not have to further enquire into whether the customer has exhausted or refused, without good reason, all relevant assistance offered to them²⁸
- d. applying the same timeframes for all disconnection procedures, regardless of the customer's invoice cycle – while this reduces some operational flexibility, we think it is more workable and accessible to have a consistent set of timeframes rather than an uncertain, proportional approach²⁹
- e. clarifying that on-site electrical contractors who visit a premises to perform a disconnection (not to discuss non-payment of an invoice or pending disconnection of uncontracted premises) are not required to provide customers with advice or information they are not properly trained to give³⁰
- f. clarifying that retailers do not need to ascertain that a customer has understood disconnection notifications (which some retailers considered was an impossible standard to meet), but must instead seek to explain the pending disconnection and consequences of not responding to the retailer's contact attempts in a manner that the customer is reasonably likely to understand, having regard to any relevant information recorded about the customer's communication preferences³¹
- g. clarifying what steps a retailer must take before disconnecting uncontracted residential premises to establish whether any medically dependent consumers may be residing there.³²

Addressing gaps in the Guidelines

8.8. To ensure the processes outlined in Parts 6 and 7 are cohesive, we have proposed addressing some gaps to:

- a. include the same timing requirements for giving notice of all disconnections, whether carried out remotely or not³³

²⁶ See discussion in Appendix B, paragraph 43.

²⁷ See discussion in Appendix B, paragraph 41.

²⁸ See discussion in Appendix B, paragraph 54(b).

²⁹ See discussion in Appendix B, paragraph 58.

³⁰ See discussion in Appendix B, paragraph 61.

³¹ See discussion in Appendix B, paragraph 66(d).

³² See clause 43 of the Consumer Care Obligations in Appendix A, discussed in Appendix B, paragraph 63.

³³ See discussion in Appendix B, paragraph 57(b).

- b. apply consistent information requirements to different notice types and contact attempts relating to disconnections, to ensure consistent messaging to customers and consumers³⁴
- c. include timeframes for undertaking certain procedural steps relating to disconnection that align with existing timeframes in the Guidelines.³⁵

No material changes proposed to key protections

- 8.9. Some stakeholders raised wider concerns with some of the key protections in Parts 6 and 7, particularly those around monitoring consumption and contact attempts before disconnection.
- 8.10. In relation to monitoring customer consumption, we have proposed retaining the existing flexibility in the Guidelines and requiring retailers to work towards having the capability to monitor individual customer consumption. When monitoring consumption, if a customer is on a payment plan and a retailer identifies material changes to their consumption, a retailer must take steps to ensure support is provided.³⁶
- 8.11. Some retailers raised concerns that consumers may view their monitoring of electricity consumption to be highly intrusive, and a better alternative would be to enable customers to monitor their own usage via website and mobile phone apps. Overall, we consider these are important customer protections that should be retained at this stage. They protect consumers by ensuring they receive timely information which helps customers manage the energy use and avoid unexpected costs. It may also help retailers to identify signs of payment difficulties.
- 8.12. In relation to contact attempts before disconnection, we have proposed mandating the existing recommendation that a retailer successfully uses one traceable form of contact, or visits the residential premises, before disconnecting.
- 8.13. We acknowledge the concerns raised by some retailers that these requirements represent the highest compliance cost in the Guidelines, yet evidence of effectiveness is mixed. However, other stakeholders have told us these are important consumer protections that ensure, so far as is reasonably possible, customers in payment difficulty are given ample opportunity to engage with their retailer and avoid disconnection. International examples³⁷ also point to the importance of home visits and face-to-face interactions in building trust and effectively supporting customers in financial hardship. We have, therefore, proposed retaining these protections at this stage.

Q11: Do you have any feedback on Parts 6 and 7 of the proposed Consumer Care Obligations relating to customers experiencing payment difficulties and disconnections?

³⁴ See discussion in Appendix B, paragraph 60.

³⁵ See discussion in Appendix B, paragraph 62.

³⁶ See clause 30 of the Consumer Care Obligations in Appendix A, discussed in Appendix B, paragraph 46.

³⁷ National trials of the '[Knock to Stay Connected](#)' programme (an initiative in Australia) demonstrated that up to 80% of disconnections can be avoided through their human-centered approach.

9. Improving protections for medically dependent consumers

- 9.1. Protecting the interests of medically dependent consumers is an important objective of the proposed Consumer Care Obligations.
- 9.2. We are proposing to carry through the existing recommendations in Part 8 of the Guidelines into Part 8 of the Consumer Care Obligations, with important operational improvements proposed to make the scope of some obligations clearer, address some gaps in the Guidelines, and use simpler and consistent wording. More detail about the proposed improvements can be found in **Appendix B**.

We have clarified the objective of the protections for medically dependent consumers and when they apply

- 9.3. The proposed Code amendment includes an expanded purpose statement for Part 8 of the Consumer Care Obligations, to better assist retailers with interpreting their obligations in relation to medically dependent consumers.³⁸ The purpose statement now explains that Part 8 requires retailers to take specific actions for the purpose of ensuring any residential premises at which medically dependent consumers are residing are not electrically disconnected.
- 9.4. We have also proposed clarifying when some of the Consumer Care Obligations relating to medically dependent consumers are engaged.³⁹ To ensure the Consumer Care Obligations provide workable protections, the proposed Code amendment imposes certain obligations when a retailer knows or is deemed to know a medically dependent consumer may permanently or temporarily reside at a customer's premises.

We have addressed some gaps in the Guidelines

- 9.5. To ensure the Consumer Care Obligations provide a comprehensive and cohesive set of protections for medically dependent consumers, we have proposed addressing some gaps to:
 - a. clarify that retailers must request and record information about medically dependent consumers (not just "have and use processes and systems to do so"),⁴⁰ and specify when retailers must request this information⁴¹
 - b. require retailers to provide information to new customers about the retailer's obligations in relation to medically dependent consumers, and the importance of notifying a retailer of any medically dependent consumers at the premises⁴²

³⁸ See clause 53(1) of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 76.

³⁹ See clause 53(2) of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 76.

⁴⁰ See clause 54 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraphs 79 and 81.

⁴¹ See clause 54(2) of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 79(a).

⁴² See clause 65 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 83.

- c. require retailers to refer new customers to the Authority’s website for resources to support the development of an individual emergency response plan⁴³
- d. require retailers to use best endeavours to encourage new customers to choose a post-pay product offering when the retailer knows a medically dependent consumer may live at the customer’s premises, expanding on the existing recommendation not to recommend prepay products in these circumstances
- e. ensure the procedures retailers must follow are comprehensive and address the different scenarios that could arise, when:
 - (i) processing an application for medically dependent consumer status
 - (ii) choosing to confirm that status with a health practitioner
 - (iii) when reviewing whether someone should continue to have medical dependent consumer status⁴⁴
- f. require retailers to act on notifications they receive from distributors about changes to planned service interruptions and electrical disconnections affecting medically dependent consumers,⁴⁵ and to coordinate with each other on planned service interruptions and electrical disconnections when a customer’s retailer is not the trader responsible for the relevant ICP under the Code.⁴⁶

We have used more accessible terminology

- 9.6. The Consumer Care Obligations consistently refer to ‘medically dependent consumer’ and avoid use of the acronym ‘MDC’, to keep the language clear and accessible. We have also avoided the terminology of ‘unverified MDC’. Instead, the Consumer Care Obligations address when someone ‘may be’ a medically dependent consumer.
- 9.7. We have also updated terminology around confirmation of medically dependent consumer status. Currently the Guidelines use the term ‘HP notice’ to refer to the notice a health practitioner completes to verify a person is a medically dependent consumer. We propose replacing this with a ‘confirmation of status form’, which confirms the status of a person as a medically dependent consumer. We also propose a new ‘reconfirmation form’ which reconfirms the status of a person as a medically dependent consumer.

Q12. Do you have any feedback on Part 8 of the proposed Consumer Care Obligations relating to medically dependent consumers?

⁴³ See clause 66(b) of the Consumer Care Obligations in Appendix A.

⁴⁴ See discussion in Appendix B at paragraphs 89 to 99. Changes proposed include clarifying that a retailer must not decline an application without first requesting a confirmation of status form from a health practitioner (paragraph 89), adding a requirement to notify the health practitioner who completed the form if the retailer is not responsible for the supply of electricity to the premises (paragraph 92), adding timeframes to certain process steps for clarity (paragraph 93), aligning procedural steps in different situations (paragraphs 94 and 97), and expanding the information that retailers must provide when declining an application (paragraph 99).

⁴⁵ See clause 70(3) of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 88(a).

⁴⁶ See clause 71 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 88(a).

10. Regulating fees, bonds and conditional discounts

- 10.1. Part 9 of the Guidelines makes recommendations to ensure the fees and bonds retailers charge their customers are reasonable. Part 9 also addresses conditional discounts such as prompt payment discounts.
- 10.2. The proposed Code amendment will mandate these provisions, with operational improvements to clarify the terminology and improve practicality of a few provisions, including those relating to conditional discounts⁴⁷ and offering to spread the payment of some fees over a period of at least five months.⁴⁸
- 10.3. The proposed Code amendment will only require retailers to set fees and bonds that are reasonable and justifiable – it does not tell retailers how these charges should be calculated. As such, we consider that these proposed obligations are consistent with our statutory objectives and with section 32 of the Act, which sets out what the Code may contain.

Q13. Do you have any feedback on Part 9 of the proposed Consumer Care Obligations relating to fees, bonds and conditional discounts?

⁴⁷ Discussed in paragraph 109(c) of Appendix B.

⁴⁸ Discussed in paragraph 110 of Appendix B.

11. Obligations on distributors

- 11.1. The proposed Consumer Care Obligations are designed to ensure that both retailers and distributors understand the critical role they play in protecting residential consumers, particularly those who are medically dependent.
- 11.2. The proposed Code amendment will impose some obligations on distributors, which highlight their responsibilities and the coordinated efforts required between retailers and distributors to promote consumer protections. In particular:
- a. we propose replacing the existing recommendation on distributors to comply with the Guidelines as a whole, with two obligations which will only arise if a distributor invoices residential consumers directly for distribution services and seeks to disconnect a consumer for non-payment:⁴⁹
 - (i) an obligation to not electrically disconnect a residential consumer's premises for non-payment in respect of distribution services if the distributor is notified by the retailer that a medically dependent consumer may reside there, and
 - (ii) an obligation to give the retailer five business days' notice before it disconnects a residential consumer's premises for non-payment in respect of distribution services.
 - b. we propose mandating the existing recommendation on distributors in emergency situations to attempt contact with residential consumers before disconnecting a premises, with some changes to improve practicality of the obligation while maintaining protections to prioritise the safety and preparedness of medically dependent consumers⁵⁰
 - c. we propose extending an existing recommendation so distributors, as well as retailers, must use reasonable endeavours to have effective and agreed processes to coordinate on planned outages affecting medically dependent consumers, to ensure the obligation is workable and can sit alongside existing arrangements in relation to distributor agreements.⁵¹

Q14. Do you have any feedback on the proposed Code obligations for distributors?

⁴⁹ See clause 42 of the Consumer Care Obligations in Appendix A.

⁵⁰ See clause 69 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 101.

⁵¹ See clause 71 of the Consumer Care Obligations in Appendix A, discussed in Appendix B at paragraph 88.

12. Regulatory statement for the proposed amendment

- 12.1. This section confirms that the requirements for a regulatory statement in accordance with section 39(2) of the Act have been met.

Objectives of the proposed Code amendment

- 12.2. The objective of the proposed Code amendment is to mandate the Guidelines, with operational changes to resolve clarity and workability issues identified with the Guidelines.
- 12.3. By mandating the Guidelines, we aim to establish an enforceable regulatory framework that ensures comprehensive, consistent and supportive consumer care protections across the electricity sector.

The proposed amendment

- 12.4. The drafting of the proposed Code amendment is attached as **Appendix A**.

The proposed amendment's benefits are expected to outweigh the costs

- 12.5. Assessing the effect of the proposed Code amendment is complex and requires a qualitative judgment. Costs and benefits are not easily quantifiable. To support its analysis, the Authority engaged Concept Consulting Limited to evaluate the costs and benefits of the proposed Code amendment. Their report is attached as **Appendix C**.
- 12.6. Our assessment is that the benefits of the proposed Code amendment as a whole are expected to outweigh the costs. Benefits will accrue principally to residential consumers, with retailers facing some additional compliance costs. However, the competitive nature of the retail market is expected to mitigate the extent to which these costs are passed on to consumers, as retailers will strive to maintain competitive pricing. This dynamic should help ensure that the net benefits to consumers remain significant.
- 12.7. The primary benefits of the proposed Code amendment⁵² are from a higher degree of consumer protection for a greater proportion of consumers, coming from:
- a. increased consumer coverage, as the Consumer Care Obligations become mandatory for all retailers
 - b. increased likelihood of compliance, as the Consumer Care Obligations become enforceable
 - c. clearer consumer rights, as drafting improvements are made to the Consumer Care Obligations
 - d. minor additional consumer protections from specific clause changes to address gaps in the Guidelines.
- 12.8. Retailer compliance costs are expected to increase, but this increase is expected to be much smaller than the increase in consumer benefits. Primary costs of the proposed Code amendment come from:

⁵² This assessment of costs and benefits is relative to a counterfactual based on the status quo, under which alignment with the Consumer Care Guidelines is voluntary and, in 2023, 95% of residential consumers are with retail brands that reported full alignment with the Guidelines.

- a. increased retailer coverage, as the Consumer Care Obligations become mandatory for all retailers
 - b. consequences for non-compliance as the Consumer Care Obligations become enforceable
 - c. additional obligations created by specific clause changes to address gaps in the Guidelines.
- 12.9. These increased compliance requirements are offset to some degree by:
- a. clearer obligations due to drafting improvements made to the Consumer Care Obligations
 - b. more workable and flexible obligations created by specific clause changes.
- 12.10. The net benefits of the proposed Code amendment are expected to increase over time. The level of consumer protection is likely to improve as retailers become more familiar with complying with the Consumer Care Obligations and the Authority becomes more familiar with enforcing them. The number of consumers protected by the Consumer Care Obligations will increase as New Zealand's population grows, and the proportion of consumers requiring protection is likely to grow as New Zealand's population ages. Electrification and digitisation will likely increase consumers' reliance on electricity. While costs will rise with increased consumer numbers, this growth is likely to be lower than the increase in benefits.

Q15. Do you agree that the benefits of the proposed Code amendment outweigh its costs?

The proposed amendment is preferred to other options

- 12.11. The Authority considered one alternative option to achieve the objective of mandating the Guidelines, which is the option of incorporating the Guidelines by reference into the Code. We do not favour this option, for the following reasons:
- a. including the Consumer Care Obligations as a Schedule to a new Part of the Code focused on consumer care is considered the best option to establish enforceable obligations on participants, and to ensure alignment with existing Code obligations, and
 - b. the alternative of incorporation by reference would not have provided any time or cost savings compared with our preferred approach, given that the same operational improvements we have proposed for the Consumer Care Obligations would have needed to be considered and consulted on even if the Guidelines were incorporated by reference, to ensure sufficiently clear and workable obligations.
- 12.12. As set out in our earlier consultation paper and decision paper, the Authority has already considered and consulted on other means of ensuring comprehensive, consistent and supportive consumer care protections across the electricity sector – but does not consider that those alternatives are preferable to mandating the Guidelines. An evaluation of those alternatives is included in Table 1 below.
- 12.13. As for alternative approaches to specific clauses in the Consumer Care Obligations, where appropriate these are addressed in sections above and in **Appendix B**.

Table 1: Alternatives to mandating the Guidelines

Option	Evaluation
Option one: Maintain the status quo	The 2024 Decision paper and 2023 Consultation paper outline the shortcomings of the status quo which means this option would be the least effective in achieving comprehensive, consistent and supportive consumer protections and was not supported in consultation.
Option two: Keep the Guidelines voluntary but clarify a small number of interpretation issues	This option would not create enforceable obligations and may therefore impose less cost on retailers. We expect this option would have a positive net benefit compared to the status quo, but the net benefits are lower than the option of mandating the Guidelines or Option three. This is because consumer benefits would be higher than the status quo but lower than under the option of mandating the Guidelines, and compliance costs would be slightly lower than the status quo and the mandating the Guidelines. Consultation highlighted this option is too narrow to effectively address all the issues identified with the status quo.
Option three: Mandate Parts 2, 6, 7, and 8 of the Guidelines	This option would mandate parts of the Guidelines that provide key consumer welfare protections around financial difficulty, disconnection, and medically dependent consumers. This option was the Authority's initial preference as it was considered to protect the interests of domestic consumers while minimising any potential negative impacts on innovation and the competition and efficiency limbs of the Authority's main statutory objective. We expect this option would still result in net benefits, but that these would be lower than the option of mandating the Guidelines. Consumer benefits would be higher than the status quo but lower than mandating the Guidelines, compliance costs would be higher than the status quo but lower than mandating the Guidelines, and there may be additional compliance costs for retailers or reduced consumer benefits from having a two-tiered system of consumer protections. Consultation revealed concerns that this option would create significant shortfalls in the protections provided and could inadvertently reverse the progress made by some retailers who have implemented the Guidelines.

The proposed Code amendment complies with section 32(1) of the Act

12.14. The Authority's statutory objectives are to:

- a. promote competition in, reliable supply by, and efficient operation of, the electricity industry for the long-term benefit of consumers (the main objective)

- b. protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers (the additional objective).
- 12.15. The additional objective applies only to the Authority's activities in relation to the direct dealings of industry participants with domestic consumers and small business consumers.
- 12.16. Section 32(1) of the Act provides that the Code may contain any provisions that are consistent with the Authority's objectives and are necessary or desirable to promote one or all of the matters listed in section 32(1).
- 12.17. The Authority considers the proposed Code amendment complies with section 32(1) of the Act. Mandating the Guidelines is consistent with both the additional objective, and the main objective, and is necessary or desirable to promote matters listed in section 32(1), as it would promote:
 - a. **the protection of the interests of domestic consumers in relation to retailers' direct dealings with them**, by establishing an enforceable regulatory framework that ensures comprehensive, consistent and supportive consumer care protections across the electricity sector
 - b. **competition in the electricity industry for the long-term benefit of consumers**, by creating a level playing field and requiring all retailers to comply with the Consumer Care Obligations in respect of all residential consumers, giving some consumers more confidence to switch retailers if they want to
 - c. **reliable supply by the electricity industry for the long-term benefit of consumers**, by establishing obligations which signal that medically dependent consumers should not be disconnected and that disconnection of residential premises in all other contexts is a measure of last resort
 - d. **efficient operation in the electricity industry for the long-term benefit of consumers**, by mandating clear and workable obligations that consistently apply to all retailers who contract with residential consumers, reducing uncertainty and enabling retailers to more efficiently target resources at the specific areas and issues outlined by the Consumer Care Obligations
 - e. **the performance by the Authority of its functions**, by enhancing the Authority's ability to monitor retailers' compliance and enforce the Consumer Care Obligations to ensure consumer protections.
- 12.18. The purpose and benefits of individual changes proposed to make the obligations clearer and more workable are addressed (where appropriate) in sections 6 to 10 above and in **Appendix B**.

Appendix A Proposed Code amendment

Electricity Industry Participation Code 2010

Part 11A

Consumer Care

Contents

- 11A.1 Purpose of this Part
- 11A.2 Interpretation
- 11A.3 Participants subject to Consumer Care Obligations
- 11A.4 Retailer must report compliance with the Consumer Care Obligations
- 11A.5 Retailers to provide certain information upon request
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- 11A.8 Nomination of independent person to undertake review
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- 11A.10 Carrying out a review by independent person
- 11A.11 Payment of review costs

Schedule 11A.1

Consumer Care Obligations

Purpose and interpretation

11A.1 Purpose of this Part

The purpose of this Part is to protect the interests of domestic consumers in relation to the supply of **electricity** to those consumers, and to otherwise promote the **Authority's** main objective in section 15 of the **Act**, by imposing a set of minimum standards on **retailers** requiring them to:

- (a) adopt behaviours and processes that foster positive relationships with residential consumers;
- (b) help residential consumers maximise their potential to access and afford a constant **electricity** supply suitable for their needs; and
- (c) help minimise harm to residential consumers caused by insufficient access to **electricity** or by payment difficulties.

11A.2 Interpretation

In this Part, unless the context otherwise requires, —

alternate contact person means any person authorised by a customer, or by a medically dependent consumer who permanently or temporarily resides at a customer's premises, to operate as either the primary contact person for the customer or the medically dependent

consumer or as an alternate contact person if a **retailer** is unable to contact the customer or medically dependent consumer, provided any alternate contact person is independent of the customer's **retailer**

bond means an upfront payment of a lump sum to provide security to a **retailer** for the performance of a customer's obligations under their contract with the **retailer**

conditional discount means the amount by which a price payable by a customer is reduced, or would be reduced, as a consequence of the customer satisfying a payment condition

confirmation of status form means a form, which may be in the **prescribed form**, completed by a health practitioner with an appropriate scope of practice, which confirms the status of a person as a medically dependent consumer

Consumer Care Obligations means the obligations set out in Schedule 11A.1

consumer care policy is the policy a **retailer** is required to **publish** under clause 3(1) of Schedule 11A.1

customer means a residential consumer who has entered into a contract with a **retailer** for the supply of **electricity** to the residential consumer's premises, where the **electricity** supplied is used fully or partly for residential purposes

electricity plan comparison platform means an electricity plan comparison website or other platform prescribed by the **Authority** and **published** on the **Authority's** website

fee means an amount that a **retailer** charges a customer in connection with the supply of **electricity** other than a rate which constitutes a pricing plan, and includes a break fee for a fixed term contract or a fee for **electrical disconnection** or reconnection

general practitioner means a health practitioner holding vocational registration in general practice from the Medical Council of New Zealand

health practitioner has the meaning given to it by section 5 of the Health Practitioners Competence Assurance Act 2003

invoice means an invoice issued by a **retailer** to a post-pay customer in relation to the supply of **electricity** to that customer

medically dependent consumer means a residential consumer who depends on mains **electricity** for critical medical support, such that loss of **electricity** supply may result in loss of life or serious harm, including a residential consumer who depends on medical or other electrical equipment to support a medical treatment regime (which may include use of a microwave to heat fluids for renal dialysis and similar use of electrical equipment)

payment condition means a provision that relates to the timing or method of payment or delivery of an invoice

payment options means the payment methods and options offered by a **retailer** in relation to a product offering or contract

payment plan means an agreed plan between a **retailer** and a customer who is anticipating or experiencing payment difficulty, for payment in relation to the supply of **electricity** to that customer

post-pay means a product offering or contract where the **retailer** charges the customer for **electricity** after it has been consumed and includes pay-ahead plans, being pricing plans under which a customer can purchase an amount of **electricity** in advance with the **retailer** then managing under- and over-payments as required

prepay means a product offering or contract where the customer pays the **retailer** for **electricity** before the **electricity** is consumed, and the customer is **electrically disconnected** if the customer's pre-paid credit expires or any approved arrears limit is reached

pricing plan means the rate or rates charged for **electricity** supplied to the customer under their contract or offered as part of a product offering, and includes rates charged per kWh (such as night, daily, anytime rates), any fixed rates or fixed or variable charges (such as a daily fixed charge), as well as any costs related to the supply of **electricity** which are passed through to the customer

product offering means an offer for the supply of **electricity** at an **ICP** offered by a **retailer**

reconfirmation form means a form, which may be in the **prescribed form**, which a **retailer** may request to be completed by a health practitioner with an appropriate scope of practice, which reconfirms the status of a person as a medically dependent consumer

reconnection means an **electrical connection** following an **electrical disconnection**

residential consumer means a person who uses **electricity** in respect of residential premises

residential premises means any premises used or intended for occupation by any person as a place of residence

support agency means a government or non-government agency that provides assistance to low-income residential consumers or residential consumers facing payment difficulties, including agencies providing financial mentoring services or advice on the efficient use of **electricity**

support person means any person authorised by a customer, or by a medically dependent consumer who permanently or temporarily resides at a customer's premises, to assist the customer or medically dependent consumer with any issues related to the customer's **electricity** supply, provided any support person is independent of the customer's **retailer**

uncontracted premises means any residential premises at an **ICP** for which a **retailer** is recorded in the **registry** as accepting responsibility, but for which the **retailer** does not have, and as far as the **retailer** is aware no other **retailer** has, a contract with a customer

Application of the Consumer Care Obligations

11A.3 Participants subject to Consumer Care Obligations

- (1) Every **retailer** who sells **electricity** to residential consumers must comply with the Consumer Care Obligations.
- (2) Every **distributor** must comply with clauses 42, 69 and 70 of the Consumer Care Obligations.

Reporting and record-keeping

11A.4 Retailer must report compliance with the Consumer Care Obligations

- (1) Each **retailer** who sells **electricity** to residential consumers in a year beginning 1 July must submit a compliance report to the **Authority** in respect of that year within three months of the end of that year.
- (2) Each compliance report must be in the **prescribed form** and contain the following information for the year in respect of which the compliance report is submitted:
 - (a) all versions of the **retailer's** consumer care policy which were in force at any time during that year;

- (b) a statement as to whether or not the **retailer** complied with all requirements in the Consumer Care Obligations during that year;
 - (c) a summary of any instances of non-compliance identified by the **retailer** and any remedial action taken; and
 - (d) any other information required by the **Authority**.
- (3) The **retailer** must take all practicable steps to ensure that the information contained in the compliance report is:
- (a) complete and accurate;
 - (b) not misleading or deceptive; and
 - (c) not likely to mislead or deceive.
- (4) Each compliance report must be accompanied by a certification signed and dated by a director or the chief executive officer of the **retailer**, or a person holding a position equivalent to one of those positions, that the person considers, on reasonable grounds and to the best of that person's belief, that the compliance report is a complete and accurate record of the matters stated in the compliance report.
- (5) If the **retailer** becomes aware that any information the **retailer** provided in the compliance report is not complete or accurate, is misleading or deceptive, or is likely to mislead or deceive, the **retailer** must as soon as practicable provide to the **Authority** such further information as is necessary to ensure that the information provided is complete and accurate, is not misleading or deceptive and is not likely to mislead or deceive, even if the certification under subclause (4) has previously been issued on reasonable grounds.
- (6) Notwithstanding anything else in this clause, a **retailer** is not required to include in the compliance report any information in respect of which the **retailer** claims legal professional privilege.
- (7) The **Authority** may **publish** any information submitted to it in a compliance report, and the certification provided under subclause (4).
- (8) For the avoidance of doubt, a **retailer** who sells **electricity** to residential consumers in the period between this clause coming into force and 30 June 2025 must submit a compliance report under subclause (1) covering at least that period within three months of 30 June 2025.

11A.5 Retailers to provide certain information upon request

Each **retailer** and **distributor** to whom clause 11A.3 applies must, if required to do so by the **Authority**, provide, within the timeframe specified by the **Authority**:

- (a) a description of the policies (other than a consumer care policy), procedures and processes the **retailer** or **distributor** has implemented for the purpose of complying with one or more of the Consumer Care Obligations; and
- (b) such other supporting evidence as the **Authority** may require.

11A.6 Retention of records

- (1) A **retailer** must ensure it maintains records of any activity regulated under the Consumer Care Obligations.
- (2) A **retailer** must retain records under subclause (1) for a period of five years from, as applicable:
 - (a) the date the relevant customer contract is terminated; or
 - (b) the date the uncontracted premises are disconnected.

11A.7 Authority may require independent review

The **Authority** may, at its discretion, require a review by an independent person of whether a **retailer** has complied with its obligations under clause 11A.4.

11A.8 Nomination of independent person to undertake review

- (1) If the **Authority** requires a review under clause 11A.7—
 - (a) the **Authority** must require the **retailer** to nominate an appropriate independent person to undertake the review; and
 - (b) the **retailer** must provide that nomination within a reasonable timeframe.
- (2) The **Authority** may direct the **retailer** to appoint the person nominated under subclause (1) or to nominate another person for approval.
- (3) If the **retailer** fails to nominate an appropriate person under subclause (1) within five **business days**, the **Authority** may direct the **retailer** to appoint a person of the **Authority's** choice.
- (4) The **retailer** must appoint a person to undertake the review in accordance with a direction made under subclause (2) or subclause (3).

11A.9 Factors relevant to a direction under clause 11A.8

- (1) In making a direction under clause 11A.8(2) or clause 11A.8(3), the **Authority** may have regard to any factors it considers relevant in the circumstances, including the following:
 - (a) the degree of independence between the **retailer** and the person nominated under clause 11A.8(1);
 - (b) the expected quality of the review; and
 - (c) the expected costs of the review.
- (2) For the purpose of subclause (1)(a), the **Authority** may have regard to the special definition of independent under clause 1.4 but is not bound by that definition.

11A.10 Carrying out of review by independent person

- (1) A **retailer** subject to a review under clause 11A.7 must, on request from the person undertaking the review, provide that person with such information as the person reasonably requires in order to carry out the review.
- (2) The **retailer** must provide the information no later than 10 **business days** after receiving a request from the person for the information.
- (3) The **retailer** must ensure that the person undertaking the review—
 - (a) produces a report on whether, in the opinion of that person, the **retailer** may not have complied with clause 11A.4; and
 - (b) submits the report to the **Authority** within the timeframe specified by the **Authority**.
- (4) The report produced under subclause (3)(a) must include any other information that the **Authority** may reasonably require.
- (5) Before the report is submitted to the **Authority**, any identified failure of the **retailer** to comply with clause 11A.4 must be referred back to the **retailer** for comment.
- (6) The comments of the **retailer** must be included in the report.
- (7) The **retailer** may require that the person undertaking the review does not provide the **Authority** with a copy of any information that the **retailer** has provided to the person in accordance with subclause (2).

11A.11 Payment of review costs

- (1) If a report received under clause 11A.10(3)(a) establishes, to the **Authority's** reasonable satisfaction, that the **retailer** may not have complied with clause 11A.4, the **retailer** must pay the costs of the person who undertook the review.
- (2) Despite subclause (1), if a report establishes, to the **Authority's** reasonable satisfaction that any non-compliance of the **retailer** is minor, the **Authority** may, at its discretion, determine the proportion of the person's costs that the **retailer** must pay, and the **retailer** must pay those costs.

- (3) If a report establishes to the **Authority's** reasonable satisfaction that the **retailer** has complied with clause 11A.4, the **Authority** must pay the person's costs.

Schedule 11A.1

Consumer Care Obligations

Part 1

Interpretation

1 Interpretation

In the Consumer Care Obligations, words and phrases appear in bold to alert the reader to the fact that they are defined in clause 1.1 or 11A.2.

Part 2

Consumer Care Policy and related matters

2 Purpose of this Part

This Part of the Consumer Care Obligations requires **retailers** to **publish** their **consumer care policy** and other information, and sets expectations as to **retailers'** communication with **customers** and **residential consumers**, in order to promote the purpose in clause 11A.1.

3 Consumer care policy

- (1) Each **retailer** must develop and **publish** a **consumer care policy** which sets out the **retailer's** policies in relation to **residential consumer** care, including how the **retailer** meets each of the Consumer Care Obligations.
- (2) Without limiting subclause (1), the **consumer care policy** must explain, in clear and accessible language:
 - (a) that **electricity** supply makes an essential contribution to the wellbeing of **residential consumers**;
 - (b) that the **retailer** will work with its **customers** in a respectful, collaborative and constructive manner;
 - (c) that the **retailer** will communicate with its **customers** and other **residential consumers** it interacts with in a manner which is understandable, timely, clear and accessible;
 - (d) how the **retailer** will assist **customers** to understand the most suitable **pricing plan** for their circumstances;
 - (e) that a **customer** can request access to information about their consumption of **electricity** in accordance with this Code, including clause 11.32A, to help them make decisions about which **pricing plan** suits them;
 - (f) how the **retailer** will work with **customers** experiencing payment difficulties to resolve those payment difficulties as far as possible;
 - (g) how the **retailer** will work with **post-pay customers** experiencing payment difficulties to ensure that **electrical disconnection** is a measure of last resort; and
 - (h) how the **retailer** will reflect on any issues which arise in relation to **residential consumer** care and use those experiences to continually improve the extent to which its policies promote the purpose in clause 11A.1; and

- (i) the information required in relation to **fees, conditional discounts** and **bonds** under clause 75.
- (3) When developing its **consumer care policy**, a **retailer** must seek to avoid disparate outcomes arising from differences in language, ethnicity, educational achievement, culture, gender, disability, age, health, income and wealth.
- (4) A **retailer** must review, and if necessary update, its **consumer care policy** at least every two years.

4 Communications with customers and residential consumers

- (1) Each **retailer** must use reasonable endeavours to:
 - (a) work with its **customers** in a respectful, collaborative and constructive manner; and
 - (b) communicate with its **customers** and any other **residential consumers** it interacts with in a manner which is understandable, timely, clear and accessible.
- (2) Each **retailer** must use reasonable endeavours to adapt its communications based on the needs of the **customers** or **residential consumers** receiving them.

5 Working with support agencies and health practitioners

Each **retailer** must:

- (a) have in place processes for, where a **customer** may be experiencing payment difficulties, or where otherwise required by these Consumer Care Obligations:
 - (i) seeking that **customer's** consent to refer that **customer** to one or more **support agencies**; and
 - (ii) having obtained consent, referring that **customer** to the **support agency** or **agencies**, within five **business days**;
- (b) allow **customers** who may be experiencing payment difficulties a reasonable time to seek and receive assistance from one or more **support agencies** without facing any consequences from the **retailer**; and
- (c) use reasonable endeavours to work with **support agencies** and any **health practitioners** it liaises with in accordance with these Consumer Care Obligations in a cooperative, constructive and timely manner.

6 Customer-facing website requirements

- (1) Each **retailer** must clearly and prominently **publish** the following information in a dedicated section of their **customer-facing website**:
 - (a) a statement that the **retailer** has a **consumer care policy** which complies with the Consumer Care Obligations;
 - (b) the **retailer's customer care policy** or a direct hyperlink to it;
 - (c) contact details for the individual or individuals within the **retailer's** organisation responsible for ensuring the **retailer's** compliance with the Consumer Care Obligations;
 - (d) a hyperlink to the page of the **Authority's** website prescribed for the purposes of this clause; and
 - (e) information, including hyperlinks to the websites and contact details of:
 - (i) one or more **support agencies** offering advice on the efficient use of **electricity**;
 - (ii) one or more **support agencies** offering financial mentoring services; and
 - (iii) the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**.

Part 3

Signing up customers and contract denials

7 Purpose of this Part

This Part of the Consumer Care Obligations sets out requirements for **retailers** when signing up a **customer** or when a **residential consumer** enquiring with the **retailer** is denied a contract, for the purpose of ensuring **residential consumers** are fully informed before and after contracting with a **retailer** and that **residential consumers** who may be denied a contract are supported.

Information to be provided prior to sign up

8 Information to be provided prior to sign up

- (1) Before signing up a **residential consumer** as a new **customer**, a **retailer** must ensure that either:
 - (a) in the course of an oral communication, that person receives:
 - (i) advice regarding the **retailer's** available **product offerings**, and related **pricing plans** and **payment options**; and
 - (ii) assistance to understand the most suitable **product offering** for that person, or as appropriate, any other **residential consumers** permanently or temporarily resident at their premises, any conditions the person must meet in order to obtain the greatest benefit from the **product offering** and the drawbacks of any particular **product offering**, including any **fees** the person may incur or **bonds** the person may be required to pay; or
 - (b) where that person is engaging with an online platform, that person has easy access to information about the **retailer's** available **product offerings**, and related **pricing plans** and **payment options**, any conditions which must be met in order to obtain the greatest benefit from a **product offering** and the drawbacks of any particular **product offering**, including any **fees** the person may incur or **bonds** the person may be required to pay.
- (2) A **retailer** must ensure that a **residential consumer** considering becoming a **customer** of that **retailer** has the opportunity to review the **retailer's** terms and conditions before agreeing to them.
- (3) A **retailer** must ensure that its terms and conditions are provided in plain English.

9 Information to be provided before entering prepay contracts

Before a **retailer** enters into a new **prepay** contract, the **retailer** must confirm with the **residential consumer** seeking the contract that they are aware:

- (a) of any cost differential between **post-pay** and **prepay product offerings** offered by the **retailer** and related **pricing plans**, including but not limited to, **fees**, **bonds** and the cost of **electricity** purchased under each arrangement;
- (b) that when credit under a **prepay** contract reduces to zero or any approved arrears limit is reached, **electrical disconnection** will occur;
- (c) of the warnings the **customer** will receive prior to the credit for the **meter** expiring; and
- (d) of how to purchase additional or emergency credit under the **prepay** contract.

Considering and declining contracts

10 Considerations for prospective customers

When considering whether to enter into a **prepay** or **post-pay** contract with a **residential consumer** who has a poor credit record, the **retailer** must not decline to enter into a contract with that **residential consumer** before considering:

- (a) any relevant information provided by the person, which may include, for example:
 - (i) any engagement the person has had with **support agencies** to obtain assistance with the payment of **electricity** costs, of which the **retailer** is aware; and
 - (ii) if the person's poor credit record is the result of historical financial pressures, whether these pressures still impact the person; and
- (b) any other relevant information reasonably available to the **retailer**.

11 Declining to enter into a contract

If a **retailer** decides not to enter into a **prepay** or **post-pay** contract with a **residential consumer** seeking such a contract, the **retailer** must:

- (a) provide the person with:
 - (i) information about one or more **electricity plan comparison platforms**; and
 - (ii) reasons for the **retailer's** decision and suggested actions which the person can take to reduce the risk of a **retailer** deciding not to enter into such a contract in future; and
- (b) if the person advises the **retailer** that they are having difficulty finding a **retailer** willing to enter into a contract with them, offer to provide the person with:
 - (i) information regarding one or more **support agencies** and an indication as to whether the **retailer** is willing to reconsider supplying the person after the person engages with that agency; and
 - (ii) advice regarding possible changes the person could make to facilitate finding a **retailer** willing to enter into a contract with them.

Information to be provided to new customers

12 Information to be provided to new customers

A **retailer** must advise any new **customer** of:

- (a) the existence of the **retailer's consumer care policy**; and
- (b) the **retailer's** commitment to offer support if the **customer** faces payment difficulties.

13 Process when invoice not paid

A **retailer** must inform each new **post-pay customer** of the process that will be followed if an **invoice** is not paid when due and the **customer** does not engage with the **retailer** to resolve the payment issue.

Part 4

Information and records relating to customer care

14 Purpose of this Part

This Part of the **Consumer Care Obligations** imposes obligations on **retailers** regarding the collection, recording, and use of information relating to customer care for the purpose of enabling **retailers** to proactively and effectively support their **customers**, including those who may experience payment difficulties.

15 Retailers to request communication and invoicing preferences from customers

- (1) A **retailer** must request the following information relating to communication preferences from each **customer**:
 - (a) of the options offered by the **retailer**, the **customer's** two preferred communication channels;
 - (b) if one of the **customer's** preferred communication channels is by phone, the **customer's** preferred day or days of the week to be phoned by the **retailer** and the suitable times within those days;
 - (c) any information the **customer** wishes to provide regarding the **customer's** preferred language, or any other matters which may be relevant to engaging with that **customer**;
 - (d) whether the **customer** wishes to use an **alternate contact person** and, if so, the **alternate contact person's** contact details and preferred communication channels; and
 - (e) whether, and if so, when, the **customer** wishes to use a **support person** or **support agency**.
- (2) A **retailer** must request the following information relating to invoicing preferences from each **customer**:
 - (a) where the **retailer** offers more than one option, the **customer's** preferred invoicing frequency;
 - (b) where the **retailer** offers fixed payment dates, the **customer's** preferred day for receiving an **invoice** or making payments from their account; and
 - (c) of the options offered by the **retailer**, the **customer's** preferred means of receiving their **invoice**.
- (3) Whenever a **customer** provides the information specified in subclauses (1) or (2), the **retailer** must use the **customer's** information to inform the **retailer's** communication and invoicing practices with that **customer** to the extent reasonably possible.

16 Retailers to record and use information relating to customers' potential to experience payment difficulties and risk of harm from difficulty accessing electricity

- (1) A **retailer** must:
 - (a) record relevant information of which it becomes aware about a **customer's** potential to experience payment difficulties and the risk of harm arising from difficulty accessing **electricity** (including **electrical disconnection**); and
 - (b) use the information recorded under subclause (a) as appropriate in accordance with these **Consumer Care Obligations**.
- (2) The following information may be recorded and used under subclause (1):
 - (a) any information relevant to the matters listed in clause 25(2);
 - (b) whether the **customer** perceives they are at increased risk of harm due to difficulty accessing **electricity** (including **electrical disconnection**); and
 - (c) any other information the **retailer** reasonably considers relates to a **customer's** potential to experience payment difficulties and the risk of harm to the **customer** arising from difficulty accessing **electricity** (including by **electrical disconnection**).

Alternate contact persons

17 Alternate contact person

- (1) If a **customer** nominates an **alternate contact person**, the **retailer** must:
 - (a) confirm whether the **customer** authorises the **retailer** to:
 - (i) liaise directly with the **alternate contact person** rather than the **customer**; or
 - (ii) contact the **alternate contact person** only if the **customer** does not respond to communication attempts by the **retailer** within the **retailer's** standard timeframes or

- within the period specified by the **customer** as needing to elapse before the **retailer** may contact the **alternate contact person**; and
- (b) only engage with the **alternate contact person** in accordance with the authorisation given under paragraph (a).
 - (2) When engaging with a nominated **alternate contact person** for the first time, the **retailer** must seek their consent to act as an **alternate contact person**.
 - (3) If at any time a **customer's** nominated **alternate contact person** advises the **retailer** that they no longer agree to act in that capacity, the **retailer** must record that information and, when liaising with the **customer** for the first time after being so advised by the nominated **alternate contact person**, notify the **customer**.
 - (4) If a **customer** nominates an **alternate contact person**, where these **Consumer Care Obligations** refer to the **retailer** contacting a **customer**, the **retailer** must instead contact the **alternate contact person** if doing so is consistent with the **customer's** instructions.

Part 5

Business-as-usual account management

18 Purpose of this Part

This Part of the **Consumer Care Obligations** imposes obligations on **retailers** regarding business-as-usual account management for the purpose of ensuring that **customers** remain informed and setting minimum timeframes for payment of invoices.

19 Retailers to contact customers at least annually

At least once a year, a **retailer** must contact each of its **customers** to:

- (a) advise the **customer** that they can request access to information about their consumption of **electricity** in accordance with this Code, including clause 11.32A ;
- (b) advise the **customer** of the existence of the **retailer's consumer care policy** and provide a copy of the **consumer care policy** or a direct hyperlink to it; and
- (c) ask the **customer** to confirm the **customer's** information, as recorded by the **retailer** in accordance with Part 4 and Part 8 of the **Consumer Care Obligations**, remains accurate.

20 Retailers to provide further information prior to customers making changes

If a **customer** enquires with the **retailer** about changing a **pricing plan** or signing up to a different **product offering**, before making any change the **retailer** must:

- (a) advise the **customer** of the **retailer's** available **product offerings**, and related **pricing plans** and **payment options**;
- (b) use reasonable endeavours to assist the **customer** in understanding the most suitable option for the **customer**, or, as appropriate, any other **residential consumers** permanently or temporarily resident at the **customer's** premises, any conditions the person must meet in order to obtain the greatest benefit from a **product offering** and the drawbacks of any particular option including any **fees** the person may incur; and
- (c) provide information about one or more **electricity plan comparison platforms**.

Account management for post-pay customers

21 Retailers to use meter readings for invoicing

A **retailer** must use **meter readings** and not **estimated readings** for invoicing whenever practicable.

22 Information required on invoices

A **retailer** must clearly set out on each **invoice** and in any supporting documentation (which may include the **retailer's** website or app):

- (a) a breakdown of the total amount owed, distinguishing between the current invoicing period and any overdue amounts;
- (b) the due date or dates for payment and available **payment options**; and
- (c) if bundled goods or services have been received by the **customer**, the amounts owing for each good or service.

23 Retailers to allow at least 14 days for payment of invoices

- (1) A **retailer** must allow a minimum of 14 days for payment of all **invoices** issued to its **customers** on a monthly **invoice** cycle.
- (2) For **customers** on a non-monthly **invoice** cycle, subclause (1) applies with adjustments so that the timing requirement represents an equivalent proportion of the **invoice** cycle.

Account management for prepay customers

24 Retailers to notify prepay customers when credit balance reaches a certain level

- (1) A **retailer** must notify a **prepay customer** through at least one of the **prepay customer's** preferred communication channels immediately after the **prepay customer's** credit balance decreases below the equivalent of a reasonable estimation of two days of standard usage for the **prepay customer**.
- (2) A **retailer** must ensure that the notification to a **customer** in accordance with subclause (1) includes:
 - (a) the **customer's** current credit balance;
 - (b) a recommendation that the **customer** top-up the **customer's** account to avoid interruption in the supply of **electricity**; and
 - (c) a statement that when credit reduces to zero, **electrical disconnection** will occur.

Part 6

When payment difficulties are anticipated or arise

25 Purpose and interpretation of this Part

- (1) This Part of the **Consumer Care Obligations** requires a **retailer** to take specific actions when a **customer** is in arrears or the **retailer** knows that the **customer** may be experiencing payment difficulties for the purpose of supporting those **customers** to maximise their potential to maintain access to and afford a constant **electricity** supply suitable for their needs.
- (2) For the purposes of these **Consumer Care Obligations**, a **retailer** is deemed to know that a **customer** may be experiencing payment difficulties when:

- (a) a **customer** tells the **retailer** that they anticipate challenges in meeting **invoice** due dates due to factors such as reduced income, upcoming financial commitments, or shifts in their financial circumstances;
- (b) a **customer** misses a payment for more than one billing cycle; or
- (c) the **retailer** becomes aware of information that a reasonable **retailer** would consider indicates anticipated or actual payment difficulty, which may include information arising out of **customer** interactions, consumption changes, the **customer** making only a partial payment towards an **invoice** or the **customer** having had payments overdue within the past 12 months.

26 Retailers' obligations if customer fails to pay invoice

- (1) Where a **customer** on a monthly **invoice** cycle fails to pay an **invoice** by the **invoice** due date, the **retailer** must:
 - (a) on or after the **invoice** due date, issue a notice to the **customer** for the purpose of encouraging the **customer** to engage with the **retailer** to resolve the payment issue and avoid **electrical disconnection**; and
 - (b) if payment has not been made within 7 days of the notice being issued under paragraph (a), make at least three separate attempts to contact the **customer** via the **customer's** preferred communication channels for the purpose of seeking payment and avoiding **electrical disconnection**.
- (2) Any notice issued under subclause (1)(a), and any written or oral communication under subclause (1)(b) must include:
 - (a) a statement that the **retailer** has a **consumer care policy** which explains:
 - (i) what the **retailer** can and will do to support the **customer** to resolve the payment issue; and
 - (ii) how the **retailer** can assist the **customer** to be on the most suitable **pricing plan** for their circumstances; and
 - (b) information on how to access the **consumer care policy** (such as a hyperlink in written communications, or directions to the **retailer's** website, or an offer to post a copy of the **consumer care policy**, in oral communications).
- (3) The contact attempts required under subclause (1)(b) above:
 - (a) must be:
 - (i) at different times of the day; and
 - (ii) spread over a period of more than seven days; and
 - (b) for any contact attempts involving written communication, and any successful contact attempts involving oral communication, made ten days or more after the notice was issued under subclause (1)(a), must include an offer to discuss with the **customer payment plans** that appear suitable to the **customer's** circumstances; and
 - (c) are no longer required if the **customer** pays the **invoice** or agrees a **payment plan** with the **retailer**.
- (4) Where a **customer** on a non-monthly **invoice** cycle fails to pay an **invoice** by the **invoice** due date, subclauses (1) and (2) apply, with timing requirements adjusted so that they represent an equivalent proportion of the **invoice** cycle.

27 Retailers to engage with customers experiencing payment difficulties

Where a **retailer** knows that a **customer** not on a **payment plan** may be experiencing payment difficulties, the **retailer** must:

- (a) use best endeavours to engage with the **customer** for the purposes of resolving the payment difficulties;

- (b) communicate the steps the **retailer** will follow to assist the **customer** to resolve their payment difficulties and the timeframes for those steps;
- (c) remind the **customer** that:
 - (i) they may nominate a **support person** or an **alternate contact person**; and
 - (ii) the **retailer** has a **consumer care policy**, which explains what the **retailer** can and will do to support the **customer**;
- (d) provide the **customer** with information to assist them to improve energy efficiency at their premises, which may, where applicable, include the information referred to in clause 6(1)(e)(i);
- (e) offer advice, and if the **customer** agrees, advise on changes that could be made to:
 - (i) the **customer's** consumption profile (which may include increasing the proportion of **electricity** used at off-peak times); or
 - (ii) the **metering** at the **customer's** premises (which may include taking steps to support changes to the **customer's** consumption profile, or to enable load control), that might reasonably be expected to reduce the amount of the **customer's** future **invoices**, after accounting for the cost of implementing such changes (which may include the cost of changing the **metering** at the **customer's** premises);
- (f) consider whether, based on the **customer's** consumption over the past 12 months, and any advice given under paragraph (e), the **retailer** has one or more **pricing plans** that could provide a lower cost of **electricity** to the **customer** and, if so:
 - (i) advise the **customer** of that plan or those plans that the **retailer** reasonably considers are most suitable for that **customer**, or as appropriate, any other **residential consumers** permanently or temporarily resident at their premises (provided that the **retailer** does not need to advise the **customer** of more than three **pricing plans**), any conditions the person must meet in order to obtain the greatest benefit from any **pricing plan** and the drawbacks of any particular plan including any **fees** the person may incur; and
 - (ii) where the **retailer** advises the **customer** of more than one **pricing plan**, identify the **pricing plan** which the **retailer** reasonably considers is the lowest cost option for the **customer**, taking into account those aspects of the **customer's** circumstances of which the **retailer** has knowledge;
- (g) provided the **customer** has engaged with the **retailer**:
 - (i) satisfy itself, acting reasonably, that the **customer** is aware or has been reminded of the availability of financial mentoring services and **electricity** efficiency advice from **support agencies**; and
 - (ii) offer to refer the **customer** to any of those **support agencies** as appropriate, with the **customer's** agreement;
- (h) if a referral is made under paragraph (g) or a **customer** advises the **retailer** that they have contacted a **support agency** directly:
 - (i) advise the **customer** of the option to pause further steps in respect of any unpaid **invoices** but that, if the **customer** selects this option, any pause could cause the **customer** to go into more debt with the **retailer**;
 - (ii) if the **customer** opts to pause further steps, wait seven days before taking any further steps under clauses 26 or 37; and
 - (iii) if, within seven days of implementing the pause, the **retailer** receives confirmation from the **support agency** or **agencies** that the **customer** is engaging constructively with the agency, wait a further seven days after the initial seven days has elapsed;
- (i) offer to discuss, and, if the **customer** agrees, discuss with the **customer** **payment plans** that appear suitable to the **customer's** circumstances, including one or more **payment plans** that a reasonable **retailer** would consider:
 - (i) offer the best way for the **customer** to pay off any debt owed to the **retailer** while accommodating the **customer's** expected ongoing **electricity** use; and
 - (ii) are most likely to help avoid the **customer** falling into debt, or further into debt, with the **retailer**; and

- (j) having taken the steps required in paragraphs (a) to (i), and if the **customer** agrees, refer the **customer** to Work and Income or another **support agency** likely to help the **customer** pay their **electricity** supply debt.

28 Part payment of debt for bundled goods and services

- (1) This clause applies where:
 - (a) the **customer** is not on a **payment plan**;
 - (b) the **customer** has received bundled goods or services; and
 - (c) the **retailer** knows that the **customer** is in payment arrears or may be experiencing payment difficulties.
- (2) Where this clause applies, the **retailer** must:
 - (a) advise the **customer** how any part payments are being applied against bundled components of an **invoice**; and
 - (b) provide the **customer** with the opportunity to elect whether they wish to apply any part payments to clear the **customer's** debt related to **electricity** supply first.

29 No unilateral change to payment plan

A **retailer** with a **customer** on a **payment plan** must not unilaterally change the **customer's** **payment plan**, other than in accordance with the **retailer's** terms and conditions.

30 Retailers to monitor customer consumption

- (1) Each **retailer** must work towards having the capability to monitor individual **customer** consumption to help them anticipate which **customers** may benefit from assistance.
- (2) If a **retailer** identifies a material and sudden increase in consumption by a **customer** on a **payment plan** that is not explained by seasonal effects or other known factors, the **retailer** must contact the **customer** to:
 - (a) advise the **customer** of the change in consumption;
 - (b) ask the **customer** whether the change in consumption was expected;
 - (c) offer to help the **customer** identify potential reasons for the increase; and
 - (d) taking into account the increased consumption and any change in circumstances, advise the **customer** of any **pricing plans** that the **retailer** reasonably expects would reduce the amount of the **customer's** **invoices**.
- (3) If a **retailer** identifies a material decrease in **electricity** use over a period of more than one month by a **customer** on a **payment plan** that is not explained by circumstances of which the **retailer** is aware (including seasonal factors), the **retailer** must:
 - (a) contact the **customer** to check whether the **customer** is intentionally reducing their consumption due to actual or anticipated payment difficulties; and
 - (b) taking into account the reduced consumption and any change in circumstances, advise the **customer** of any **pricing plans** that the **retailer** reasonably expects would reduce the amount of the **customer's** **invoices**.

31 Retailer's obligations in respect of customers with payment plans

- (1) A **retailer** must, for a **customer** on a **payment plan**, monitor the **customer's** debt repayments at a frequency appropriate to the **payment plan**.
- (2) A **retailer** must contact a **customer** on a **payment plan**:
 - (a) if a part payment has been made, to assess whether the **payment plan** should be reviewed; and
 - (b) on a regular basis, and not less than once every three months, to discuss with the **customer** whether their current **payment plan** is meeting their needs.

- (3) If a **customer** on a **payment plan** indicates they are experiencing payment difficulties, the **retailer** must offer to:
- (a) discuss with the **customer** what the **customer** can afford in terms of repayments;
 - (b) based on the discussion in paragraph (a), review the **payment plan**; and
 - (c) refer the **customer** to one or more appropriate **support agencies** offering financial mentoring services and **electricity** efficiency advice, with the **customer's** consent.
- (4) A **retailer** must, within five **business days** of a **customer** on a **payment plan** falling behind in their repayments, contact the **customer**, and:
- (a) inform the **customer** that they have fallen behind in their repayments;
 - (b) offer to discuss with the **customer** what the **customer** can afford and to review the **payment plan** if the **customer's** circumstances have changed;
 - (c) offer to refer the **customer** to one or more appropriate **support agencies** offering financial mentoring services and **electricity** efficiency advice, with the **customer's** consent; and
 - (d) explain the next steps if repayment is not made.

32 **Retailer obligations in respect of representatives**

A **retailer** must ensure its representatives who engage with **customers** about invoicing or debt collection:

- (a) receive appropriate training that includes:
 - (i) building rapport with **customers**; and
 - (ii) recognising signs of anticipated or actual payment difficulties when interacting with **customers**, including through review of changes in consumption as well as account history data; and
- (b) are able to provide targeted assistance to **customers** to help them avoid payment arrears or resolve payment difficulties as far as possible, including in relation to the matters specified in clause 27.

Obligations in respect of prepay customers

33 **Retailers to monitor the frequency and duration of prepay electrical disconnections**

A **retailer** must monitor the frequency and duration of **electrical disconnections** of **prepay customers'** premises.

34 **Retailers to contact prepay customers**

- (1) This clause applies if a **retailer** has a **prepay customer** and:
- (a) the **customer's electricity** consumption materially changes in a manner not explained by circumstances of which the **retailer** is aware (including seasonal factors); or
 - (b) the **prepay customer** runs out of credit frequently (for example, on average one day in seven days) or for relatively long durations (for example, for several days at a time).
- (2) Where this clause applies, a **retailer** must contact the **customer** and offer to:
- (a) discuss options with the **customer** that may reduce or avoid instances of **electrical disconnection**; and
 - (b) refer the **customer** to one or more **support agencies**, with the aim of ensuring the **customer** will be able to more consistently maintain their **electricity** supply.

Part 7

Disconnection and reconnection of residential premises

35 Purpose of this Part

This Part of the **Consumer Care Obligations** sets out obligations on **retailers** before, at and after **electrical disconnection** of **residential premises**, for the purpose of minimising harm to **residential consumers** caused by insufficient access to **electricity**.

Disconnecting post-pay customers for non-payment of invoices

36 Disconnection a measure of last resort

A **retailer** must use best endeavours to ensure that **electrical disconnection** of a **post-pay customer's** premises for non-payment of **invoices** is a measure of last resort.

37 Conditions for disconnection for non-payment

- (1) A **retailer** must not **electrically disconnect** a **post-pay customer's** premises for non-payment of an **invoice**, unless:
 - (a) the **retailer** has the right to **electrically disconnect** the premises under its contract with the **customer**;
 - (b) the **retailer** has complied with all relevant and applicable obligations in Part 6 of the **Consumer Care Obligations**;
 - (c) if any unpaid **invoice** uses an **estimated reading**, the conditions in clause 38 are met;
 - (d) the **customer**:
 - (i) has not agreed to a **payment plan**; or
 - (ii) is not substantially adhering to a **payment plan**;
 - (e) the **retailer** has used its best endeavours to satisfy itself that the **customer**, and any **residential consumer** who permanently or temporarily resides at the **customer's** premises, is not a **medically dependent consumer**;
 - (f) the **retailer** has:
 - (i) made at least five separate attempts to contact the **customer** to inform them of the pending **electrical disconnection** of their premises;
 - (ii) issued the **customer** with an initial notice of disconnection, no earlier than 28 days after the **invoice** was issued; and
 - (iii) issued the **customer** with a final notice of disconnection, which must be issued:
 - (A) only after an initial disconnection notice has been issued and the **retailer** has not received payment in full, or in accordance with a **payment plan**;
 - (B) no earlier than 44 days after the **invoice** was issued;
 - (C) no less than 24 hours or more than 10 days before **electrical disconnection**;
 - (iv) in the case of a physical **electrical disconnection**, ensured that a copy of the final notice of disconnection is provided to the **customer**, or left at the **customer's** premises, by the person visiting the premises to action the **electrical disconnection**; and
 - (g) following the contact attempts required by paragraph (1)(f)(i), the **retailer** has not received payment in full for the invoice or invoices.
- (2) The contact attempts required under subparagraph (1)(f)(i) must:
 - (a) include at least three contact attempts using the **customer's** preferred communication channels, and may comprise the three attempts required under clause 26(1)(b);
 - (b) except for the contact attempts required under clause 26(1)(b), seek to explain the pending **electrical disconnection** of the **customer's** premises and the potential consequences of not responding to the **retailer's** contact attempts in a manner the **customer** is reasonably likely

- to understand, having regard to any relevant information recorded about the **customer's** communication preferences under clause 15; and
- (c) subject to subclause (3), include at least one contact attempt through a representative of the **retailer** visiting the **customer's** premises for the purpose of contacting the **customer** about the non-payment of an **invoice**.
- (3) Subclause (2)(c) does not apply if the **retailer** uses and successfully completes at least one traceable form of communication with the **customer** (which may include a phone call which is answered by the **customer**, an in-app message with a read receipt or a courier letter which is signed by the **customer**).

38 Additional conditions for invoices using estimated readings

- (1) A **retailer** must not **electrically disconnect** a **post-pay customer's** premises for non-payment of an **invoice** that uses an **estimated reading** unless the **retailer** is reasonably satisfied that:
 - (a) the **estimated reading** used in that **invoice** is a reasonable estimation of actual consumption; and
 - (b) at least one of the following applies:
 - (i) a **meter reading** is not available due to:
 - (A) the **customer** obtaining **electricity** by or involving deception;
 - (B) vandalism; or
 - (C) an issue with the **metering installation**;
 - (ii) the **retailer** cannot obtain a **meter reading** due to its, or another person's, obligations under the Health and Safety at Work Act 2015; or
 - (iii) both of the following apply:
 - (A) the **customer** has, for at least 40 **business days**, refused the **retailer**, or the **retailer's** agent, access to a **metering installation** at the **customer's** premises for the purpose of carrying out a **metering installation** repair, replacement or certification; and
 - (B) the **retailer** does not accept any **meter reading** provided by the **customer** because any of the circumstances in subclause (2) apply.
- (2) The circumstances referred to in subparagraph (1)(b)(iii)(B) are:
 - (a) the **meter reading** does not lie within an acceptable range compared with the expected pattern, previous pattern or trend of consumption;
 - (b) the **meter reading** does not relate to that **customer**;
 - (c) the **customer** does not provide sufficient information to enable the **retailer** to identify the **meter**; or
 - (d) the **customer** supplies a cumulative **meter** register reading when the **retailer** requires absolute half-hourly **meter readings** that are only available electronically.

39 Failure to disconnect within timeframe

If a **retailer** does not **electrically disconnect** a **customer's** premises within the timeframe set out in a final notice of disconnection:

- (a) the **retailer** must, before **electrically disconnecting** the premises, issue a further final notice of disconnection; and
- (b) clause 37 applies to that final notice of disconnection.

40 Notices issued to a post-pay customer

Any notice issued to a **post-pay customer** under this Part of the **Consumer Care Obligations** must be in writing and contain the following information:

- (a) contact details of persons who can be contacted to discuss payment of the debt;

- (b) a statement that, if the **customer** makes contact with the **retailer** before the point of **electrical disconnection**, the **retailer** will actively work with them to resolve any payment difficulties and avoid **electrical disconnection** occurring, even if the **customer** has failed to act on prior attempts by the **retailer** to engage with them;
- (c) information regarding **payment options** available (which may include Smooth Pay or redirection of income);
- (d) information regarding the **retailer's** internal dispute resolution process and the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**;
- (e) details of all **fees** that must be paid:
 - (i) in the event of **electrical disconnection**; and
 - (ii) if **electrical disconnection** occurs, in order for the **customer's** premises to be **reconnected**;
- (f) contact details of Work and Income or one or more other **support agencies** from which the **customer** may seek assistance with arranging payment of the debt; and
- (g) where to obtain information on how to apply to be recorded as a **medically dependent consumer** and a summary of what it means to be a **medically dependent consumer**.

41 Visits to a post-pay customer's premises

A **retailer** must ensure that any representative of that **retailer** visiting a **post-pay customer's** premises for the purpose of contacting the **customer** about the non-payment of an **invoice**:

- (a) uses reasonable endeavours to contact the **customer**, having regard to any health and safety risks to the representative, the **customer** or any other person at the premises;
- (b) if contact is made with the **customer**:
 - (i) advises the **customer** to contact the **retailer**, including, if necessary, providing information relevant to the **customer's** situation to enable this (which may include details of how to contact the **retailer** if the **customer** has no phone or internet access);
 - (ii) informs the **customer** that, if they make contact with the **retailer** before the point of **electrical disconnection**, the **retailer** will actively work with them to resolve any payment difficulties and avoid **electrical disconnection** occurring, even if the **customer** has failed to act on prior attempts by the **retailer** to engage with them;
 - (iii) provides contact details for one or more **support agencies** from which the **customer** could seek financial mentoring services or **electricity** efficiency advice; and
 - (iv) uses reasonable endeavours to ascertain whether there are any reasons why the **electrical disconnection** should be put on hold (which may include that there is, or may be, at least one **medically dependent consumer** residing at the premises, there is a dispute in progress between the **customer** and the **retailer**, or the **customer** provides reasonable evidence to show they are making genuine efforts to arrange payment of the debt); and
- (c) maintains and provides the **retailer** with a reasonable record of the matters in paragraphs (a) and (b) above.

42 Restriction on disconnection for non-payment by distributor

- (1) A **distributor** must not **electrically disconnect** a **residential consumer's** premises for non-payment in respect of distribution services if that **distributor** has been notified of an application or a decision to record a person as a **medically dependent consumer** in relation to those premises under clause 58.
- (2) A **distributor** must not otherwise **electrically disconnect** a **residential consumer's** premises for non-payment in respect of distribution services unless the **distributor** has provided at least five **business days'** notice to the **retailer** who is the **trader** recorded in the **registry** as being responsible for the relevant **ICP**.

43 Disconnection of uncontracted premises

- (1) A **retailer** must not **electrically disconnect uncontracted premises**, unless:
- (a) the **retailer** has confirmed that the premises are not being switched to another **retailer**; and
 - (b) the **retailer** has taken the following steps to contact any **residential consumers** residing at the premises and ascertain whether there is, or may be, a **medically dependent consumer** residing there:
 - (i) issuing a notice informing any **residential consumers** at the premises that they must contact the **retailer**;
 - (ii) no earlier than seven days after the **retailer** has issued the notice under paragraph (i), issuing a final notice of disconnection, including the proposed timeframe for **electrical disconnection**; and
 - (iii) making at least one contact attempt through a communication channel that provides a traceable form of contact (which may include a courier letter requiring signature, or a representative of the **retailer** visiting the premises) to deliver one or more of the notices described in subparagraphs (i) and (ii) above.
- (2) A **retailer** need not comply with paragraph (1)(b) if half-hour metered **electricity** consumption data is available for the premises and analysis of that data does not indicate a **residential consumer** resides at the premises.
- (3) Any notice issued under paragraph (1)(b) must contain the following information:
- (a) contact details of persons who can be contacted about contracting with the **retailer**;
 - (b) a statement that if the **residential consumer** makes contact with the **retailer** before the point of **electrical disconnection**, the **retailer** will actively work with them to avoid **electrical disconnection** occurring, even if the **residential consumer** has failed to act on prior attempts by the **retailer** to engage with them;
 - (c) information regarding **payment options** available (which may include Smooth Pay or redirection of income);
 - (d) information about the **retailer's** internal dispute resolution process and the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**;
 - (e) details of all of **fees** that must be paid if **electrical disconnection** and **reconnection** occur;
 - (f) the contact details of one or more **support agencies** from which the **residential consumer** could seek assistance in relation to the payment of **electricity** costs; and
 - (g) where to obtain information on how to apply to be recorded as a **medically dependent consumer** and a summary of what it means to be a **medically dependent consumer**.

44 Visits to uncontracted premises

A **retailer** must ensure that any representative of that **retailer** visiting **uncontracted premises** for the purpose of contacting any **residential consumers** residing there about pending **electrical disconnection**:

- (a) uses reasonable endeavours to contact the **residential consumer** or **residential consumers** who control the premises, having regard to any health and safety risks to the representative, the **residential consumers** or any other person at the premises;
- (b) if contact is made with a **residential consumer** in control of the premises:
 - (i) advises the **residential consumer** to contact the **retailer**, including, if necessary, providing information relevant to the **residential consumer's** situation to enable this (which may include details of how to contact the **retailer** if they have no phone or internet access);
 - (ii) informs the **residential consumer** that, if they make contact with the **retailer** before the point of **electrical disconnection**, the **retailer** will actively work with them to

- avoid **electrical disconnection** occurring, even if the **residential consumer** has failed to act on prior attempts by the **retailer** to engage with them;
- (iii) provides contact details for one or more **support agencies** from which the **residential consumer** could seek financial mentoring services or **electricity** efficiency advice; and
- (iv) uses reasonable endeavours to ascertain whether there are any reasons why the **electrical disconnection** should be put on hold (which may include that there is, or may be, at least one **medically dependent consumer** residing at the premises); and
- (c) maintains and provides the **retailer** with a reasonable record of the matters in paragraphs (a) and (b) above.

Restrictions on disconnections

45 Restrictions on disconnecting premises

- (1) Notwithstanding anything else in these **Consumer Care Obligations**, a **retailer** must not **electrically disconnect** a **post-pay customer's** premises, or **uncontracted premises** in any of the following circumstances:
 - (a) the **retailer** has failed to comply with any obligations in this Part of the **Consumer Care Obligations**;
 - (b) the **retailer** knows that a **medically dependent consumer** may be permanently or temporarily residing at the premises;
 - (c) the **electrical disconnection** is to be carried out at a time that would endanger the wellbeing of the **customer** or any **residential consumer** at the premises (which may include just before nightfall or during a severe weather event) or at a time at which it would be unreasonably difficult for the **customer** or **residential consumer** to seek rapid **reconnection** (which may include after midday on the day before a non-**business day**, on a non-**business day**, at night, during a severe weather event or during a civil emergency);
 - (d) in the case of remote **electrical disconnection** of the premises, the **electricity meter** or disconnection device to be used cannot safely **electrically disconnect** and/or **reconnect** the premises;
 - (e) in the case of **electrical disconnection** for non-payment of an **invoice**, the debt does not relate to **electricity** supply (which may include because it relates to telephone or broadband services); and
 - (f) in the case of **electrical disconnection** for non-payment of an **invoice**, the **customer** disputes the charges relating to the **electricity** supply and:
 - (i) the **customer** is engaging with the **retailer's** internal dispute resolution process and/or the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**;
 - (ii) the dispute is unresolved; and
 - (iii) the **customer** has paid all other charges and parts of any charges relating to **electricity** supply that are not disputed (the **retailer** having credited, with the **customer's** agreement, any part-payment to the **electricity** supply portion of its **invoice** to a **customer's** non-disputed debt first).
- (2) Subclause (1) does not apply to emergency **electrical disconnections**.

General requirements for reconnection of post-pay customers

46 Reconnection required

A **retailer** that **electrically disconnects** a **post-pay customer's** premises must **reconnect** those premises as soon as possible and at no cost if:

- (a) the **electrical disconnection** was inadvertent; or

- (b) the **retailer** is notified that **electrical disconnection** of the premises (whether intentional or not) has resulted in a person who is, or may be, a **medically dependent consumer** being without **electricity**.

47 Remote reconnection

A **retailer** should not authorise or carry out remote **reconnection** of a **post-pay customer's** premises unless the **retailer** is reasonably satisfied that the premises can be safely **reconnected** remotely (which may include ensuring that the **retailer** is satisfied that ovens and heaters are turned off).

Process for reconnection of post-pay customers

48 Reconnection for payment

A **retailer** must **reconnect** a **post-pay customer** whose premises were **electrically disconnected** under this Part of the **Consumer Care Obligations** as soon as reasonably practicable after:

- (a) the **customer** has paid the debt in full; or
- (b) the **customer** has otherwise satisfied the **retailer's** reasonable requirements for **reconnection**.

49 Customer care following disconnection

If a **retailer electrically disconnects** a **post-pay customer** under this Part of the **Consumer Care Obligations**, the **retailer** must:

- (a) continue to be responsive if the **customer** contacts the **retailer** seeking further assistance and information on **reconnection**; and
- (b) if the **customer** is still contracted to the **retailer** and has not **reconnected** five **business days** after **electrical disconnection**, contact the **customer** for the purpose of offering assistance and information on **reconnection**, including:
 - (i) reminding the **customer** of the financial mentoring services and **electricity** efficiency advice available from one or more **support agencies**; and
 - (ii) offering to refer the **customer**, with the **customer's** agreement, to a **support agency** from which the **customer** could seek assistance with arranging payment of the debt.

50 Steps following reconnection

Following the **reconnection** of a **post-pay customer** who is **electrically disconnected** under this Part of the **Consumer Care Obligations**, the **retailer** must undertake the steps in clause 27 with appropriate modifications.

Disconnecting prepay customers

51 Restrictions on disconnecting a prepay customer's premises

A **retailer** must ensure a **prepay customer** is not **electrically disconnected** for running out of credit, unless:

- (a) the **electrical disconnection** occurs at a time:
 - (i) that does not endanger the wellbeing of the **customer** or any **residential consumer** at the premises (which may require **electrical disconnection** to occur at times other than just before nightfall or during a severe weather event); and

- (ii) at which it would be reasonably easy for the **customer** to seek rapid **reconnection** (which may require **electrical disconnection** to occur at times other than after midday on the day before a non-**business day**, on a non-**business day**, at night, during a severe weather event or during a civil emergency);
- (b) the **prepay** service can safely **electrically disconnect** and **reconnect** the premises;
- (c) the expiry of the pre-paid credit relates to the supply of **electricity** (and does not relate to other matters such as telephone or broadband); and
- (d) either of the following apply:
 - (i) the **customer** has not disputed the charges through the **retailer's** internal dispute resolution process or the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**; or
 - (ii) if the **customer** has disputed the charges, the **customer** has not paid all other charges and parts of any charges relating to **electricity** supply that are not disputed, the **retailer** having credited, with the **customer's** agreement, any part-payment to the **electricity** supply portion of the **invoice** to the non-disputed charges first.

Reconnecting prepay customers

52 Reconnecting a prepay customer's premises

- (1) A **retailer** must ensure that **reconnection** of a **prepay customer** occurs as soon as reasonably practicable after the **customer** has completed their purchase transaction for new credit.
- (2) Subclause (1) requires that **reconnection** take place within 30 minutes of the **customer** completing their purchase transaction for new credit, unless:
 - (a) remote **reconnection** fails due to connectivity issues which would require sending a technician to the premises; or
 - (b) the **meter** owner has system issues.

Part 8

Obligations in relation to medically dependent consumers

53 Purpose and interpretation of this Part

- (1) This Part of the **Consumer Care Obligations** requires **retailers** to take specific actions in relation to **residential consumers** who are, or may be, **medically dependent consumers**, for the purpose of ensuring that any **residential premises** at which **medically dependent consumers** reside are not **electrically disconnected**.
- (2) For the purpose of these **Consumer Care Obligations**, a **retailer** is deemed to know that a **medically dependent consumer** may be permanently or temporarily residing at a **customer's** premises if:
 - (a) the **retailer** has recorded that the **customer**, or any other **residential consumer** who permanently or temporarily resides at the premises, has **medically dependent consumer** status under clause 56 of these **Consumer Care Obligations**;
 - (b) the **retailer** has received an application (in any form) from the **customer** or any other **residential consumer** who permanently or temporarily resides at the premises for **medically dependent consumer** status, and the **retailer** has not yet decided the application; or
 - (c) the **retailer** becomes aware of information that a reasonable **retailer** would consider indicates that a **medically dependent consumer** may be residing at those premises.

Information about medically dependent consumers

54 Retailers to request and record information about medically dependent consumers

- (1) A **retailer** must request information which the **retailer** reasonably requires to identify whether a **customer** or any other **residential consumer** who permanently or temporarily resides at the **customer's** premises may be a **medically dependent consumer**.
- (2) A **retailer** must request information under subclause (1) when:
 - (a) first signing up a **customer**;
 - (b) contacting a **customer** under clause 19;
 - (c) communicating with a **customer** who may be experiencing payment difficulties under clause 27; and
 - (d) at any other time the **retailer** reasonably considers it appropriate.
- (3) If a **retailer** knows that a **customer** or any other **residential consumer** who permanently or temporarily resides at the **customer's** premises may be a **medically dependent consumer**, the **retailer** must request the following information:
 - (a) the name of that **customer** or **residential consumer**;
 - (b) for **residential consumers**, their communication preferences as listed under clause 15; and
 - (c) the name of the **customer** or **residential consumer's** **general practitioner**.
- (4) Whenever a **retailer** receives the information specified in subclauses (1) or (3), the **retailer** must:
 - (a) record the information; and
 - (b) use the information to inform the **retailer's** performance of its obligations under the **Consumer Care Obligations**.

Recording and verifying medically dependent consumer status

55 Retailer must request application for medically dependent consumer status

A **retailer** must, as soon as practicable after it becomes aware of information that a reasonable **retailer** would consider indicates that a **customer** or **residential consumer** who permanently or temporarily resides at a **customer's** premises may be a **medically dependent consumer**, use best endeavours to request that they make an application (in any form) for **medically dependent consumer** status with the **retailer**.

56 Recording medically dependent consumer status

- (1) Subject to subclause (2), a **retailer** may, at its discretion, record that a **customer**, or **residential consumer** who permanently or temporarily resides at a **customer's** premises, has **medically dependent consumer** status, having regard to the information gathered by the **retailer** in accordance with these **Consumer Care Obligations** or otherwise provided by a **customer**, **residential consumer**, or any third party.
- (2) A retailer must record that a **customer**, or **residential consumer** who permanently or temporarily resides at a **customer's** premises, has **medically dependent consumer** status if the **retailer** receives a valid **confirmation of status form** or **reconfirmation form** in relation to that person.

57 Retailer's obligations after receiving application for medically dependent consumer status

- (1) Upon receipt of an application (in any form) for **medically dependent consumer** status in relation to a **customer** or **residential consumer** residing at a **customer's** premises, the **retailer**:
 - (a) must record that the application has been received;
 - (b) must ask for the applicant's consent (unless such consent has already been provided) to:
 - (i) record and hold relevant information relating to the application; and

- (ii) share that information with the relevant **distributor, metering equipment provider** and **trader** recorded in the **registry** as being responsible for a relevant **ICP** (unless the **retailer** is itself the relevant **trader**);
 - (c) may, if appropriate to do so, take reasonable steps to confirm that the applicant is permanently or temporarily resident at the premises;
 - (d) may ask the applicant for a **confirmation of status form** if one has not been provided with the application, provided that, if the **retailer** requests a **confirmation of status form**, it must provide the applicant with the **confirmation of status form prescribed** by the **Authority** and advise the applicant that it may decline the application if the applicant fails to provide a valid form; and
 - (e) may, where applicable and if appropriate to do so, take reasonable steps to confirm the validity of the **confirmation of status form**.
- (2) If a **retailer** receives an application for **medically dependent consumer** status but the application does not relate to a **customer's** premises, the **retailer** must, as soon as reasonably practicable:
- (a) use reasonable endeavours to determine who the current **retailer** is for the premises;
 - (b) inform the applicant and, if a **confirmation of status form** has been received, the **health practitioner** who completed the form, that:
 - (i) the **retailer** is not responsible for the supply of **electricity** to the premises; and
 - (ii) if the **retailer** has determined who the responsible **retailer** is under paragraph (a), that **retailer's** name and contact details; and
 - (c) encourage the applicant to contact the responsible **retailer** as soon as practicable.

58 Retailer's obligations to share information about medically dependent consumers

- (1) If a **retailer** receives an application under clause 57, and the applicant has given their consent in accordance with clause 57(1)(b), the **retailer** must:
- (a) if the **retailer** is the **trader** recorded in the **registry** as being responsible for the relevant **ICP**, advise the relevant **distributor** and **metering equipment provider**, using the relevant **EIEP**, of:
 - (i) the application, at the time the **retailer** receives the application; and
 - (ii) the **retailer's** decision regarding whether to record the applicant as a **medically dependent consumer**, as soon as practicable once the **retailer** has made that decision; and
 - (b) if the **retailer** is not the **trader** recorded in the **registry** as being responsible for the relevant **ICP**, advise that **trader** of the matters in subparagraph (a)(i) and (ii).
- (2) If a **trader** receives advice under subparagraph (1)(b), the **trader** must record that information and advise the relevant **distributor** and **metering equipment provider** as soon as practicable, using the relevant **EIEP**, of:
- (a) the application; and
 - (b) the **retailer's** decision regarding whether to record the applicant as a **medically dependent consumer**.

59 Retailer's obligations if no consent provided

- (1) If an applicant does not provide the consent referred to in clause 57(1)(b)(i) above after a period of at least 21 business days of making the request, the **retailer** must advise the applicant:
- (a) if the applicant does not provide their consent, the **retailer** may decide to decline the application; and
 - (b) the applicant should, as soon as practicable, inform their **health practitioner** that the **retailer** may not treat the applicant as a **medically dependent consumer**.

- (2) If a **retailer** has completed the steps in subclause (1) and has still not received consent within ten **business days**, the **retailer** may decline the application to record the applicant has **medically dependent consumer** status.

60 Retailer's obligations in respect of confirmation of status forms

- (1) Where the **retailer** has received a **confirmation of status form**, the **retailer** must record the following information in respect of that **confirmation of status form** and any subsequent **reconfirmation form** received:
- (a) when the form was received;
 - (b) the name of the **health practitioner** who completed the form;
 - (c) the date on which the form was completed by the **health practitioner**; and
 - (d) the time period to which the **health practitioner's** confirmation given in the form applies, if any period is specified.
- (2) If a **retailer** does not receive a valid **confirmation of status form** after a period of at least 21 business days after making a request under clause 57(1)(d), and is considering declining the application under subclause (4), the **retailer** must advise the applicant that:
- (a) the applicant must provide a valid **confirmation of status form** as soon as practicable;
 - (b) the applicant can request that the **retailer** obtain the **confirmation of status form** directly from the **health practitioner** who completed the form (if applicable);
 - (c) if the **retailer** does not receive a **confirmation of status form**, the **retailer** may decide to decline the application; and
 - (d) the applicant should, as soon as practicable, inform their **health practitioner** that the **retailer** may not treat them as a **medically dependent consumer**.
- (3) If the customer makes a request under subclause (2)(b), the **retailer** must request the **confirmation of status form** from the **health practitioner** directly.
- (4) If a **retailer** has advised the applicant of the information specified in subclause (1) and complied with subclause (3) (if applicable), and has still not received a valid **confirmation of status form** within ten **business days**, the **retailer** may decline the application to record the applicant has **medically dependent consumer** status.

61 Further obligations before declining an application

- (1) Before declining an application for **medically dependent consumer** status, other than on grounds that the applicant does not permanently or temporarily reside at a **customer's** premises, or does not give their consent under clause 57(1)(b)(i), a **retailer** must request from the applicant a **confirmation of status form** under clause 57(1)(d).
- (2) Before declining an application for **medically dependent consumer** status on grounds that the **confirmation of status form** is not valid, the **retailer** must take reasonable steps to confirm the validity of the form under clause 57(1)(e).

62 No response to questions

If a **retailer** receives an application for **medically dependent consumer** status but the applicant does not respond to any questions from the **retailer** communicated to the applicant in accordance with the applicant's communication preferences recorded under clause 15, and does not otherwise communicate with the **retailer** within a period of at least 21 business days, the **retailer** may decline the application to record the applicant has **medically dependent consumer** status.

63 Obligations if retailer declines application for medically dependent consumer status

If a **retailer** declines an application for **medically dependent consumer** status, the **retailer** must:

- (a) notify the applicant as soon as practicable of the **retailer's** decision;
- (b) inform the applicant of how to reapply to be recorded as a **medically dependent consumer**;
- (c) inform the applicant of the dispute resolution process they may follow, including:
 - (i) making a complaint to the **retailer** through the **retailer's** internal dispute resolution process; or
 - (ii) making a complaint to the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**; and
- (d) if a complaint is made under paragraph (c), treat the **customer** or **residential consumer** as if they are a **medically dependent consumer** for at least the duration of the dispute.

Reviewing medically dependent consumer status

64 Review of medically dependent consumer status

- (1) A retailer may review whether a **customer** or **residential consumer** should continue to be recorded as having **medically dependent consumer** status no more than once in any 12-month period.
- (2) If a **retailer** decides to undertake a review under subclause (1), the **retailer** must contact the **customer** or **residential consumer** (or **alternate contact person**, as the case may be) to:
 - (a) ask them to advise the **retailer** if:
 - (i) they continue to reside at the premises;
 - (ii) they still consider themselves a **medically dependent consumer**; and
 - (b) give them an opportunity to provide any further information that they wish to provide regarding whether or not they should continue to be recorded as having **medically dependent consumer** status.
- (3) If having made contact under subclause (2), the **retailer** is informed that the **customer** or **residential consumer** continues to reside at the premises and still considers themselves a **medically dependent consumer**, clauses 57 to 62 apply with all necessary modifications.
- (4) If a **retailer** has previously been provided with a **confirmation of status form** or **reconfirmation form** for that **medically dependent consumer**, the **retailer** may, as part of a review under subclause (1) and if it reasonably considers it appropriate in the circumstances, request that a **medically dependent consumer** provide the **retailer** with a **reconfirmation form** and provide the applicant with the **reconfirmation form** prescribed by the **Authority**.
- (5) If a **retailer** requests a **reconfirmation form** under subclause (4), and a valid **reconfirmation form** is provided, the **retailer** must meet the **customer's** or **residential consumer's** reasonable costs of obtaining that **reconfirmation form**, unless the earlier **confirmation of status form** or **reconfirmation form** had specified a time period to which the **health practitioner's** confirmation given in the form applied, and that period has ended.
- (6) Upon completion of any review under subclause (1), the **retailer** must:
 - (a) notify the **customer** or **residential consumer** of the outcome of that review; and
 - (b) if the **retailer** decides that the **customer** or **residential consumer** should no longer be recorded as having **medically dependent consumer** status:
 - (i) inform them of the matters in subclauses 0(b) and (c);
 - (ii) provide them with two weeks' notice before removing their **medically dependent consumer** status; and
 - (iii) if a complaint is made through the **retailer's** internal dispute resolution process or to the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**, treat them as if they are a **medically dependent consumer** for at least the duration of the dispute.

Providing information and advice in relation to medically dependent consumers

65 Retailers to provide information about their obligations to medically dependent consumers

Before signing up a **residential consumer** as a new **customer**, a **retailer** must:

- (a) provide easily accessible information to the **residential consumer** about—
 - (i) the **retailer's** obligations in relation to **medically dependent consumers**;
 - (ii) when and how the **retailer** will request and record information about **medically dependent consumers**; and
 - (iii) the importance of the **residential consumer** notifying the **retailer** if they, or another **residential consumer** who permanently or temporarily resides at their property, is a **medically dependent consumer**; and
- (b) in any oral communication with the **residential consumer**, assist them to understand the importance of declaring to the **retailer** whether they, or another **residential consumer** who permanently or temporarily resides at their property, is a **medically dependent consumer**.

66 Advice regarding individual emergency response plans

As soon as a **retailer** knows that a **customer**, **residential consumer** considering entering into a contract with the **retailer**, or any other **residential consumer** who permanently or temporarily resides at the premises of such persons may be a **medically dependent consumer**, the **retailer** must:

- (a) advise the **customer** or **residential consumer**:
 - (i) that the supply of **electricity** cannot be guaranteed; and
 - (ii) of the importance of the **customer** or **residential consumer** arranging for the development of an individual emergency response plan; and
- (b) direct the **customer** or **residential consumer** to the **Authority** website for resources to support the development of an individual emergency response plan.

Medically dependent consumers and prepayment services

67 Prepay product offerings for medically dependent consumer

- (1) A **retailer** must not recommend a **prepay product offering** in relation to any **residential premises** if the **retailer** knows that a **medically dependent consumer** may permanently or temporarily reside at the premises.
- (2) If a **customer**, or a **residential consumer** considering becoming a **customer**, requests a **prepay product offering** for premises at which the **retailer** knows that a **medically dependent consumer** may permanently or temporarily reside, the **retailer** must, before agreeing to provide that service:
 - (a) use its best endeavours to encourage the **customer** or **residential consumer** to choose a **post-pay product offering**, including encouraging them to engage with one or more **support agencies** who may assist them in meeting any requirements of a **post-pay** contract;
 - (b) advise the **customer** or **residential consumer** that any **medically dependent consumers** residing at the premises should first discuss the **prepay product offering** with a **health practitioner** with an appropriate scope of practice; and
 - (c) inform the **customer** or **residential consumer** and, if the **retailer** has contact details for any **medically dependent consumers** residing at that premises, those **medically dependent consumers**, of the risk of there being no **electricity** supply if the **prepay** service runs out of credit.

68 Preventing disconnection of a medically dependent consumer

A **retailer** must use its best endeavours to avoid **electrically disconnecting** any **residential premises** at which a **medically dependent consumer** is residing.

69 Distributor's obligations in event of emergency situation

- (1) A **distributor** must, if practicable and if there is sufficient time, before undertaking an **electrical disconnection** in an emergency:
 - (a) visit the **residential premises** and use reasonable endeavours to contact any person at the premises before undertaking the **electrical disconnection**; and
 - (b) if contact is made with any person at the premises, advise them:
 - (i) of the reason for the emergency **electrical disconnection**; and
 - (ii) that if any **medically dependent consumers** are present, they should enact their individual emergency response plan.
- (2) When subclause (1) applies, a **distributor** must, as soon as practicable, advise the **retailer** who is the **trader** recorded in the **registry** as being responsible for a relevant **ICP**:
 - (a) of the **electrical disconnection**; and
 - (b) if the **distributor** contacted any person at the premises under subclause (1) and, if so, the name of that person (if known).

Retailers' arrangements with distributors and metering equipment providers

70 Coordinating planned service interruption or electrical disconnection

- (1) Where a **retailer** has advised a **distributor** of an application or a decision to record a person as a **medically dependent consumer** under clause 58, the **retailer** and the **distributor** must use reasonable endeavours to agree processes to coordinate with each other on planned service interruptions and **electrical disconnections** that will affect those **medically dependent consumers**.
- (2) Where a **distributor** receives a notification from a **retailer** under clause 58, the **distributor** must not vary the time or date of a planned service interruption or **electrical disconnection** that will affect those **medically dependent consumers**, without first consulting that **retailer** regarding those **medically dependent consumers**.
- (3) A **retailer** who is consulted under subclause (2) regarding a variation to the time or date of a planned **electricity** outage or **electrical disconnection** must use reasonable endeavours to inform any affected **customers** who are **medically dependent consumers** or who may have **medically dependent consumers** residing at their premises of the changes.
- (4) Each **retailer** that has an arrangement with a **metering equipment provider** under Part 10 of this Code must use reasonable endeavours to ensure their service level agreements with **metering equipment providers** prevent the **metering equipment provider**, having regard to any applicable health and safety requirements, from:
 - (a) **electrically disconnecting** the **retailer's customer** without explicit instruction or agreement from the **retailer**; or
 - (b) as far as reasonably practicable, varying the date or materially varying the time of an agreed **electrical disconnection** or **reconnection**.

71 Coordinating planned service interruption or electrical disconnection with other retailers

Where a **retailer** has **customers** at an **ICP** for which it is not the responsible **trader** as recorded in the **registry**, the **retailer** and the **trader** for that **ICP** must use reasonable endeavours to agree processes to coordinate with each other on planned service interruptions and **electrical**

disconnections that will affect any person who is the subject of a notification under clause 58, including on the matters referred to in clauses 69(2) and 70(2) and (3).

When a residential consumer nominates an alternate contact person

72 Retailers to contact alternate contact person

If a **residential consumer** nominates an **alternate contact person** as their primary contact under clause 54(3)(b), the **retailer** must liaise directly with the **alternate contact person** and only contact the **residential consumer** directly if the **retailer** has not been able to contact them through their **alternate contact person** after making reasonable attempts to do so.

When a person may no longer be considered a medically dependent consumer

73 Circumstances where customer or residential consumer may no longer be considered a medically dependent consumer

Subject to clause 68, a **retailer** may no longer regard a **customer** or **residential consumer** as someone who may be a **medically dependent consumer** in any of the following circumstances:

- (a) where the **customer** or **residential consumer** requests that they no longer be regarded as a **medically dependent consumer** or advises the **retailer** that they withdraw their consent provided under sub-paragraph 57(1)(b)(i);
- (b) where the **customer** or **residential consumer** no longer receives **electricity** from the **retailer**;
- (c) where a **retailer** has complied with clause 55, and has not received an application (in any form) for **medically dependent consumer** status within at least 21 **business days** of attempts to contact that **customer** or **residential consumer**;
- (d) where the **retailer** has validly declined an application for **medically dependent consumer** status under this Part of the **Consumer Care Obligations**.

Part 9 Fees and bonds

74 Purpose of this Part

This Part of the **Consumer Care Obligations** imposes obligations on **retailers** concerning **fees**, **bonds** and **conditional discounts** to ensure they are reasonable.

75 Requirement to disclose information on fees, conditional discounts and bonds

Each **retailer** must clearly disclose:

- (a) information on all **fees**, **conditional discounts** and **bonds** that may be available to or payable by **customers**; and
- (b) if applicable, the method or calculation and the maximum limit of that **fee** under clause 77.

Fees

76 Retailers to make customers aware of fee amounts

A **retailer** must only charge a **customer** a **fee** where the **retailer** is reasonably satisfied, before charging that **fee**, that the **customer** is aware of the amount of the **fee**.

77 Fees to have maximum limit

Any **fee** which a **retailer** determines via a method or calculation must include a stated maximum limit.

78 Fees must be reasonable

- (1) Any **fee** charged by a **retailer** to a **customer** must:
 - (a) not exceed reasonable estimates of the costs the **fee** is identified as contributing to; and
 - (b) otherwise be reasonable, taking into account the need to strike an appropriate balance between precision, and administrative and practical efficiency.
- (2) A **fee** must not:
 - (a) be used to offset future costs; or
 - (b) attempt to recover any deficit that may have arisen because of previous under recovery.

79 Retailers to offer to spread the payment of fees

- (1) If a **retailer** charges a **fee** to a **customer** which is more than 20% of the **customer's** average monthly **invoice** amount (during the past 12 months or since the **customer** joined, whichever is shorter), or a reasonable estimate of a new **customer's** expected monthly **invoice** amount, the **retailer** must:
 - (a) offer the **customer** options to spread the payment of the **fee** over a period of at least five months; and
 - (b) advise the **customer** how this might impact them, taking into consideration any seasonal effects in their upcoming **invoice** cycles.
- (2) This clause does not apply if the **fee** is charged as part of the final **invoice** from the **retailer** to the **customer**.

Conditional Discounts

80 Retailers to make customers aware of conditional discounts

A **retailer** must use reasonable endeavours to ensure that **customers** are aware of the amount of any **conditional discount** available and how a **customer** can receive that **conditional discount**.

81 Conditional discounts must be reasonable

- (1) Any **conditional discount** offered by a **retailer** to a **customer** must reflect a reasonable estimate of the costs incurred, or likely to be incurred, by the **retailer** as a result of a **customer** not meeting the **payment conditions**.
- (2) If a **customer** is no longer entitled to a **conditional discount** due to a failure to satisfy the **payment conditions**, before removing the discount the **retailer** must consider whether the **retailer** has one or more **pricing plans** that the **retailer** reasonably considers would reduce the amount of the **customer's invoices** and, if so, advise the **customer** of that plan or those plans.

Bonds

82 Retailer's obligations regarding bonds

- (1) Any **bond** required by a **retailer** must be reasonable, taking into account a reasonable estimate of the **customer's** expected **invoice** amount for a billing cycle.

- (2) A **retailer** must refund any **bond** no later than after the expiry of a 12-month period of the **customer** paying all **invoices** on time.

Q16. Do you have any comments on the drafting of the proposed amendment?

Appendix B Explaining the changes to the Guidelines

The table below explains the operational changes we propose to translate Parts 2 to 9 of the Consumer Care Guidelines (Guidelines) into the Consumer Care Obligations in proposed new Schedule 11A.1 of the Code. It should be read alongside the text of the proposed Code amendment, in Appendix A.

For simplicity, we have not included in this table changes to make the recommendation a mandatory obligation, as this change has been made for all paragraphs unless otherwise stated.

Consumer Care Guidelines text		Proposed Code clause reference: Schedule 11A.1	Summary of changes
Part 2: Retailers to publish a consumer care policy			
6	This Part makes recommendations to retailers concerning a consumer care policy, website information and initial communications with customers.	2	Proposed change to include a clearer purpose statement to assist with the interpretation of the obligations in this Part.
7	Retailers should publish a consumer care policy, which: <ul style="list-style-type: none"> a. explains the arrangements they have in place or are putting in place, and the actions they are undertaking, to achieve: <ul style="list-style-type: none"> i. the recommendations in these guidelines – for all consumers; and ii. the recommendations in these guidelines – specific to MDCs; and iii. the consumer outcomes in paragraphs 2 and 5; and 	3(1)	Minor changes proposed to clarify that the obligation is to develop and publish a consumer care policy and to otherwise simplify the drafting.
	b. commits the retailer to working with its customers in a respectful, collaborative and constructive manner, recognising the contribution of electricity supply to the wellbeing of consumers; and	4(1)(a)	To make sure the Consumer Care Obligations are as clear as possible (including because the proposed Code amendment would make these obligations enforceable), we propose changes to paragraphs 7(b) to (e) of the Guidelines to impose obligations on retailers directly under the Code, instead of relying simply on retailers' commitments in their consumer care policies. We therefore propose changes to impose an obligation on retailers directly to use reasonable endeavours to work with its customers in a respectful, collaborative and constructive manner.

	c. commits the retailer to understandable, 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 striving to adapt its communications based on its customers' and consumers' needs; and	4(1)(b) and 4(2)	We propose changes to impose an obligation on retailers directly (see discussion at paragraph 7(b) above), to use reasonable endeavours to communicate in a manner which is understandable, timely, clear and accessible, and to adapt their communications based on the needs of those receiving them.
	d. commits the retailer to: <ul style="list-style-type: none"> i. seeking customer agreement for referrals to support/social agencies should the customer experience payment difficulties; and ii. allowing customers reasonable time to receive assistance from support/social agencies without incurring a financial penalty from the retailer; and iii. working with support/social agencies and health agencies cooperatively, constructively, and in a timely manner; and iv. aligning their practices with any protocols agreed between retailers and support/social agencies or health agencies, within six months of those protocols being published on the Authority's website; and 	5	<p>We propose changes to impose obligations on retailers directly (see discussion at paragraph 7(b) above), instead of relying on retailers' commitments in their consumer care policies.</p> <p>To provide greater certainty about retailers' obligations in relation to paragraph 7(d)(i), we propose including a requirement to make a referral to a support agency within five business days of having obtained the customer's consent.</p> <p>We propose refining paragraph 7(d)(iii) so that it applies to retailers when they are working with support agencies or health practitioners, as these are the groups we expect retailers to be working with on a regular basis under the Consumer Care Obligations.</p> <p>Paragraph 7(d)(iv) has not been included in the draft Code as it is unnecessary – no protocols have been published under the Guidelines.</p>
	e. commits the retailer to ensuring, where possible, 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 language, ethnicity, educational achievement, culture, gender, physical and intellectual ability, age, health, income, wealth, and with transparent support options (eg, payment plans); and	3(3)	We propose changes to impose an obligation on retailers directly (see discussion at paragraph 7(b) above) to seek to avoid disparate outcomes arising from differences in language, ethnicity, education achievement, culture, gender, disability, age, health, income and wealth, when developing their consumer care policy.
	f. clearly explains in a prominent place all fees and bonds charged by the retailer and relating to circumstances covered by Parts 3-8 of these guidelines; and	3(2)(i)	Minor changes proposed to align this clause with paragraph 107 of the Guidelines (clause 73 of the draft Schedule 11A.1), which requires retailers to provide information on <i>all</i> fees, conditional discounts and bonds in the consumer care policy.
	g. commits to disclosing information in accordance with Part 10, which enables monitoring the extent to which retailers' arrangements achieve: <ul style="list-style-type: none"> i. alignment with the recommendations in these guidelines; and 	--	This has not been included in the draft Code as it is unnecessary - Part 11A of the draft Code includes obligations on retailers to disclose information to enable monitoring compliance with the Consumer Care Obligations.

	ii. the consumer outcomes in paragraph 5; and		
	h. is consistent with these guidelines	--	This has not been included in the draft Code as it is unnecessary – clause 11A.3 of the draft Code requires retailers to comply with the Consumer Care Obligations, which means that consumer care policies must also be consistent with the Consumer Care Obligations (while also showing how retailers will meet those obligations).
8	Retailers should include the following statements, or phrases with the same meaning, in their consumer care policy:	3(2)	To provide more operational flexibility to retailers developing their consumer care policies, we propose changes to require retailers to address the matters listed in paragraph 8 of the Guidelines in their consumer care policy (with some modifications, noted below), rather than to require the use of prescriptive statements or phrases.
	a. [We, retailer] recognise that electricity supply makes an essential contribution to you and your whānau's wellbeing; and	3(2)(a)	Minor wording changes proposed to simplify the drafting.
	b. [We, retailer] want to make sure: i. you're treated with care and respect in every interaction with us; and	3(2)(b)	Minor wording changes to clarify that the obligation is to explain that the retailer will work with its customers in a respectful, collaborative and constructive manner, to align with paragraph 7(b) of the Guidelines (clause 4(1)(a) of the draft Schedule 11A.1).
	ii. we communicate with you in a timely and clear fashion; and	3(2)(c)	Minor wording changes to clarify the obligation is to explain that the retailer will communicate in a manner which is understandable, timely, clear and accessible, to align with paragraph 7(c) (clause 4(1)(b) of the draft Schedule 11A.1).
	iii. you have every opportunity to be on the best pricing plan to meet your needs; and	3(2)(d)	Minor wording changes to clarify the obligation is to explain how the retailer will assist customers to be on the most suitable pricing plan for their circumstances.
	iv. we understand your situation and are proactive in offering assistance; and	--	This has not been included in the draft Code as it is captured under clause 3(2)(f) (see paragraph 8(b)(vi) below).
	v. we work with you in a collaborative and constructive manner to solve problems; and	--	This has not been included in the draft Code as it is captured under clauses 3(2)(b) and 3(2)(f) of draft Schedule 11A.1 (see paragraphs 8(b)(i) and 8(b)(vi) as addressed in this table).
	vi. we work with you to resolve payment difficulties and, with your permission, can link you to one or more support agencies or social agencies to assist you; and	3(2)(f)	Minor changes proposed to clarify the requirement is to explain how the retailer will work with customers experiencing payment difficulties (which would include but is not limited to the specific matters currently in paragraphs 8(b)(iv), (v), and (vi) of the Guidelines).

	vii. we work with you to try to keep your electricity connected if you are having payment difficulties; and	3(2)(g)	Minor changes proposed to clarify the requirement is to explain how the retailer will work with customers to ensure that disconnection is a last resort.
	viii. we learn from our experiences to continually improve our support processes; and	3(2)(g)	We propose clarifying that the obligation is on retailers to explain how they will reflect on any issues that arise in relation to residential consumer care, and use those experiences to continually improve the extent to which its policies promote the purpose in proposed clause 11A.1.
	c. To help you make decisions about which pricing plan suits you, we can tell you about your electricity consumption.	3(2)(e)	Minor wording changes proposed to align this obligation with existing language in the Code (clause 11.32A) and related references in the Guidelines (paragraph 30, clause 19 of the draft Schedule 11A.1).
9	<p>Retailers should create a clearly marked area on their customer-facing website that:</p> <ul style="list-style-type: none"> a. informs customers, and consumers, of the existence of their consumer care policy and describes the extent of the consumer care policy's alignment with these guidelines; and b. either sets out their consumer care policy or provides a link to their consumer care policy document; and c. names, and provides contact details for, the role in their organisation with responsibility for the retailer's alignment with these guidelines' intended outcomes in Part 1; and d. includes mention of and, as applicable, hyperlinks to/provides phone numbers for: <ul style="list-style-type: none"> i. the Authority's webpage on the consumer care guidance package; and ii. one or more reputable provider of budgeting advice services (one of which must be funded by the Ministry of Social Development) and one or more provider of advice on the efficient use of electricity; and iii. the contact information for the dispute resolution scheme identified under Part 4 of the Electricity Industry Act 2010. 	6	No material changes proposed.
10	Retailers should include the following statements, or phrases with the same meaning, in their first written communications (whether via an email, letter, web application or other method of written communication) on a particular issue with a customer who is in payment arrears (and use reasonable	26(2) and 27(c)(ii)	To provide more operational flexibility to retailers in determining how best to communicate with their customers, we propose changes to require retailers to address the matters listed in paragraphs 10 and 11 in their communications with customers

	<p>efforts to do so in appropriate follow-up written communications):</p> <p>a. [We, retailer] have a consumer care policy. This tells you what we can/will do to support you and what options you have; and</p> <p>b. You can find the information online here [include hyperlink]; or</p> <p>c. You can request [we, retailer] post[s] you a brochure that summarises our consumer care policy</p>		<p>in payment arrears, rather than to require the use of prescriptive statements or phrases.</p> <p>Changes are also proposed to simplify and clarify the scope of the obligations, including removing the current distinction between oral and written communications in paragraphs 10 and 11, and incorporate the obligations into clause 26 of the draft Schedule 11A.1, which is about retailers' obligations if a customer fails to pay an invoice (see paragraph 41 below).</p> <p>We have also added an obligation in clause 27(c)(ii) of the draft Code, to remind customers experiencing payment difficulties of the retailer's consumer care policy.</p>
11	<p>Retailers should include the following statements, or phrases with the same meaning, in their first oral or on-line communications on particular issues with a customer who is in payment arrears (and use reasonable efforts to do so in follow-up communications):</p> <p>a. [We, retailer] have a consumer care policy. We will work with you/want to work with you:</p> <p>i. to try to keep your electricity connected if you are having payment difficulties; and</p> <p>ii. to make sure you have every opportunity to be on the best pricing plan to meet your needs; and</p> <p>b. We'll work with you to resolve payment debt and with your consent we can link you to one or more support or social agencies to assist you, or you can nominate a support or social agency and/or advocate to assist you.</p>	26(2) and 27(c)(ii)	See discussion at paragraph 10 above.
12	Retailers should review and, as appropriate (eg, due to changed processes), update their consumer care policy at least every two years.	3(4)	No material changes proposed.
Part 3: Information and records relating to consumer care			
13	This Part makes recommendations to retailers concerning the collection and recording of information relating to consumer care, in particular for the purpose of enabling a retailer to proactively support, as effectively as possible, any customers who may have difficulty paying their electricity bill or maintaining connection to electricity.	14	Changes proposed to clarify that the purpose of this Part is to enable retailers to proactively and effectively support all their customers, including those who may experience payment difficulties (to better reflect the scope of the obligations in this Part).
14	Retailers should have and use processes and systems to request, record, allow them to access and ensure that they use information on customers' communication and	15	To ensure obligations are clear, changes are proposed to impose obligations on retailers to request and use the specified information to inform the retailer's communication and invoicing practices, rather than just to have

	invoicing preferences. Whether the information is offered by a customer in response to a retailer's request or proactively, retailers should work towards:		and use processes and systems to do so, or to work towards recording this information.
	a. for communication preferences, recording and utilising (as appropriate in accordance with these guidelines) the following information:	15(1) and 15(3)	No material changes proposed.
	i. a customer's two preferred communication channels available from the retailer, provided the retailer offers two or more communication channels; and	15(1)(a)	No material changes proposed.
	ii. a customer's preferred day(s) of the week to be phoned by the retailer and the time(s) within (those) day(s); and	15(1)(b)	Minor change to clarify this only applies if one of the customer's preferred communication channels is by phone. Retailers raised concerns that this information is highly variable and ineffective. The proposed change aims to address this by applying only if the customer prefers phone communications.
	iii. a customer's preferred language; and	15(1)(c)	No material changes proposed. Retailers noted that an obligation to record a customer's preferred language does not necessarily translate into a protection for the customer, as retailers will not always be able to ensure service in that language, limiting its value. While we acknowledge this concern, we think it is important that retailers are aware of a customer's preferred language, so that they can use this information to support compliance with other relevant obligations, including those at paragraph 7(c) above and paragraph 66(d) below (see clauses 4(2) and 37(2)(a) of the draft Code). This ensures alternative methods can be used to effectively engage with these customers where appropriate.
	iv. if a customer has a condition or disability that means some communication methods are not suitable, the communication method(s) that are not suitable and brief reasons as to why; and	15(1)(c)	Proposed change to make this a more comprehensive obligation to record any information the customer wishes to provide regarding <i>any matters</i> which may be relevant to engaging with the consumer, rather a narrow obligation limited to relevant conditions or disabilities. The proposed drafting also recognises that it will be for the customer to decide what they are comfortable sharing with the retailer.
	v. check with the customer that the customer should be able to understand the retailer's communications	--	This has not been included in the draft Code as the Authority considers it is not workable to require retailers to test each customer's comprehension of all retailer communications. Retailers will still be required to use reasonable endeavours to adapt their communications based on the needs of the customers receiving them (clause 4(2)), and to

			use a customer's communication preferences to inform the retailer's communication with that customer to the extent reasonably possible (clause 15(3)).
	vi. if a customer has a landline telephone, a cellular telephone, an internet connection, and an email address, and/or is willing to use an application or messaging service (specify which); and	--	This has not been included in the draft Code as it is unnecessary – communication preferences are captured under paragraph 14(a)(i) / clause 15(a).
	vii. if a customer wishes to use an alternate contact person, the alternate contact person's contact details and preferred communication channels as supplied by the customer, and the alternate contact person's authorisation to fulfil this role and for the retailer to hold this information; and	15(1)(d) and 17(2)	Reference to the alternate contact person's authorisation to fulfil this role is deleted from clause 15 and is incorporated into clause 17 of the draft Schedule 11A.1 (replacing paragraph 22(b) of the Guidelines) to avoid duplication.
	viii. if a customer wishes to use a support person, the support person's contact details and preferred communication channels as supplied by the customer, and the support person's authorisation to fulfil this role and for the retailer to hold this information; and	15(1)(e)	Requiring retailers to record contact details for support persons is not included in the draft Schedule 11A.1 as it is unnecessary – as some retailers noted in consultation, the Guidelines do not otherwise require retailers to contact support persons directly. This is because a support person performs a different role to alternate contact persons and is used at the customer's discretion. This is clear from the respective definitions of support person and alternate contact person in clause 11A.2 of the draft Code. A support person is authorised by a customer or medically dependent consumer to assist them with any issues related to their electricity supply, whereas an alternate contact person is authorised to operate as a primary or secondary contact for the customer or medically dependent consumer.
	b. for invoicing preferences, recording and utilising (as appropriate in accordance with these guidelines) the following information:	15(2) and 15(3)	No material changes proposed.
	i. a customer's preferred invoicing frequency, where the retailer offers more than one option; and	15(2)(a)	No material changes proposed.
	ii. a customer's preferred day for receiving an invoice or making payments from their account, where the retailer offers fixed payment dates; and	15(2)(b)	No material changes proposed.
	iii. a customer's preferred means of receiving their invoice selected from the options that the retailer offers.	15(2)(c)	No material changes proposed.
15	Retailers should have and use processes and systems to record, allow them to access and ensure that they use information that relates to a customer's or consumer's potential to	16(1)	Some retailers expressed concern that the recommended actions under paragraph 15 of the Guidelines are too prescriptive and invasive to customers. However, other stakeholders have told us that these

	experience payment difficulties and/or harm arising from difficulty accessing electricity (including by disconnection). Whether the information is already held by a retailer, or provided by a customer in response to a retailer's prompt or proactively, retailers should work towards recording and utilising (as appropriate in accordance with these guidelines):		protections are valuable if the information is recorded and used to support customers at risk of experiencing payment difficulties and harm from limited access to electricity. We have therefore proposed to retain the obligations. To ensure the obligations are clear and enforceable, changes are proposed to impose obligations on retailers to record and use the specified information as appropriate under the Consumer Care Obligations, rather than just to have and use processes and systems to do so, or to work towards recording and utilising this information.
	a. information on whether payment arrears are current or have happened in the past; and	16(2)(a)	Minor wording changes to align Code drafting.
	b. information regarding anticipated or current payment difficulties, or reasons for anticipated or current payment difficulties (so a customer would not have to repeat the information); and	16(2)(a)	Minor wording changes to align Code drafting.
	c. information on why they perceive themselves to be at increased risk of harm due to difficulty accessing electricity (including by disconnection); and	16(2)(b)	No material changes proposed.
	d. information on energy use and primary heating sources.	16(2)(c)	Some retailers raised concerns that collecting this information was unnecessary since they wouldn't use it to provide protection. Other stakeholders, however, told us that this clause should be retained, as this information is relevant to ensuring a customer is on the best plan for their usage, and therefore helps them avoid payment difficulties. We propose replacing this paragraph with a broader clause to capture any other relevant information, which could include, but is not limited to, information on energy use and primary heating sources. We agree that this information may still be relevant to a retailer's performance of its obligations under the Consumer Care Obligations, particularly those obligations relating to how retailers will assist customers to be on the best pricing plan for their circumstances.
16	The information referred to in paragraphs 14 and 15 should be recorded in the retailer's customer relationship management system.	--	This has not been included in the draft Code as it is unnecessary – this information must be recorded and accessible to customer service representatives to comply with clauses 15(3) and 16(1) of the draft Schedule 11A.1. It is unnecessary to prescribe where this information should be recorded on the retailer's system.
17	Retailers should make sure:	--	This has not been included in the draft Code as it includes matters which are either unnecessary or which overlap with other

			<p>clauses in the draft Code, as we discuss below.</p> <p>Removing paragraph 17 also addresses workability issues raised by some retailers who were concerned this paragraph was too prescriptive.</p>
	a. they maintain their customers' privacy, including complying with any privacy laws; and	--	This has not been included in the draft Code as it is unnecessary – it refers to existing legal obligations.
	b. the information collected in accordance with this Part (or a marker which flags that one or more of the factors in paragraphs 14 and 15 apply) should be readily accessible to the retailer in a retailer's customer relationship management system; and	--	This has not been included in the draft Code as it is unnecessary – retailers must ensure this information is accessible to comply with clauses 15(3) and 16(1) (and other clauses of the draft Schedule 11A.1) and should have operational flexibility to decide how best to do so.
	c. at a minimum, their sales and customer service representatives are aware the above information is held, where it is held and know to check for this information; and	--	This has not been included in the draft Code as it is unnecessary – see paragraph 17(b) above.
	d. their sales and customer service representatives know to ask the customer about whether this information remains current when engaging with the customer or at the start of engagements initiated by the customer, if there has been a period of more than three months since the retailer's most recent engagement with the customer; and	--	This has not been included in the draft Code as it overlaps with paragraph 30 of the Guidelines (clause 19 of the draft Schedule 11A.1) which requires to confirm their information remains accurate at least once a year.
	e. customer records show (if reviewed externally) how, over a customer's journey with a retailer, the retailer has acted to meet the intent of these guidelines.	11A.6(1)	Proposed changes to clarify scope of obligation is to maintain records of any activity regulated under the Consumer Care Obligations.
Part 4: When a customer signs up or is denied a contract			
18	This Part makes recommendations to retailers to take specific actions when a customer is signed up or a person enquiring with a retailer is denied a contract.	7	Proposed change to include a clearer purpose statement to assist with the interpretation of the obligations in this Part. Specifically, clause 7 proposes that this Part is 'for the purpose of ensuring residential consumers are fully informed before and after contracting with a retailer and that residential consumers who may be denied a contract are supported'.
19	Retailers should make information easily available so that persons signing up to the retailer, or considering doing so, are able to make informed decisions.	--	This has not been included in the draft Code as it duplicates obligations in paragraph 21 below. Retailers also raised a concern that it was unclear what information should be made easily available under this paragraph. We consider this concern is addressed by relying on the more specific obligations in paragraph 21 below.

20	Retailers should advise each prospective customer of the range of electricity supply plans available from the retailer, and help each person understand which of the retailer's electricity offerings best meet the person's needs or, as appropriate, the needs of one or more consumers permanently or temporarily resident at the person's premises.	--	To avoid duplication this has not been included in the draft Schedule 11A.1 as a separate obligation but rather has been incorporated into the Code drafting addressing paragraph 21 of the Guidelines.
21	Before a new customer has signed up to a new pricing plan, retailers should: <ul style="list-style-type: none"> a. in the case of a person to person conversation, advise the new customer of the range of electricity pricing plans (eg, controlled, uncontrolled, multi-rate, time-of-use) and payment plans (eg, smoothed payments ("smooth pay"), fortnightly, pre-pay) offered by the retailer and seek to help the new customer (including through personal contact) to understand what might work best for them or the drawbacks of any particular plan, (eg, break fees); or 	8(1)	Changes proposed to clarify obligation, adopting the proposed new definitions of 'product offering', 'pricing plan' and 'payment options', and clarifying that assistance to help customers identify the most suitable product offering includes assistance to understand any conditions which must be met in order to obtain the greatest benefit from a product offering (for example, changing consumption behaviour to take advantage of a special, time-specific rate). This is intended to provide clearer expectations to retailers, compared with the current more general expectation, in paragraph 20 of the Guidelines.
	b. in the case of an online transaction, make information easily available to the new customer about the range of electricity pricing plans (eg, controlled, uncontrolled, multi-rate, time-of-use) and payment plans (eg, smoothed payments ("smooth pay"), fortnightly, pre-pay) offered by the retailer and the drawbacks of any particular plan, (eg, break fees).	8(1)(b)	As with paragraph 21(a) above, changes proposed to clarify this obligation and make it more workable for retailers when engaging with customers on an online platform, especially compared with the current, more general expectation, in paragraph 20 of the Guidelines.
22	Retailers should satisfy themselves (acting reasonably) that new customers have reviewed the terms and conditions, and agree to:	8(2)	Proposed change to clarify the retailers' obligation is to ensure a residential consumer who is considering becoming a customer of the retailer has the opportunity to review the retailer's terms and conditions before agreeing to them. It is unnecessary to otherwise require retailers to satisfy themselves that the terms and conditions are agreed to, as retailers will have their own processes for ensuring a valid contract with their customers is entered into (including acceptance of terms and conditions).
	a. the retailer's terms and conditions, which should be readily available in plain English; and	8(3)	No material changes proposed (other than as discussed at paragraph 22 above).
	b. the retailer contacting the new customer's alternate contact person (where provided): <ul style="list-style-type: none"> i. if the new customer requests that the retailer liaise with the alternate contact 	17(1)(b)	Proposed change to clarify the retailers' obligation is to confirm, with the customer, the scope of the customer's authorisation of the alternate contact person and then engage with the alternate contact person in accordance with that authorisation.

	<p>person rather than the new customer; and</p> <p>ii. if the new customer does not respond to a query from the retailer within that retailer's standard timeframe or the period specified by the customer as needing to elapse before the retailer may contact the alternate contact person.</p>		
23	Each retailer should advise new customers of the existence of the retailer's consumer care policy and the retailer's commitment to offer support if the customer faces payment difficulties.	12	No material changes proposed. While some retailers raised concerns that this obligation is unnecessary, we consider this is an important protection that should be retained.
24	Any retailer hesitating to enter a customer contract with any person enquiring with the retailer because of the person's poor credit record should carefully consider all relevant information rather than just the person's credit record, for example:	10	<p>Proposed changes to clarify that the obligation applies only if a retailer is considering declining a customer with a poor credit record, and to provide greater certainty to retailers by clarifying that the retailer is only required to consider relevant information provided by the person or otherwise reasonably available the retailer.</p> <p>Some retailers raised concerns that subparagraphs 24(a) and (b) involve retailers asking highly personal questions and making judgments beyond their expertise. They recommended removing these subparagraphs. While we acknowledge these concerns, we consider that it is important to keep these as examples of the type of information that is relevant to a retailer's decision making under this clause. To address retailers' concerns, we propose keeping these as examples of the type of information provided by a person that could be relevant, rather than making these mandatory relevant considerations. This will give retailers operational flexibility to decide how best to invite relevant information from the person.</p>
	a. in the reasonable opinion of the retailer whether the person is liaising with and actioning the advice or assistance received from a support/social agency in good faith; and	10(a)(i)	Proposed change to clarify the obligation is limited to considering any engagement the person has had with support agencies to obtain assistance with the payment of electricity costs of which the retailer is aware, rather than requiring a retailer to form an opinion as to whether any engagement is in good faith.
	b. whether the person's poor credit record is the result of historical financial pressures which are no longer impacting the person.	10(a)(ii)	No material changes proposed.
25	<p>Retailers that decide not to enter a customer contract with a person enquiring with the retailer should:</p> <p>a. provide the person with information about:</p>	11(a)	Paragraph 25(a)(i) is not included in the Code drafting to address workability issues raised by stakeholders. We agree is not workable or appropriate to require retailers to provide information on competitors' product offerings, as it raises risks of misrepresenting such

	<p>i. options generally available in the market (eg, weekly payment, smooth pay) that the retailer is aware of that may suit the person's circumstances better than the payment plan(s) offered by the retailer; and</p> <p>ii. one or more pricing plan comparison websites that provide information on alternative retailers active within the persons geographic area (eg, Powerswitch); and</p> <p>iii. the reason the retailer has decided not to enter a customer contract with the person (eg, a poor credit record, the retailer is not active in the customer's area, the customer does not have an ICP or an address, the metering at the customer's premises does not enable the retailer to offer any of its pricing plans), and actions the person could take to reduce the likelihood of this happening again (eg, clearing a credit record); and</p>		<p>offerings. Our preference is that retailers instead refer people to the electricity plan comparison platform nominated by the Authority (currently PowerSwitch).</p> <p>Minor changes to paragraph (a)(ii) to align with existing Code wording, and to paragraph (a)(iii) to simplify Code drafting.</p>
	<p>b. in the case of a person to person discussion, if the person says they are struggling to find a retailer who is willing to enter into a contract for electricity or distribution services with the person:</p> <p>i. refer the person to a support/social agency (eg, one or more reputable budgeting advice agency/agencies – one of which must be funded by the Ministry of Social Development), and indicate to the person whether the retailer is willing to reconsider supplying the person after the person engages with the agency; or</p> <p>ii. advise the person what changes the person could make to assist the person to locate a retailer who is willing to enter into a contract for electricity or distribution services with the person, eg, allow the installation of an AMI meter.</p>	11(b)	<p>Changes to clarify the scope of the obligation, namely, to limit the obligation to offering to provide the person with the specified information and advice, so that a retailer does not contravene this obligation if the person does not want a referral or advice. Given the clarified scope of the obligation, we propose it should be engaged whenever the person advises the retailer that they are having difficulty finding a retailer, regardless of communication method, rather than being limited to a 'person to person' discussion.</p>
26	<p>If a new post-pay customer nominates an alternate contact person, retailers should seek the contact person's agreement to act in that capacity (this may be when the retailer first needs to contact the nominated person), and advise the post-pay customer if the nominated person does not agree to act in that capacity.</p>	17(2)–(3)	<p>To address workability issues raised by retailers, a change is proposed to clarify that the retailer need only notify the customer if an alternate contact person no longer agrees to act in that capacity when liaising with the customer for the first time after being so advised, to avoid any unnecessary additional costs on retailers.</p>
27	<p>Retailers should advise each new post-pay customer of the process that will be followed if an electricity invoice is not</p>	13	<p>No material changes proposed. While some retailers were concerned that such an obligation would be unnecessary, we consider</p>

	paid when due and the customer does not engage with the retailer.		this is an important protection that should be retained.
28	<p>If a retailer obtains any new pre-pay customer, the retailer should confirm with the customer that the customer is aware of:</p> <ul style="list-style-type: none"> a. any cost differential between post-pay and pre-pay metering arrangements, including, but not limited to, fees, bonds and the cost of electricity purchased under each arrangement; and b. that when credit for the pre-payment service is used up disconnection will occur; and c. the warnings the customer will receive prior to the credit for the meter expiring, noting these differ from the notices for post-pay customers set out in Part 7; and d. how to purchase additional or emergency credit for the prepayment service. 	9	To address the concern raised by some retailers that this clause provides no meaningful protection, we propose changes to clarify that this obligation is engaged before the retailer enters into a new prepay contract, as the purpose of this clause is to ensure that residential consumers are fully informed before they decide to enter a prepay contract with a retailer.
Part 5: Business-as-usual account management			
29	This Part makes recommendations to retailers to take specific actions during business-as-usual account management.	18	Proposed change to include a purpose statement to this Part, which is to ensure customers remain informed and to set minimum timeframes for payment of invoices.
30	Recognising that customers' situations can and often do change over time, retailers should, at least annually, interact with each of their customers and:	19	No material changes proposed.
	a. mention that the customer can request access to consumption data; and	19(a)	Minor change proposed to align with existing Code wording in clause 11.32A.
	b. advise the customer of the existence of the retailer's consumer care policy; and	19(b)	No material changes proposed.
	c. confirm the information recorded by the retailer in accordance with Part 3 remains current.	19(c)	Propose change to include confirming information recorded in accordance with Part 8 of the Consumer Care Obligations, in relation to medically dependent consumers.
31	If a customer enquires about changing a pricing plan or wishes to change a pricing plan, before making any change, retailers should:	20	No material changes proposed.
	a. make sure the customer is aware of the range of pricing plans and payment plans the retailer offers (eg, smooth pay, fortnightly, pre-pay) and seek to help the customer understand what might work best for them; and	20(a)–(b)	Changes proposed to clarify obligation, adopting the proposed new definitions of 'product offering', 'pricing plan' and 'payment options'.

	b. make the customer aware of any options generally available in the market the retailer is aware of that might suit the customer's circumstances better than the pricing plans and payment plans offered by the retailer.	20(c)	We propose replacing this paragraph with an obligation to provide information about the electricity plan comparison platform nominated by the Authority (currently PowerSwitch), for the reasons discussed at paragraph 25 above
32	Retailers should, if they become aware that a customer's nominated alternate contact person no longer agrees to act in that capacity, inform the customer of this.	17(3)	Propose merging this requirement into clause 17(3) to avoid duplication with paragraph 26 of the Guidelines (see discussion of proposed changes at paragraph 26 above).
33	Retailers should use actual meter readings for invoicing, if these are practicably available, either through each retailer's manual meter reading cycle or through remote meter readings.	21	Minor changes proposed to align wording with existing Code definitions.
34	Retailers should help customers better understand their electricity invoices by adopting the invoicing provisions set out in the Authority's 'Voluntary good contracting principles and minimum terms and conditions for domestic contracts' and by also clearly showing on each invoice or in supporting documentation (including via each retailer's website):	22	The first half of paragraph 34 has not been included in the draft Code as it is unnecessary – it refers to external guidance that is not being mandated as part of this process. Change proposed to second half of this paragraph to clarify that the specified information should be on both the invoice and in any supporting documentation.
	a. the full amount owing, broken down into the amount owing for the current invoicing period and any overdue amounts owing; and	22(a)	No material changes proposed.
	b. the due date(s) for payment of the invoice and how and where the invoice may be paid, and the different payment options available; and	22(b)	No material changes proposed.
	c. if bundled goods/services have been received by the customer, the amounts owing for each good/service.	22(c)	No material changes proposed.
35	Retailers should, if a customer has a prepayment service and subject to communications allowing, provide at least 24 hours' notice to the customer of any low credit balance.	24(1)	Changes proposed to address workability issues identified with this paragraph. The proposed drafting clarifies that the obligation is to notify a prepay customer immediately (likely via an automated system) after the customer's credit balance decreases below the equivalent of a reasonable estimation of two days' of standard usage for the customer. Changes are also proposed to clarify what information the notification under clause 24(1) of the draft Schedule 11A.1 should include, namely the customer's credit balance, a recommendation that the customer top-up to avoid interruption in the supply of electricity, and a statement that, when credit reduces to zero, electrical disconnection will occur.

Part 6: When payment difficulties are anticipated or arise

36	This Part makes recommendations to retailers to take specific actions when a customer anticipates payment difficulties, is having payment difficulties and/or is in payment arrears.	25	<p>Proposed change to include a purpose statement to this Part, which is to support customers experiencing payment difficulties to maximise their potential to maintain access to and afford a constant electricity supply suitable to their needs.</p> <p>To ensure workability of the obligations in Part 6, clause 25(2) proposes to clarify when a retailer is deemed to know about a customer's anticipated or actual payment difficulties. This will assist in clarifying subsequent obligations while also making clear that a retailer does not contravene the obligations for reasons beyond their control (for example, if a customer anticipates payment difficulties but does not notify their retailer and the retailer does not otherwise become aware of that information).</p>
37	Retailers should make sure their representatives who engage with customers about invoicing and/or debt collection are trained to build rapport with customers and recognise signs of pending or actual payment difficulties, including through material changes in consumption, and are empowered to provide effective assistance to all customers facing payment difficulties, to avoid the build-up of customer debt to the retailer	32	Minor changes to clarify the scope of the obligation on retailers.
38	Retailers should better serve customers by using customer account history data to understand where targeted assistance could be effective in avoiding payment arrears.	32	We propose merging paragraphs 37 and 38 into one obligation to provide more certainty as to what is expected of retailers, addressing workability concerns raised by some retailers. We have accordingly included in clause 32 of the draft Schedule 11A.1 a requirement that representatives receive appropriate training that includes using account history data to recognise signs of anticipated or actual payment difficulties, and a requirement that representatives are empowered to provide targeted assistance to customers to help them avoid payment arrears.
39	<p>A retailer may progress a customer in debt to "Part 7: Progressing to disconnection for non-payment of electricity invoices and reconnection" where, based on reasonable documented evidence:</p> <p>a. the retailer reasonably considers that the customer has been obtaining electricity or distribution services by or involving deceptive means; or</p> <p>b. the retailer's invoices to the customer are unpaid; and</p>	--	This has not been included in the draft Code as it is unnecessary – a retailer must follow Part 7 in relation to disconnection of any customer in debt, regardless of the reason (thereby capturing the situation in paragraph 39(a)), and paragraph (b) simply clarifies that a retailer may follow the process in Part 7 if the retailer has satisfied its obligations in Part 6, which is already captured by clause 37(1)(b) of the draft Schedule 11A.1.

	<p>i. a customer, in the reasonable opinion of the retailer, is failing to respond to the retailer's attempts to discuss account management specified in paragraph 43 or 44 below (provided the retailer, at a minimum, follows the approach to contacting the customer recorded in accordance with paragraph 14); or</p> <p>ii. the retailer has communicated with the customer.</p>		
40	Where a customer is in material breach of a retailer's terms and conditions for supply of electricity (other than breach for non-payment of an invoice), a retailer may proceed with disconnection in accordance with the process set out in the retailer's terms, even if the customer is in arrears and would otherwise go through the process in "Part 7: Progressing to disconnection for non-payment of electricity invoices and reconnection".	--	This has not been included in the draft Code as it is unnecessary – Part 7 does not exclude disconnection of a post-pay consumer for reasons other than for non-payment (although some of the restrictions on disconnection may apply, for example in relation to medically dependent consumers, in clause 45 of the draft Schedule 11A.1).
41	For customers on a monthly invoice cycle, retailers should follow the process set out below when a customer has missed a payment, with each step occurring on or after the number of days specified from the invoice date:	26	<p>Changes are proposed to clarify that the timing of the required contact attempts depends on when the late payment or reminder notice was issued, rather than when the invoice was issued. This gives retailers operational flexibility to choose to give customers a longer period to make payment before initiating the process under clause 26.</p> <p>Some retailers expressed caution about overprescribing what the process should look like when a customer is in payment arrears or experiencing payment difficulties. We have made changes throughout Parts 6 and 7 where we think retailers should have operational flexibility to choose their own methods for achieving the expected customer protections. However, we also see value in having a level of standardisation across retailers to ensure the process is accessible and easy to follow for customers. We have not, therefore, proposed significant changes to the overall structure of these Parts.</p>
	Day 1: Invoice issued, allowing a minimum of 14 days for payment.	23(1)	We propose moving this obligation to Part 5: Business-as-usual account management, to clarify that this is an obligation that applies in respect of all invoices, not just as a step for managing payment arrears.
	Day 14: On, or any time after day 14, if payment has not been made, the retailer may issue a late payment notice or a reminder notice to the customer as soon as payment is overdue and start the recommended actions in paragraph 43. The late payment notice should have the purpose of engaging the	26(1)(a)	We propose deleting the reference to paragraph 43 here because, as we explain at paragraph 43 below, we propose to clarify when the obligations in that paragraph are engaged, to address workability issues raised by retailers.

	customer to resolve the payment issue and avoid disconnection.		
	<p>Day 21: If payment has not been made, from day 21 the retailer should make at least three separate attempts to contact the customer via both the customer's preferred communication channel and their alternate contact person (if provided under Part 3) for the purpose of seeking payment and avoiding disconnection. The contact attempts should be:</p> <ul style="list-style-type: none"> i. at different times of the day; and ii. spread over a period of more than seven days. 	26(1)(b) and (3)(a)	<p>As explained at paragraph 41 above, we propose changes so that the contact attempts must be made after 7 days of the notice referred to in clause 26(1)(a) being issued. This means that it could be issued within the same timeframe as provided for currently (i.e. 21 days from the invoice being issued), but makes clear that retailers have operational flexibility to give customers a longer period to make payment before initiating the process under clause 26.</p> <p>Clause 26(3)(c) has been added, to clarify that the contact attempts are no longer required if the customer pays the invoice or agrees to a payment plan with the retailer.</p>
	Day 24: If payment has not been made, nor contact made by the customer, at or after day 24, the retailer should use the remaining contact attempts to also discuss the customer's situation and payment options. This timing allows six days for receipt of late payment notice and four days for a response.	26(3)(b)	No material changes proposed.
	For the purposes of these guidelines, leaving a voicemail message is an attempted contact but not a completed contact, unless the retailer has unsuccessfully tried all other contact methods available for the customer.	--	This has not been included in the draft Code as it is unnecessary – instead we propose to address successfully completed contact attempts at paragraph 54 below (clause 37(3) of the draft Schedule 11A.1).
42	For customers on a non-monthly invoice cycle, the timing of each step may be proportionally altered to align with the above step durations.	23(2) and 26(4)	No material changes proposed.
43	Retailers should, for a customer not on a payment plan, who is in payment arrears and/or is having payment difficulties:	27	We propose changes to clarify when the obligations in paragraph 43 are engaged, to address workability issues raised by some retailers and ensure the obligations are appropriately targeted to those consumers experiencing payment difficulties, and do not impose undue cost on retailers. We propose that the obligations should apply whenever a retailer knows or reasonably ought to know about a customer's anticipated or actual payment difficulties. In clause 25(2) of the draft Schedule 11A.1 we propose defining this to include when a customer tells the retailer that they anticipate challenges in paying their invoices on time, or they miss a payment for more than one billing cycle, or the retailer otherwise is aware of information that reasonably indicates anticipated or actual difficulties (for example, a pattern of overdue payments within the past 12 months, or a partial payment to a current invoice). This change will mean that retailers do not have to

			follow paragraph 43 for every customer who misses a single payment, as we appreciate that one-off missed payments can be for a number of different reasons that may not be linked to payment difficulties.
	a. clearly communicate its willingness to engage with the customer to resolve the payment issue by finding a suitable payment plan; and	27(a)	Changes proposed clarify the obligation is on retailers to use their 'best endeavours' to engage with the customer for the purposes of resolving the payment difficulties.
	b. encourage the customer to engage with the retailer over resolving the payment difficulties; and	--	This has not been included in the draft Code as a separate obligation as this will be captured by the changes proposed to clause 27(a) of the draft Schedule 11A.1 (see above).
	c. confirm the situation is not yet at the disconnection stage and the steps that the retailer will go through to assist the customer to make payments for the supply of electricity or the provision of distribution services; and	27(b)	Minor changes proposed to simplify the wording and avoid requiring prescriptive statements, to give retailers operational flexibility in determining how best to communicate with their customers.
	d. remind the customer they may nominate a support person and/or an alternate contact person, and, if the customer nominates one or both, record these persons in accordance with Part 3 and use these contact persons as requested by the customer; and	27(c)(i)	Reference to Part 3 has been deleted as it is unnecessary – the obligation to record this information will already arise by operation of clause 15(3) of the draft Schedule 11A.1 – see discussion at paragraph 16 above.
	e. where the customer has no such information, provide the customer with information to improve energy efficiency at their premises and/or inform the customer of where they can obtain advice or information on the efficient use of electricity; and	27(d)	No material changes proposed.
	f. offer advice, and if the customer agrees, advise on changes that could be made to the customer's consumption profile (eg, more off-peak electricity use) or to the metering configuration or installation at the customer's premises (eg, enabling load control) that would reduce the customer's electricity invoice amounts after taking account of the cost to change the metering configuration or installation at the customer's premises; and	27(e)	No material changes proposed.
	g. where the retailer has a pricing plan or plans available that would provide a lower delivered cost of electricity or distribution services to a customer based on the customer's average consumption over the past 12 months and taking into account seasonal variations in the customer's consumption, advise the customer of that plan or those plans (provided that the retailer does not need to advise the customer of more than three relevant	27(f)	<p>Changes to clarify that the obligation is on retailers to advise the customer of plans that the retailer reasonably considers are most suitable for that customer (or others at the premises), and that the retailer should consider any advice given under paragraph 43(f) above, as well as the customer's consumption over the past 12 months.</p> <p>Changes are also proposed to align the obligation with other similar obligations in the draft Schedule 11A.1 by requiring that the</p>

	pricing plans) stating clearly (where there is more than one alternative plan) which is the lowest cost option for the customer taking into consideration the customer's circumstances (eg, the customer may not be in a position to receive a discount from paying online); and		advice include any conditions the person must meet in order to obtain the greatest benefit from any plan advised on, and the drawbacks of any particular plan.
	<p>h. provided the customer has engaged with the retailer:</p> <p>i. satisfy themselves (acting reasonably) that the customer is aware or has been reminded of budgeting and electricity efficiency advice available from reputable support/social agencies; and</p> <p>ii. offer to refer the customer to any of those agencies as appropriate, with the customer's agreement, ensuring one of the budgeting advice agencies is funded by the Ministry of Social Development; and</p>	27(g)	<p>Minor changes to simplify wording and to replace the requirement in subparagraph (ii) that one of the agencies be funded by the Ministry of Social Development with a simpler requirement that the referral be to any support agency 'as appropriate'.</p> <p>Some retailers requested clarification about whether they can seek confirmation from the support agency that this support has been sought and an appointment booked. However, other stakeholders were concerned that this would increase support agencies' workload and undermine the confidentiality of client-social agency relationships. They were concerned that a requirement for customer consent may be an ineffective safeguard as customers may feel under pressure to provide that consent. Given these concerns, we have decided not to change the existing provisions at this time (noting that paragraph 43(i) is also relevant here).</p>
	<p>i. if a referral is made under subparagraph (h) or a customer has contacted a support or social agency him or herself:</p> <p>i. offer to pause taking further steps in respect of the arrears or payment difficulties, advising the customer that any pause could cause the customer to go into more debt with the retailer; and</p> <p>ii. if the customer agrees to a pause, take a 14 day pause in taking steps in respect of the arrears or payment difficulties, except that, if the retailer has not received confirmation within 7 days of implementing the pause from the support/social agency or agencies that the consumer is engaging constructively with the agency or agencies, the retailer may recommence taking steps in respect of the arrears or payment difficulties; and</p>	27(h)	<p>No material changes proposed.</p> <p>Some stakeholders were concerned that it is not practical or reasonable to expect confirmation from support agencies within the current 7 day timeframe. We acknowledge these concerns, however, we do not propose changes to these timeframes without conducting further policy work to understand the potential unintended consequences of extending the minimum timeframes, including implications of debt accumulation for customers.</p>
	j. offer to the customer, and, if the customer agrees, discuss with the customer payment plans that appear suitable to the customer's circumstances, including payment plans that:	27(i)	No material changes proposed.

	<p>i. offer the best way for the customer to pay off any debt owed to the retailer while accommodating the customer's expected ongoing electricity use; and</p> <p>ii. help avoid the customer falling into debt with the retailer; and</p>		
	k. as a final step and subject to the customer's agreement, refer the customer to Work and Income or a support agency likely to help the customer pay their electricity supply debt.	27(j)	No material changes proposed.
44	Retailers that offer bundled goods/services should, for a customer not on a payment plan and who is in payment arrears and/or is having payment difficulties, explain to the customer how part payments are being cleared against bundled components of an invoice that cover multiple goods/services provided. Retailers should consider allowing customers to elect that any part payments clear the customer's debt related to electricity supply or distribution services first.	28	No material changes proposed.
45	Retailers should not, for each customer on a payment plan, unilaterally change the customer's payment plan other than in accordance with the retailer's terms and conditions.	29	No material changes proposed.
46	Retailers should work towards having the capability to monitor individual customer consumption to help them anticipate which customers may benefit from assistance. For a customer on a debt payment plan:	30(1)	<p>No material changes proposed.</p> <p>Some retailers raised that consumers may view their monitoring of electricity consumption to be intrusive. Overall, we consider these are important measures that should be retained. These clauses aim to protect consumers by ensuring they receive timely information. This helps customers manage the energy use and avoid unexpected costs. It may also help retailers to identify signs of energy hardship.</p>
	a. if electricity use rises materially and suddenly other than due to seasonal effects, the retailer should contact the customer to advise them of the change in consumption, check it was expected, and offer to help identify potential reasons for the increase (eg, change in household numbers). The retailer should take the increased consumption and change in circumstances into account and advise the customer of price plans (if any) that would reduce the customer's electricity bill; and	30(2)	Minor changes to clarify that this obligation applies when material and sudden increases are not explained by seasonal effects or other known factors.
	b. if electricity use falls materially over a period of more than one month other than due to seasonal effects, the retailer	30(3)	Minor changes to clarify that this obligation applies when a material decrease in electricity use is not explained by circumstances of which

	should contact the customer to check whether they are intentionally reducing their consumption due to actual or anticipated payment difficulties. The retailer should take the reduced consumption and change in circumstances into account and advise the customer of price plans (if any) that would reduce the customer's electricity bill; and		the retailer is aware, including but not limited to seasonal effects.
	<p>c. monitor the customer's debt repayments and electricity usage (noting instalment plans are excluded from electricity usage monitoring) at a frequency appropriate to the debt payment plan (eg, monthly monitoring may be appropriate if the payment plan consists of fortnightly payments), and contact the customer, if:</p> <p>i. a part payment has been made, to see whether this indicates the customer is having payment difficulties and that the payment plan should be reviewed; and</p> <p>ii. their usage changes to the extent that the payment plan may no longer be appropriate; and</p>	31(1) and (2)	<p>We have proposed subsuming paragraph (c)(ii) of the Guidelines into clause 30(2) and (3) of the draft Schedule 11A, which already addresses retailers' obligations in relation to usage changes for customers on payment plans.</p> <p>The remainder of this paragraph has been included in clause 31(1) and (2) of the draft Schedule 11A with no material changes proposed.</p>
	<p>d. communicate with the customer every three months or as often as required to see how the customer is managing the debt payment plan. If the customer indicates they are having payment difficulties (eg, taking payday loans to meet payments), the retailer should:</p> <p>i. offer to have a conversation with the customer about what the customer can afford and review the payment plan; and</p> <p>ii. ask for the customer's agreement so the retailer can refer the customer to reputable support/social agencies offering budgeting and electricity efficiency advice.</p>	31(2)(b) and (3)	No material changes proposed.
47	<p>Retailers should, within five business days of a customer falling behind in their repayments, contact the customer (being prepared to justify to the customer why the contact was immediate or why a delay occurred in the contact), and:</p> <p>a. offer to have a conversation with the customer about what the customer can afford and review the payment plan; and</p> <p>b. ask for the customer's agreement to the retailer referring the customer to reputable support/social agencies</p>	31(4)	<p>No material changes proposed.</p> <p>We have also proposed including additional matters to include in contact under this clause, to require retailers to inform the customer that they have fallen behind in their repayments and explain the next steps if repayment is not made.</p>

	offering budgeting and electricity efficiency advice.		
48	Retailers should monitor the frequency and duration of disconnections for customers with a prepayment service.	33	No material changes proposed.
49	Retailers should liaise with customers whose usage is abnormally low/high or whose prepayment service runs out of credit frequently (eg, on average one day in seven) or for relatively long durations (eg, for several days), and:	34(1)	Minor change to align wording of this clause with clause 30(3) of the draft Schedule 11A.1 (see paragraph 46(b) above) by replacing 'usage is abnormally low/high' with 'consumption materially changes in a manner not explained by circumstances of which the retailer is aware (including seasonal factors)'.
	a. discuss options with the customer that may reduce or avoid instances of disconnection (eg, improved energy efficiency and budgeting); and	34(2)(a)	No material changes proposed.
	b. offer to refer the customer to a support or social agency, with the aim of ensuring the customer will be able to more consistently maintain their electricity supply.	34(2)(b)	No material changes proposed.
Part 7: Progressing to disconnection for non-payment of electricity invoices and reconnection			
50	This Part makes recommendations to retailers to take specific actions prior to, at, and following disconnection of customers for non-payment of electricity invoices including: a. to notify post-pay customers with debt relating to electricity supply or distribution services about planned disconnection, and b. in relation to disconnection and reconnection of post-pay and pre-pay customers	35	Proposed changes to simplify this explanatory paragraph and to include a clearer purpose statement to assist with the interpretation of the obligations in this Part. We also propose to change the title of Part 7 to "Disconnection and reconnection of residential premises", to better reflect the scope of Part 7.
51	This Part is relevant to all disconnections carried out for non-payment of electricity invoices regardless of the disconnection method (in-person, remote or prepayment). However, it is recommended that MDCs are not disconnected (see Part 8).	--	This has not been included in the draft Code as it is unnecessary – the scope of the obligations in this Part is addressed in clause 35 and is clear from the wording of each obligation.
52	Retailers should make sure disconnection, either in-person or remotely, of a post-pay customer for non-payment of one or more electricity invoices is a last-resort measure	36	Proposed changes to clarify that the obligation is on retailers to 'use best endeavours' to ensure that electrical disconnection of a post-pay customer's premises for non-payment is a measure of last resort.
53	Retailers should make sure they have followed the recommendations set out in Part 6 before carrying out the recommended actions in this Part 7.	37(1)(b)	Propose shifting this obligation to clause 37(1)(b) of the draft Schedule 11A.1 and replacing the current wording at paragraph 54(b) (see discussion below).
54	Retailers should commence the notification process for disconnecting a	37(1)	Changes proposed to clarify that a retailer is only required to undertake these steps if they intend to disconnect the customer. Retailers

	post-pay customer's premises for non-payment of an electricity invoice only if:		will not always initiate a process for disconnection non-payment of an invoice.
	a. the retailer has the contractual right to disconnect the premises; and	37(1)(a)	No material changes proposed.
	b. the retailer has taken all reasonable actions to make sure the customer has exhausted or refused, without good reason, all relevant assistance offered in accordance with Part 6 for paying the debt; and	37(1)(b)	<p>Propose replacing this wording with the broader wording currently used in paragraph 53 (see above). This clarifies that retailers must comply with all relevant obligations under Part 6 before disconnecting a post-pay customer for non-payment, which includes offering to refer the customer to a support agency and offering to pause taking further steps while a customer seeks support (clauses 27(g) and (h) of the draft Schedule 11A.1).</p> <p>We do not propose requiring retailers to be satisfied that a customer has exhausted or refused all relevant assistance, as it is not workable or appropriate to require retailers to further enquire into and determine a customer's reasons, for example, for not seeking certain assistance.</p>
	c. the customer is not adhering to a debt payment plan that, over time, is reducing the customer's debt; and	37(1)(d)	<p>Minor change to clarify this a customer must not be 'substantially' adhering to a payment plan, so that minor or one-off deviations from a payment plan do not trigger disconnection.</p> <p>We also propose including that the provision may be satisfied where a customer has not agreed to a payment plan. We note that a retailer is required, under clause 27(i), to offer and discuss payment plans that are suitable for the customer's circumstances.</p>
	d. the retailer has taken all reasonable actions to make sure the customer, or any consumer permanently or temporarily resident at the customer's premises, is not, or may not be, an MDC.	37(1)(e)	Minor drafting change to use language of 'best endeavours' rather than 'all reasonable actions', for consistency with other clauses in the draft Schedule 11A.1.
55	Retailers should commence the notification process for disconnecting a post-pay customer's premises for non-payment of an estimated invoice only if, in the retailer's reasonable opinion, the estimated reading is a reasonable estimation of actual consumption and at least one of the following applies:	37(1)(c) and 38(1)(a)	Change proposed to clarify that these are in addition to the obligations in paragraph 54 above.
	a. a meter reading is not available due to a customer obtaining electricity or distribution services by or involving deception, vandalism, or an issue with the metering installation; or	38(1)(b)(i)	No material changes proposed.
	b. the retailer cannot obtain a meter reading without breaching the Health and Safety at Work Act 2015 or causing another person to breach the Health and Safety at Work Act 2015; or	38(1)(b)(ii)	No material changes proposed.

	<p>c. the customer does not:</p> <p>i. give the retailer, or the retailer's agent, access over a 40 business day period to a metering installation at the customer's premises for the purpose of obtaining a meter reading or carrying out a metering installation repair, replacement or certification; and</p> <p>ii. the retailer does not accept a meter reading provided by the customer because any of the circumstances in paragraph 56 apply.</p>	38(1)(b)(iii)	No material changes proposed.
56	<p>The circumstances referred to in paragraph 55(c)(ii) are:</p> <p>a. the meter reading does not lie within an acceptable range compared with the expected pattern, previous pattern, or trend of consumption; or</p> <p>b. the meter reading does not relate to that customer; or</p> <p>c. the customer does not provide sufficient information to enable the retailer to identify the meter; or</p> <p>d. the customer supplies a cumulative meter register reading when the retailer requires absolute half-hourly meter readings that are only available electronically.</p>	38(2)	No material changes proposed.
57	Retailers should, before disconnecting a post-pay customer's premises for non-payment of an electricity invoice:	37(1)(f)	No material changes proposed.
	a. satisfy themselves (acting reasonably) that they have made at least five attempts to contact and inform the customer or customer's alternative contact person (where provided) of the pending disconnection.	37(1)(f)(i)	Changes proposed to clarify obligation is on the retailer to make five separate attempts to contact the customer.
	<p>The five contact attempts should:</p> <p>i. include at least three attempts made through the customer's preferred communication channel. These attempts can be made up of the three attempts specified under paragraph 41; and</p> <p>ii. include at least two further attempts which can be made through other communication channels; and</p> <p>iii. use and successfully complete a traceable form of contact at least once (eg, an electronic read/viewed receipt, courier letter requiring a signature), or a</p>	37(2)-(3)	No material changes proposed. Retailers will be required to attempt contact through a representative visiting the premises but only if no other earlier traceable forms of contact have been successful. The Authority acknowledges concerns raised by some retailers that these requirements represent the highest compliance cost in the Guidelines, yet evidence of effectiveness is mixed. However, other stakeholders have told us these are important consumer protections that ensure, so far as is reasonably possible, customers in payment difficulty are given ample opportunity to engage with their retailer and avoid

	representative of the retailer visiting the premises.		disconnection. International examples ¹ also point to the importance of home visits and face-to-face interactions in building trust and effectively supporting customers in financial hardship. We have, therefore, proposed retaining these protections at this stage.
	<p>b. issue the customer with a final notice of disconnection, which should be provided at least 44 days after the invoice was issued; and</p> <p>i. not less than 24 hours or more than 10 days before remote disconnection; or</p> <p>ii. can be provided by a representative visiting the premises to action the disconnection.</p>	37(1)(f)(iii) and (iv)	Changes proposed to apply the same timing requirements for all disconnections, whether carried out remotely or not. Consequently, we propose clarifying that retailers must ensure a copy of the disconnection notice is provided to the customer, or left at the customer's premises, by the person visiting the premises to action the disconnection.
	Provision of the disconnection notice can be included in one of the five contact attempts specified in paragraph 57.a.	--	This has not been included in the draft Code as it is unnecessary – provision of a disconnection notice could be included in one the contact attempts regardless.
58	For customers on a non-monthly invoice cycle, the timing of each step in paragraph 57 may be proportionally altered to align with the above step durations.	--	This has not been included in the draft Code – we understand that retailers will generally use the same process for all disconnections regardless of invoice cycle, and consider it is more workable to have a consistent set of timeframes for disconnection steps as opposed to an uncertain, proportional approach that will be less accessible and harder for customers to follow.
59	Retailers should re-issue a final notice of disconnection to a post-pay customer if the retailer did not disconnect the premises within the timeframe set out in the final notice of disconnection.	39	Changes proposed to clarify that, when this paragraph applies, retailers must issue a further final notice of disconnection and that the same requirements in relation to final notices of disconnection will apply.
60	Retailers should make sure that the content of any notice or final notice of disconnection for nonpayment or for non-registration of any premises to which the retailer supplies electricity or distribution services, aims to engage the post-pay customer (or consumer for uncontracted premises) to resolve the non-payment issue by containing at least the following information:	40 and 43(3)	<p>We propose structural changes to Part 7 to clarify the obligations by addressing disconnection of post-pay customers and disconnection of uncontracted premises separately. Accordingly we propose replacing paragraph 60 with two separate clauses that address the requirements for notices issued to post-pay customers (clause 40 of the draft Schedule 11A.1) and issued in respect of uncontracted premises (clause 43(3) of the draft Schedule 11A.1).</p> <p>We also propose an additional obligation on retailers to include in each relevant notice a statement of similar effect to paragraph 61(b) below (see clauses 40(b) and 43(3)(b) of the draft Schedule 11A.1). This will address a minor internal inconsistency in the Guidelines</p>

¹ National trials of the '[Knock to Stay Connected](#)' programme (an initiative in Australia) demonstrated that up to 80% of disconnections can be avoided through their human-centered approach.

			to ensure consistent messaging in all communications regardless of their method.
	a. the contact details necessary for payment of some, or all, of the debt; and	40(a) and 43(3)(a)	Wording of this paragraph may not be suitable for notices issued in respect of uncontracted premises, so we propose changing this to 'contact details of persons who can be contacted about contracting with the retailer' (clause 43(3)(a) of the draft Schedule 11A.1). No material changes proposed in respect of notices issued to post-pay customers.
	b. payment options available (eg, smooth pay or redirection of income); and	40(c) and 43(3)(c)	No material changes proposed.
	c. details of the retailer's dispute resolution process and the contact details of Utilities Disputes; and	40(d) and 43(3)(d)	Minor changes proposed to align wording with existing Code references to the dispute resolution scheme identified under clause 3 of Schedule 4 of the Act (Utilities Disputes Limited).
	d. details of all the charges, fees and penalties that must be paid, if disconnection and reconnection occur, in addition to charges for electricity supply and/or the provision of distribution services; and	40(e) and 43(3)(e)	No material changes proposed.
	e. the contact details of Work and Income or other support/social agencies that can help the customer or consumer to pay their electricity invoice; and	40(f) and 43(3)(f)	Wording of this paragraph may not be suitable for notices issued in respect of uncontracted premises, so we propose changing this to 'the contact details for one or more support agencies from which the customer could seek assistance with the payment of electricity costs' for clause 43(3)(f). No material changes proposed in respect of notices issued to post-pay customers.
	f. the contact details of one or more reputable budgeting advice agencies (one of which must be funded by the Ministry of Social Development); and	--	This has not been included in the draft Code as it is unnecessary – the definition of 'support agency' proposed for the draft Code and used in clause 40(f) directly above includes agencies that provide financial mentoring services.
	g. where to obtain information on applying to have MDC status and a summary of what it means to be an MDC.	40(g) and 43(3)(g)	No material changes proposed.
61	Retailers should satisfy themselves that any of their representatives who visit a post-pay customer's premises or uncontracted premises for the purpose of contacting the customer about the nonpayment of an electricity invoice or to make a disconnection:	41 and 44	<p>We propose structural changes to Part 7 to clarify the obligations by addressing disconnection of post-pay customers and disconnection of uncontracted premises separately. Accordingly, we propose replacing paragraph 61 with two separate clauses that address the requirements for visits to a post-pay customer's premises (clause 41) and to uncontracted premises (clause 44).</p> <p>We also propose clarifying that these obligations apply only in relation to representatives visiting for the purpose of</p>

			<p>discussing non-payment of an invoice (in the case of a customer's premises) or the pending electricity disconnection (in the case of uncontracted premises). This will address a workability issue raised by some retailers, who were concerned that contractors engaged to carry out a physical disconnection are not equipped to provide direct advice to consumers. Under the proposed changes, these contractors would be excluded from the obligations in this clause as they would not be visiting the premises for the specified purposes. They would however be required to provide or leave at a customer's premises a copy of the final notice of disconnection (see clause 37(1)(f)(iv)).</p> <p>We are also ensuring that retailers' representatives who are tasked with customer interactions are suitably trained to do so (see clause 32, discussed at paragraph 37 above).</p>
	a. make a reasonable effort (and maintain reasonable recorded evidence of those efforts) to contact any customer or consumer at the premises (unless there is a health and safety risk to the representative or the customer or consumer); and	41(a) and (c); 44(a) and (c)	Changes proposed to clarify that the obligation on representatives to maintain a record includes a record of the matters addressed in paragraphs 61(b) to (d).
	b. advise the customer or consumer at the premises to contact the retailer, including, if necessary, provide information to the customer relevant to the customer's or consumer's situation to enable this (eg, how the customer or consumer can contact the retailer if the customer or consumer has no phone or internet), and informing the customer or consumer that, if they make contact with the retailer at any point before disconnection, the retailer should actively work with the customer or consumer to avoid disconnection occurring, even if the customer or consumer has failed to act on prior attempts by the retailer to engage with them; and	41(b)(i)-(ii); 44(b)(i)-(ii)	No material changes proposed.
	c. provide information to the customer or consumer at the premises regarding reputable support/social agencies offering budgeting and electricity efficiency advice; and	41(b)(iii); 44(b)(iii)	Minor drafting change to align references to support agencies with other clauses in the draft Code.
	d. make a reasonable effort to ascertain and consider whether there are any reasons why the disconnection should be put on hold (eg, there is, or may be, a MDC or an unverified MDC at the premises, there is a dispute in progress between the customer and the retailer, or the customer provides reasonable	41(b)(iv); 44(b)(iv)	Minor drafting change to use language of 'reasonable endeavours' rather than 'reasonable effort', for consistency with other clauses in the draft Code.

	evidence to show they are making genuine efforts to arrange payment of the debt).		
62	<p>Retailers should provide a final notice of disconnection to a post-pay customer, or the consumer(s) at any uncontracted premises only after sending an initial notice of disconnection and:</p> <p>a. not receiving payment in full, or in accordance with an agreed payment plan, from the customer or consumer, or any other person, for an electricity invoice; or</p> <p>b. not agreeing a payment plan with the customer or consumer and not currently being in a live process/dialogue with the customer regarding a payment plan solution.</p>	37(1)(f)(ii) and (f)(iii)(A)	<p>To clarify retailers' obligations and the disconnection process, we propose including a timeframe for initial notices of disconnection to post-pay customers, so that an initial notice is issued no earlier than 28 days after the invoice was issued. This means an initial disconnection notice can be issued no earlier than 14 days after the invoice becomes overdue, and at least 16 days before a final notice of disconnection.</p> <p>This paragraph has not been included in the draft Schedule 11A.1 in relation to notices for uncontracted premises, as it overlaps with the separate obligation in paragraph 64(e)(i) below.</p>
63	<p>If half-hour metered electricity consumption data is not available for the premises, or a retailer does not have the capability to monitor and analyse the half-hour metered electricity consumption data at individual uncontracted premises, or analysis of the half-hour metered consumption data at the premises does not indicate a domestic consumer is in residence, a retailer may authorise the remote disconnection of uncontracted premises only if:</p> <p>a. the retailer has confirmed the premises is not being switched to another retailer (with a switch date effective at the start of the consumer's occupancy); and</p> <p>b. the retailer has no supply contract with a customer for the premises; and</p> <p>c. the meter or disconnection device can safely disconnect and reconnect the premises; and</p> <p>d. the retailer has satisfied itself, acting reasonably, that disconnection of the premises will not disconnect an MDC or an unverified MDC.</p>	43(2)	<p>To clarify retailers' obligations in relation to uncontracted premises, we propose replacing paragraphs 63 and 64 with one set of requirements, in clause 43 of the draft Schedule 11A.1 (see discussion at paragraph 64 below).</p> <p>Clause 43(2) of the draft Schedule 11A.1 proposes a limited exemption to the requirement to attempt contact with any residential consumers at an uncontracted premises before disconnection. The exemption will only apply if analysis of half-hour metered electricity consumption data for that premises does not indicate a residential consumer resides there.</p> <p>The other circumstances captured by paragraph 63 (when half-hour consumption data is not available, or the retailer does not have the capability to monitor that data) will not be exempted from the requirement to make contact attempts. While this is not an express requirement of paragraph 63 currently, we think this is reasonably required in order to meet paragraph 63(d), which requires retailers to be reasonably satisfied that disconnection will not disconnect a person who may be a medically dependent consumer. Currently the Guidelines provide no guidance on how retailers are to meet this expectation. Our view is that it is best achieved by following the same contact attempt process that applies under paragraph 64 and discussed below.</p>
64	If half-hour metered electricity consumption data is available for the premises, and the retailer has the capability to monitor and analyse the electricity consumption at individual uncontracted premises, and analysis of the half-hour metered consumption data	43(1)	Proposed changes to expand requirements to all uncontracted premises (subject to subclause 43(2) of the draft Schedule 11A.1, discussed above).

	at the premises indicates a domestic consumer is in residence, a retailer may authorise the remote disconnection to the uncontracted premises, only if:		
	a. the retailer has confirmed the premises is not being switched to another retailer (with a switch date effective at the start of the consumer's occupancy); and	43(1)(a)	No material changes proposed.
	b. the retailer has no supply contract with a customer for the premises; and	--	This has not been included in the draft Code as it is unnecessary – if a retailer has a supply contract for the premises, the premises will not be an 'uncontracted premises'.
	c. the meter or disconnection device can safely disconnect and reconnect the premises	--	This has not been included in the draft Code as it is unnecessary – it overlaps with the requirement at paragraph 66(e) below.
	d. the retailer has satisfied itself, acting reasonably, that disconnection of the premises will not disconnect an MDC or an unverified MDC	43(1)(b)	Proposed change to merge this with paragraph 64(e) below, to clarify the specified contact attempts meet this obligation.
	e. the retailer has made reasonable efforts to contact the consumer. The retailer's contact attempts should include:	43(1)(b)	Proposed change to clarify the obligation is on the retailer to take the following steps to contact any residential consumers residing at the uncontracted premises.
	i. issuing a notice informing the consumer at the premises they must contract with a retailer (the retailer may wish to provide a joining pack to the consumer alongside the notice); and	43(1)(b)(i)	No material changes proposed.
	ii. re-issuing the notice in sub paragraph i. above, if at least seven days have passed since the retailer has become aware of electricity consumption at the premises, but the retailer has still not entered into a contract for electricity with the customer, or is not aware that a person has entered into a contract for electricity with another retailer for the premises; and	43(1)(b)(ii)	Changes proposed to merge this subparagraph with subparagraph (iii) below and clarify that the notice issued under this paragraph is the final notice of disconnection, and that it can be issued no earlier than 7 days after the first notice was issued.
	iii. issuing a final notice of disconnection, including the proposed timeframe for disconnection. This notice may be included in the communication under sub paragraph ii. above; and	43(1)(b)(ii)	See above.
	iv. attempting at least one traceable form of contact (eg, a courier letter requiring a signature, or a representative of the retailer visiting the premises) to deliver one of the notices described in sub paragraphs i, ii, or iii above.	43(1)(b)(iii)	No material changes proposed. We acknowledge the concerns raised by retailers that these requirements represent the highest compliance cost in the Guidelines, yet evidence of effectiveness is mixed. However, by retaining this step, we aim to reduce the risk of inadvertently disconnecting vulnerable consumers particularly those who may be medically dependent. We recognise the challenges posed by this clause and we propose to work with retailers to

			monitor its effectiveness. Future work may explore alternative methods and consider further changes.
65	If there is more than one consumer at any uncontracted premises, the retailer may seek to make contact under the above paragraphs with any consumer whom the retailer reasonably considers controls the premises.	44(a)	This has been incorporated into clause 44(a) of the draft Schedule 11A.1, to require representatives to make a reasonable effort to contact the residential consumer or consumers who control the premises.
66	Retailers should not disconnect a post-pay customer's premises or uncontracted premises either in person or remotely, if any of the following apply:	45(1)	No material changes proposed.
	a. the process set out in Part 7 has not been followed; or	45(1)(a)	No material changes proposed.
	b. at least one verified or unverified MDC permanently or temporarily resides at the premises (see Part 8); or	45(1)(b)	Change proposed to clarify this restriction applies whenever the retailer knows that a medically dependent consumer may be permanently or temporarily residing at the premises, with clause 53(2) of the draft Schedule 11A.1 providing guidance to retailers on when this threshold is met.
	c. the disconnection is to be carried out at a time that would endanger the wellbeing of the customer or any consumer at the premises (eg, just before nightfall or during severe weather events), or if it would be unreasonably difficult for the customer or consumer to seek rapid reconnection (eg, after midday on the day before a weekend or public holiday, at night, during a public holiday, during severe weather events, or during a civil emergency); or	45(1)(c)	No material changes proposed. Some stakeholders raised that this protection should extend to the customer's children. We are satisfied this is captured in the existing wording which refers to the wellbeing of any consumers at the premises.
	d. for disconnection of a post-pay customer, the retailer has not made reasonable attempts to ascertain that the customer received and understood both the notifications of disconnection and the outcome of not responding to the retailer's contact attempts;	37(2)(b)	Some retailers expressed concerns that the requirement for them to ascertain that a customer "understands" a notification regarding non-payment and disconnection sets an unattainable standard. To address these concerns, we propose revising the obligation to focus on the clarity and accessibility of communication. Specifically, each contact attempt made under clause 37 of the draft Schedule 11A.1 should seek to explain the pending disconnection, and the potential consequences of not responding to the retailer's contact attempts, in a manner the customer is reasonably likely to understand, having regard to any relevant information recorded about the customer's communication preferences under clause 15.
	e. in the case of remote disconnection of the premises, the electricity meter or disconnection device to be used cannot safely disconnect and/or reconnect the premises; or	45(1)(d)	No material changes proposed.

	f. the debt does not relate to electricity supply or the provision of distribution services (eg, it relates to telephone or broadband); or	45(1)(e)	No material changes proposed.
	g. when the customer disputes the charges and: i. the customer engages with the retailer's internal dispute resolution process and/or Utilities Disputes; and ii. the dispute is unresolved; and iii. the customer has paid all other charges and parts of any charges that are not disputed (noting the retailer should, with the customer's agreement, credit any part-payment made by a customer to the electricity supply or distribution services portion of its invoice, to a customer's non-disputed debt first).	45(1)(f)	No material changes proposed.
67	Retailers that disconnect premises should reconnect those premises as soon as possible and at no cost, if: a. the disconnection was inadvertent; or b. the disconnection of the premises (whether intentional or not) has disconnected an MDC or a person who has an MDC application underway.	46	Change proposed to clarify scope of this obligation is limited to disconnection of post-pay customers' premises (consistent with the relevant subheading).
68	Retailers should restore the electricity supply of a post-pay customer disconnected for either nonpayment of debt or obtaining electricity or distribution services by or involving deception as soon as reasonably practicable after the customer has satisfied the (reasonable) requirements for reconnection.	48	Propose change to clarify that a retailer must reconnect a customer as soon as reasonably practicable after the customer has paid the debt in full, or has otherwise satisfied the retailer's reasonable requirements.
69	Should the retailer that supplies electricity to a premises disconnect a post-pay customer for nonpayment of debt, the retailer should: a. continue to be responsive if the customer contacts the retailer seeking further assistance and information on reconnection; and b. if the customer is still contracted to the retailer and has not reconnected within five business days, contact the customer to see how they are living without power and revisit support options available to the customer, including reputable support/social agencies offering budgeting and electricity efficiency advice.	49	No material changes proposed.

70	A retailer should not authorise or carry out remote reconnection of a post-pay customer's premises unless the retailer has satisfied itself (acting reasonably) that the premises can be safely reconnected remotely (eg, ovens and heaters are turned off).	47	No material changes proposed.
71	Following the reconnection of post-pay customers who are disconnected for non-payment of debt, retailers should: a. undertake the recommended actions in Part 6 (where appropriate); and	50	No material changes proposed.
	b. monitor the customer's debt repayments to understand trends, issues and opportunities for the customer's credit position with the retailer to be improved.	--	This has not been included in the draft Code as it is unnecessary – a retailer is already subject to obligations to monitor any customer on a payment plan under clause 31 of the draft Schedule 11A.1 (see paragraphs 46 and 47 above).
72	If a retailer has met the expectations of these guidelines, a disconnection resulting from a prepayment service running out of credit is not considered a disconnection for non-payment. This is because the customer has understood and accepted the risks associated with being on a prepayment service where disconnection will occur if the prepayment service runs out of credit (noting the recommendations in Part 6 for retailers to monitor these disconnections and proactively offer support to customers where required).	--	This has not been included in the draft Code as it is unnecessary – this paragraph is explanatory of the operation of this subpart of Part 7 only.
73	Retailers should make sure disconnection by a prepayment service running out of credit occurs only when:	51	
	a. the prepayment service allows a disconnection. Prepayment services should make sure that disconnection occurs only at a time: i. that does not endanger the wellbeing of the customer or any consumer at the premises (eg, just before nightfall, or during severe weather events); and ii. at which it would be reasonably easy for the customer to seek rapid reconnection (eg, not after midday on the day before a weekend or public holiday, not at night, not during a public holiday, not during severe weather events, not during a civil emergency); and	51(a)	Minor wording changes proposed, to delete the first sentence as it is unnecessary, and to reframe the obligation so that the electrical disconnection occurs only at a time that meets the requirements in paragraphs (i) and (ii).
	b. the prepayment service can safely disconnect and reconnect the premises; and	51(b)	No material changes proposed.

	c. the debt relates to the supply of electricity or the provision of distribution services (it does not, for example, relate to telephone or broadband); and	51(c)	No material changes proposed.
	d. either of the following apply: i. the customer has not disputed the charges through the retailer's internal dispute resolution process and/or Utilities Disputes; or ii. if the customer has disputed the charges, the customer has not paid all other charges and parts of any charges that are not disputed (noting the retailer should, with the customer's agreement, credit any part-payment made by a customer to the electricity supply or distribution services portion of its invoice, to a customer's non-disputed debt related to electricity supply or distribution services first)	51(d)	No material changes proposed.
74	Retailers should make sure their service level agreements with metering equipment providers require the metering equipment provider to identify and report self-disconnection of advanced metering infrastructure meters used in the provision of prepayment services.	--	This has not been included in the draft Code as it is unnecessary – clause 33 of the draft Schedule 11A.1 already requires retailers to monitor the frequency and duration of electrical disconnections of prepay customers.
75	Retailers should ensure that reconnection of a prepayment service occurs as soon as reasonably practicable, but no more than 30 minutes, after the customer has purchased credit, unless: a. remote reconnection fails due to connectivity issues which would require sending a technician to the premises; or b. the meter owner has system issues.	52	To address retailer concerns about when the 30-minute reconnection timeframe begins, we propose to specify that the obligation is to reconnect within 30 minutes of the customer completing their purchase transaction for new credit, unless (a) or (b) applies.
Part 8: Additional recommendations for medically dependent consumers			
76	This Part makes recommendations to retailers to take specific actions when supplying domestic premises where medically dependent consumers permanently or temporarily reside	53	Proposed change to include a clearer purpose statement to assist with the interpretation of the obligations in this Part. Clause 53(1) now explains that Part 8 requires retailers to take specific actions for the purpose of ensuring that any residential premises at which medically dependent consumers are residing, are not electrically disconnected. To ensure workability of the obligations in this Part of the draft Schedule 11A.1, we propose clarifying when a retailer is deemed to know a medically dependent consumer may permanently or temporarily reside at a customer's premises, given this is relevant to various obligations. The proposed clarification

			<p>will ensure a retailer does not contravene the obligations for reasons beyond their control.</p> <p>Clause 53(2) has therefore been inserted to clarify the situations when a retailer will be deemed to know that a medically dependent consumer may be permanently or temporarily residing at a customer's premises. This includes when a retailer has recorded a customer or consumer has medically dependent consumer status, or has received an application for medically dependent consumer status, or is aware of information that a reasonable retailer would consider indicates that a medically dependent consumer may be residing at a customer's premises. This aligns with the existing categories of 'verified' and 'unverified MDC' in the Guidelines.</p>
77	These recommendations are additional to the recommendations set out in each of the preceding Parts of these guidelines.	--	This has not been included in the draft Code as it is unnecessary.
78	This Part aims to make sure MDCs are identified and recorded as early as practicable, and to make sure MDCs are not disconnected for either non-payment of an electricity invoice, or, the customer obtaining electricity or distribution services by or involving deception.	--	This has not been included in the draft Code as it is unnecessary – the policy intent is clear from the proposed changes to paragraphs 76 and 79.
79	Retailers should have and use processes and systems to request and record sufficient information on MDCs to make sure, as far as practicable, that no premises at which an MDC permanently or temporarily resides are disconnected for reasons of non-payment of a debt to the retailer, or the customer obtaining electricity or distribution services by or involving deception, and in particular:	54	Changes proposed to clarify the obligation is on retailers to request, record and use information, rather than just to have and use processes and systems to do so (similar to changes proposed to paragraph 14 of the Guidelines). Changes also proposed to simplify the wording and restructure the obligations in this Part to avoid any overlap (disconnection is dealt with separately under clause 45(1)(b) of the draft Schedule 11A.1 (see paragraph 66(b) above)).
	<p>a. information on whether a customer or a consumer permanently or temporarily resident at the customer's premises:</p> <p>i. is potentially medically dependent; and</p> <p>ii. is verified as medically dependent via a HP Notice completed by a health practitioner with an appropriate scope of practice; 9 and</p>	54(1) and 54(2)	Changes proposed to provide clarity to retailers about when to request information to identify whether a medically dependent consumer may reside at a customer's premises. Clause 54(2) of the draft Schedule 11A.1 proposes that this information must be requested when first signing up a customer, when conducting their annual check in with the customer under clause 19, when communicating with a customer experiencing payment difficulties under clause 27, and at any other time the retailer reasonably considers it appropriate.
	b. If a customer or a consumer permanently or temporarily resident at the customer's premises is or could be	54(3) and 60(1)	Changes proposed to clarify that the obligation to record the information in subparagraphs (i) and (ii) arises whenever a retailer knows a medically dependent consumer may reside at

	<p>an MDC, the retailer should collect the following information:</p> <ul style="list-style-type: none"> i. the name of the actual/unverified MDC; and ii. the name of the actual/unverified MDC's GP; and/or iii. where it has occurred, the name of the health practitioner with an appropriate scope of practice who has verified the customer or consumer as medically dependent by completing a valid HP Notice; and iv. where it has occurred, the date on which the valid HP Notice was issued, and any review or termination date contained in the HP Notice. 		<p>a customer's premises (see paragraph 76 above for an explanation of when a retailer will be deemed to know this).</p> <p>Changes proposed to subparagraph (iii) (see clause 60(1) of the draft Schedule 11A.1) to include, as information to be recorded, the date the retailer received the confirmation of status form (which is the terminology that will replace 'HP Notice'), and to clarify that the same information about confirmation of status forms must also be recorded for any reconfirmation forms received, which reconfirm a consumer's status as a medically dependent consumer.</p> <p>We are also proposing wording changes to subparagraph (iv) to clarify that retailers must record any specified time period to which the health practitioner's confirmation given in the form applies (see clause 60(1)(d) of the draft Schedule 11A.1). This information is relevant for the requirement on retailers to pay a customer's reasonable costs when requesting reconfirmation unless any specified time period has ended (see paragraph 98 below).</p>
80	Retailers should, for MDCs and unverified MDCs who are a customer of the retailer, have and use processes and systems to request, record, allow them to access and ensure the use of information on the communication and invoicing preferences of the MDC/unverified MDC in accordance with Part 3 of these guidelines.	--	This has not been included in the draft Code as it is unnecessary – a retailer must already request and use this information under clause 15 of the draft Schedule 11A.1 (see paragraph 14 above).
81	Retailers should, for MDCs and unverified MDCs who are not a customer of the retailer but are permanently or temporarily resident at the premises of a customer of the retailer, have and use processes and systems to request and record information on the communication preferences of the customer or the customer's alternate contact person in accordance with Part 3 of these guidelines.	54(3)(b)	Changes proposed to clarify the obligation is on retailers to request, record and use this information, rather than just to have and use processes and systems to do so (see discussion at paragraph 79 above).
82	Where an MDC who is not a customer, or an unverified MDC who is not a customer, has nominated: <ul style="list-style-type: none"> a. a support person, the retailer should contact the MDC/unverified MDC directly; and 	--	Paragraph 82(a) of the Guidelines has not been included in the draft Code as it is unnecessary – it is explanatory only of the proper role of support persons.
	<ul style="list-style-type: none"> b. an alternative contact person as the primary contact, the retailer should initially contact the MDC/unverified MDC via the alternate contact person, and only revert to contacting the MDC/unverified MDC directly if the 	72	Minor wording changes to clarify obligation is to require a retailer to liaise with an alternate contact person where one is nominated as a residential consumer's primary contact, and to only contact the residential consumer directly if the retailer has not been able to contact the

	retailer cannot contact them via the alternate contact person.		alternate contact person after making reasonable attempts to do so. In practice, we expect that some medically dependent consumers may wish to nominate the customer as their alternate contact person, to simplify communication with retailers.
83	<p>Retailers should:</p> <p>a. seek to make sure customers are aware of and agree to the obligation (if created via the retailer's terms and conditions) to inform the retailer if the customer, or a consumer permanently or temporarily resident at the customer's premises, is an MDC; and</p>	65	<p>We propose replacing paragraph 83(a) of the Guidelines with a new obligation on retailers to provide information before signing up a new customer about the retailer's obligations in relation to medically dependent consumers, when and how the retailer will request and record information about medically dependent consumers, and the importance of the new customer notifying the retailer about any medically dependent consumers residing at their premises.</p> <p>Now that the Guidelines are being mandated, we think it is more appropriate that the draft Code impose obligations on retailers directly to provide this information to new customers, rather than to refer in the Code to any relevant terms and conditions potentially included in the retailer's contract with the customer.</p>
	b. have a process to confirm MDCs are verified as medically dependent via a HP Notice completed by a health practitioner with an appropriate scope of practice, noting retailers may choose to verify a customer's MDC status if the customer falls into payment arrears.	57(1)(d), 60 and 64(3)	<p>Changes are proposed to clarify the process retailers must follow if they choose to confirm an applicant's status as a medically dependent consumer, rather than just to require retailers to have a process to do so. This will provide certainty to retailers and consumers and will ensure a workable, consistent process is followed by all retailers.</p> <p>The expectations in this paragraph of the Guidelines are captured in three clauses in the draft Schedule 11A.1:</p> <ul style="list-style-type: none"> - Clause 57(1)(d) provides that a retailer <i>may</i> ask any applicant for medically dependent consumer status for a 'confirmation of status form', which will replace the current terminology of 'HP notice' and is similarly defined as a form completed by a health practitioner with an appropriate scope of practice, which confirms the status of a person as a medically dependent consumer. This will clarify that such a form may be requested by a retailer to confirm whether a person is a medically dependent consumer at the application stage, but the retailer is not required to request one and may record a person as a medically dependent consumer without a confirmation of status form (see paragraph 89 below). If a form is requested, the retailer must provide the form that is prescribed by the Authority, to ensure consistency across retailers in the information that is collected and recorded.

			<ul style="list-style-type: none"> - Clause 60 sets out the process when a confirmation of status form is received, aligning with the Guidelines (see paragraph 93 below). - Clause 64(3) (which provides that clauses 57 to 62 apply with all necessary modifications to a review) means that, if a retailer didn't request a confirmation of status form as part of the application process, they can do so during any future review of medically dependent consumer status.
84	If a customer or a consumer permanently or temporarily resident at the customer's premises is an MDC, retailers should advise the customer that the supply of electricity cannot be guaranteed and that the MDC needs to develop an individual emergency response plan to use during any electricity outages.	66	<p>Change proposed to clarify that the obligation arises whenever a retailer knows a medically dependent consumer may reside at the premises of a customer or prospective customer who is considering entering a contract with the retailer. We have also proposed clarifying that the obligation is limited to retailers advising of the importance of arranging for the development of an individual emergency response plan, to avoid any suggestion that a retailer must require such a plan to be prepared.</p> <p>To further assist residential consumers, we propose an additional obligation on retailers to direct the customer or residential consumer to the Authority's website for resources to support the development of an individual emergency response plan.</p>
85	Retailers should not proactively recommend a prepayment service to a customer if the customer, or a consumer permanently or temporarily resident at the customer's premises, is an MDC.	67(1)	We have proposed changes to clarify that the obligation applies in relation to all residential premises at which a medically dependent consumer may permanently or temporarily reside (regardless of whether the person the retailer is advising is a customer or prospective customer).
86	Retailers may agree to providing a prepayment service for the premises of an MDC if requested to do so by the customer at the premises. This is to avoid discriminating against MDCs wanting a prepayment service. However, the retailer should suggest the MDC first discusses the prepayment service option with their health practitioner.	67(2)(a)	<p>The first part of this paragraph does not impose any obligation on retailers and has therefore not been included in the Code drafting. Instead, the obligation in clause 67(2) of the draft Schedule 11A.1 focuses on requiring retailers to take certain steps before agreeing to provide a prepay product offering in relation to any residential premises where a medically dependent consumer may permanently or temporarily reside.</p> <p>We propose an additional obligation on retailers to use best endeavours to encourage the prospective customer to choose a post-pay product offering, which includes encouraging them to engage with one or more support agencies who may assist them in meeting any requirements of a post-pay contract.</p>
87	If a prepayment service is provided at premises where an MDC permanently or temporarily resides, the retailer	67(2)(c)	Changes proposed to clarify that this obligation is engaged at the point the customer or prospective customer requests a prepay

	should make sure the MDC understands the risk of there being no electricity supply if the prepayment service runs out of credit.		service, rather than once the prepay service is being provided. This will ensure prospective customers have all the necessary information to decide whether prepay is appropriate for them. We also propose clarifying that the obligation is to <i>inform</i> them (and any medically dependent consumers at the premises that the retailer has contact details for) of the risk of there being no electricity supply if the prepay service runs out of credit, rather than 'make sure' they 'understand' the risk. We consider these changes best achieve the policy intent of this paragraph and ensure that the obligation is workable for retailers.
88	<p>Retailers should use reasonable endeavours to make sure:</p> <p>a. they have effective and agreed processes with distributors to support and prompt a distributor to:</p> <p>i. coordinate with retailers for a planned electrical outage or disconnection, if retailers notify the distributors of any MDCs on the distributor's network; and</p> <p>ii. not vary the time or date of a planned electricity outage or disconnection without conferring with the retailers whose MDC customers are affected; and</p>	70(1)–(3) and 71	<p>We propose changes to align the scope of the expectations in this paragraph with existing obligations under the Code. Currently, only retailers who are traders under the Code have obligations to have arrangements with distributors and metering equipment providers. These retailers (sometimes referred to as 'type 1' retailers) are recorded in the electricity registry as 'the trader responsible for the ICP'. Not all retailers will be type 1 retailers. To reflect this distinction, we propose changes to clarify that the obligations applicable where retailers are or are not traders.</p> <p>To ensure that medically dependent consumers have the same level of protection regardless of whether their retailer is a 'trader' under the Code, we propose inserting an additional obligation in clause 71 of the draft Schedule 11A.1, to require retailers to use reasonable endeavours to agree processes to coordinate with each other on planned service interruptions and electrical disconnections. This obligation will apply whenever a customer's retailer is not a trader under the Code.</p> <p>We also propose changes to paragraph 88(a) to clarify that the obligation is on both the retailer (who is a trader under the Code) <i>and</i> the distributor, to use reasonable endeavours to agree processes to coordinate with each other on planned service interruptions and electrical disconnections where medically dependent consumers are affected. Expanding this obligation to relevant distributors as well as retailers ensures the obligation is workable and can sit alongside existing arrangements in relation to distributor agreements.</p> <p>We have considered whether this obligation is best addressed in the Code provisions related to distributor agreements, but we note that clause 17.4 of the default distributor agreement (Appendix A, Schedule 12A.4 of the Code) states that the distributor and trader must comply with the requirements of the</p>

			<p>Code relating to medically dependent consumers. Our preference at this point is to include this obligation in Part 11A of the Code and give operational flexibility to retailers and distributors to decide how to give effect to this obligation.</p> <p>We propose including an additional obligation consequential to paragraph 88(a)(ii) on retailers to use reasonable endeavours to inform any affected customers who are medically dependent consumers or who may have medically dependent consumers residing at their premises, when the retailer is informed of a change to the time or date of a planned electricity outage or electrical disconnection that affects them.</p>
	<p>b. their service level agreements with metering equipment providers prevent the metering equipment provider, subject to health and safety requirements, from:</p> <p>i. disconnecting a retailer's customer without the express consent of the retailer; and</p> <p>ii. varying the date or materially varying the time of a consented disconnection</p>	70(4)	<p>Minor wording changes proposed to paragraph (b)(i) to use 'without explicit instruction or agreement from the retailer' rather than 'without the express consent of the retailer', as we consider the former is more appropriate in the circumstances.</p>
89	<p>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 who permanently or temporarily resides there may be medically dependent. The retailer's view may be based on information gathered under these guidelines, provided by an unverified MDC, the customer, a consumer permanently or temporarily resident at the customer's premises, or a third party.</p>	56 and 61	<p>We propose to retain the discretion for retailers to record medically dependent consumer status. The intent is to ensure retailers can continue to adopt a trust-based approach whereby they are not required to take steps to confirm a person's status as a medically dependent consumer whenever they receive an application, but can choose to do so, for example, if they have concerns about the veracity of the information provided by an applicant. As explained at paragraph 83(b) above, this does not prevent a retailer from taking steps in future to confirm a person's status as a medically dependent consumer.</p> <p>We propose clarifying, in clause 56(b) of the draft Schedule 11A.1, that a retailer <i>must</i> record that a customer or residential consumer has medically dependent consumer status if the retailer does receive a valid confirmation of status form.</p> <p>We also propose an additional clause (clause 61 of the draft Schedule 11A.1) to clarify a retailer must not decline an application to be recorded as a medically dependent consumer without first requesting a confirmation of status form, and must not decline an application on the basis that a form received is not valid before first taking reasonable steps to confirm the validity of that form. These provisions are intended to address existing gaps in the Guidelines and clarify retailers' obligations in</p>

			the different circumstances that might arise in the application process.
90	Retailers should make all reasonable efforts to contact, as soon as practicable, a customer, or a consumer permanently or temporarily 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.	55	No material changes proposed.
91	<p>Retailers should, upon receipt of an application for MDC status from a customer or a consumer permanently or temporarily resident at the customer's premises:</p> <p>a. confirm the retailer is responsible for supplying electricity or providing distribution services to the premises; and</p>	--	Paragraph 91(a) of the Guidelines has not been included as a separate obligation in the draft Code as it is unnecessary – instead, we propose clarifying that the steps in paragraph 91(b) apply whenever a retailer receives an application for medically dependent consumer status in relation to a customer's premises.
	<p>b. if the retailer is responsible for supplying electricity or providing distribution services to the premises:</p> <p>i. ask for the unverified MDC's consent to record and hold relevant information relating to the MDC application and to advise the relevant electricity distributor and MEP of relevant information (since these parties can disconnect the unverified MDC's premises); and</p> <p>ii. put in its records the application for MDC status; and</p> <p>iii. confirm that the unverified MDC is permanently or temporarily resident at the premises; and</p> <p>iv. ask the unverified MDC for a valid HP Notice if one has not been provided with the application for MDC status; and</p> <p>v. where applicable, confirm the validity of the HP Notice held by the unverified MDC; and</p> <p>vi. if the unverified MDC's consent has been given, advise the relevant distributor and MEP of the application at the time of receipt and at the time of approval, using standard New Zealand electricity industry protocols.</p>	57(1) and 58	<p>We propose a change to subparagraph (b)(i) to include consent to share information with the relevant trader recorded in the registry as being responsible for a relevant ICP (if different to the retailer) (see discussion at paragraph 88 above).</p> <p>We propose to keep subparagraph (b)(iii) to (v) as discretionary steps a retailer may take on receipt of an application, to enable retailers to adopt a trust-based approach (see discussion at paragraph 89 above).</p> <p>We propose addressing subparagraph (b)(vi) in a new clause (clause 58 of the draft Schedule 11A.1). For the reasons discussed at paragraph 88 above, it is necessary to distinguish between retailers who are traders (and who have arrangements with distributors and metering equipment providers), and retailers who are not. A retailer who is a trader must notify the distributor and metering equipment provider under clause 58(1), while a retailer who is not a trader must notify the trader responsible for the relevant ICP (to enable that trader to notify the distributor and metering equipment provider on their behalf).</p>
92	<p>Retailers should, if they are not responsible under the Code for the premises an unverified MDC permanently or temporarily resides at:</p> <p>a. make reasonable attempts to determine who the current retailer is for the premises and advise the unverified</p>	57(2)	Changes proposed to clarify that a retailer must undertake the steps in this paragraph if the application does not relate to a customer's premises as soon as reasonably practicable, and to use language of 'reasonable endeavours' in paragraph 92(a) rather than

	<p>MDC of the retailer's name and contact details; and</p> <p>b. encourage the unverified MDC to contact the appropriate retailer as soon as practicable.</p>		<p>'reasonable attempts', for consistency with other clauses in the draft Code.</p> <p>Some retailers were concerned that it was not appropriate to require a retailer to take these steps, however we do not think that this raises significant workability issues, as we expect this is something that doesn't arise very often, and when it does, the obligation is only to make 'reasonable attempts'.</p> <p>We propose adding a requirement that the retailer must also notify the health practitioner who completed the confirmation of status form (if one has been provided) that the retailer is not responsible for the supply of electricity to the premises. This is to ensure the Code addresses all of the different situations that might arise under this Part, specifically the situation where the retailer receives a confirmation of status form directly.</p>
93	<p>Retailers may, if an unverified MDC does not provide a valid HP Notice verifying MDC status, after a period of at least 21 business days after making a request under paragraph 91.b.iv:</p> <p>a. request the valid HP Notice directly from the DHB, private hospital, GP or health practitioner the unverified MDC says provided the HP Notice if the unverified-MDC has provided appropriate consent and contact details; or</p> <p>b. if the unverified MDC has not provided appropriate consent or contact details, advise the unverified MDC they should obtain the valid HP Notice from the relevant health practitioner that issued the HP Notice as soon as practicable.</p>	60(2)–(4)	<p>Minor wording changes to clarify the obligations and to clarify that these steps only need to be undertaken if a retailer is considering declining the application on the basis that no valid confirmation of status form has been received (clause 60(2)). We also propose clarifying that, if the applicant requests that the retailer obtain the form directly from the health practitioner who completed the form, the retailer must do so (see clause 60(3)).</p> <p>We propose adding a timeframe of 10 business days, after which a retailer may decline an application if it provided the relevant information to the applicant but has still not received a valid confirmation of status form (see clause 60(4)).</p>
94	<p>Retailers should advise unverified-MDC's who do not agree to the retailer recording and holding information relevant to the application and/or HP Notice, or who do not provide a valid HP notice within the time frame set out in paragraph 93:</p> <p>a. that the retailer may not treat the unverified-MDC as an MDC/unverified MDC; and</p> <p>b. that the unverified-MDC should, as soon as practicable, inform the relevant health practitioner that the retailer may not treat the unverified-MDC as an MDC/unverified-MDC.</p>	59 and 60(2)(c) and (d)	<p>We propose splitting this paragraph into two separate clauses to address situations where no consent is provided (see clause 59) and where no confirmation of status form is received (see clause 60).</p> <p>We also propose some changes to align retailers' obligations in these situations. In particular, we propose adding the same timeframes when no consent is provided, so that:</p> <ul style="list-style-type: none"> - the steps in paragraph 94 of the Guidelines must be taken after a period of at least 21 business days of a retailer making the request for consent, and - a retailer may decline an application if those steps have been taken and the retailer has

			still not received the applicant's consent within 10 business days of doing so.
95	Retailers should advise an unverified-MDC that their application has not been approved if, within a period of at least 21 business days of a retailer making a request, the unverified MDC does not respond to queries from the retailer sent via the agreed method of communication between the retailer and the unverified MDC.	62 and 63	Proposed changes to clarify that a retailer may decline to record the applicant as a medically dependent consumer if they have not received a response to their questions within 21 business days (see clause 62), and to merge the obligation to notify the applicant of this decision with paragraph 99 of the Guidelines, which sets out other process obligations that apply to decisions to decline (see clause 63).
96	Retailers should, if the HP Notice for a customer, or a consumer permanently or temporarily resident at the customer's premises, is not current or is potentially invalid, have and follow a process to review and confirm the MDC status of the customer or consumer.	64	<p>Changes are proposed to mandate the process retailers must follow if they decide to review whether a person should continue to be recorded as a medically dependent consumer, rather than just to require retailers to have and follow a process to do so. This will provide certainty to retailers and consumers and will ensure a workable, consistent process is followed by all retailers.</p> <p>We propose merging paragraphs 96 to 98 of the Guidelines into a single clause.</p>
97	Retailers may choose to confirm the validity of a HP Notice verifying a customer or a consumer permanently or temporarily resident at the customer's premises as medically dependent. This should be no more frequently than once every 12 months unless the HP Notice is valid for less than 12 months or has no expiry date on its validity or the retailer, acting reasonably, has good reason to believe an MDC should not have MDC status.	64	<p>Changes are proposed to ensure the review process is workable in all situations. Because a person may have been initially recorded as a medically dependent consumer without a confirmation of status form having been received, the scope of the review is proposed to be whether the person should still be recorded as a medically dependent consumer, not whether the confirmation of status form remains valid.</p> <p>To ensure the review process is not overly burdensome, we propose a blanket rule that a retailer may review medically dependent status no more than once in any 12 month period, regardless of whether the confirmation of status form (or reconfirmation form) was for a particular time period which has now ended.</p> <p>We propose the same process requirements for new applications should apply to reviews, with the necessary modifications (clause 66(3)). This means that, if a retailer did not obtain a confirmation of status form during the original application process, they can request one during a subsequent review. We have also proposed clarifying that a review must include (and may be limited to) confirming that the consumer still lives at the premises serviced by the retailer, asking the consumer if they are still medically dependent, and giving them an opportunity to provide further relevant information (clause 66(2)). If a retailer already has a confirmation of status form for that consumer, they may ask for a reconfirmation form, but only if appropriate in the circumstances – for example, if the form may</p>

			<p>be out of date (clause 66(4)). This addresses concerns raised by some retailers that it would be inappropriate to require annual confirmation for all medically dependent consumers. If a reconfirmation form is requested, the retailer must provide the form that is prescribed by the Authority, to ensure consistency across retailers in the information that is collected and recorded.</p> <p>Finally, we propose including requirements on retailers to notify the customer or residential consumer of the outcome of the review, and to give two weeks' notice before removing the record (if that is the retailer's decision) (clause 66(6)).</p>
98	<p>Retailers should explain to an unverified MDC that the unverified MDC and retailer each pay their own costs associated with the unverified MDC gaining MDC status, unless a retailer wishes while an HP notice remains in force to confirm or reconsider the MDC status of a customer, or a consumer permanently or temporarily resident at a customer's premises. In that case, 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.</p>	64(5)	<p>The first part of this paragraph has not been included in the Code drafting as it is not necessary, and retailers should be able to form their own policy on costs associated with the application process for medically dependent consumers.</p> <p>We propose requiring retailers to cover the reasonable costs of obtaining a reconfirmation form, unless the confirmation of status form (or any earlier confirmation form) had specified a time period to which the health practitioner's confirmation had applied, and that period has ended.</p>
99	<p>Retailers that do not agree an MDC or an unverified MDC is medically dependent should inform the MDC/unverified MDC of the retailer's view and:</p> <ol style="list-style-type: none"> a. advise the MDC/MDC applicant of the dispute process the MDC/unverified MDC may follow, including: <ol style="list-style-type: none"> i. making a complaint to the retailer through the retailer's dispute resolution process; and ii. making a complaint to Utilities Disputes if the MDC/unverified MDC considers its dispute remains unresolved following the conclusion of the retailer's dispute resolution process; and b. if a complaint is made, treat the premises where the MDC/unverified MDC permanently or temporarily resides as housing an MDC for at least the duration of the dispute concerning the MDC's/unverified MDC's status as an MDC. 	63	<p>No material changes proposed in respect of the existing provisions.</p> <p>We also propose additional obligations to advise the applicant of the retailer's decision as soon as practicable, and to inform the applicant of the process for reapplying to be recorded as a medically dependent consumer.</p>
100	<p>Retailers should:</p> <ol style="list-style-type: none"> a. make all reasonable efforts to confirm whether an MDC or unverified MDC is 	68	<p>We have proposed changes to avoid duplication of the concrete steps required in the paragraphs above, by replacing this</p>

	<p>permanently or temporarily resident at a customer's premises which the retailer intends to disconnect; and</p> <p>b. not disconnect a post-pay customer's premises for non-payment of debt even where electricity or distribution services were obtained by deceptive means if an MDC or unverified MDC is permanently or temporarily resident at the premises, including where the customer or a consumer permanently or temporarily resident at the premises:</p> <p>i. has been confirmed as medically dependent by the retailer; and</p> <p>ii. has applied to the retailer for MDC status.</p>		<p>paragraph with a general overarching obligation on retailers to use best endeavours to avoid disconnecting any residential premises at which a medically dependent consumer is residing.</p> <p>We expect that meeting this obligation will require retailers to make all reasonable efforts to satisfy themselves that a medically dependent consumer is not residing at a property before the retailer disconnects it, and that in some circumstances this may require going beyond the concrete steps required above. For example, if a retailer has requested but not received a valid confirmation of status form in the timeframe provided, but the customer has provided good reason for this, a best endeavours obligation may require retailers to continue to treat that person as someone who may be medically dependent for a time.</p>
101	<p>Distributors undertaking a disconnection of a domestic premises in an emergency should, if practicable and if there is sufficient time, proceed with the disconnection only if:</p> <p>a. no persons are at the premises or the distributor receives no response to its reasonable attempts to contact persons at the premises during the distributor's onsite visit(s); and</p> <p>b. the distributor has advised any MDCs at the premises of the reason for the disconnection and has advised any such MDCs to enact their individual emergency response plan.</p>	69	<p>Changes are proposed to clarify the scope of the obligation on distributors and to ensure it provides a workable protection. We therefore propose that the obligation should be to, if practicable and if there is sufficient time, visit the premises being disconnected in an emergency and use reasonable endeavours to contact any person at the premises before undertaking the disconnection. If contact is made, the distributor must advise of the reason for the disconnection and that if any medically dependent consumers are present, they should enact their individual emergency response plan. This proposed obligation does not require the person visiting the premises to have any information in advance about medically dependent consumers residing at the premises, which we consider is more appropriate in the circumstances of an emergency.</p>
Part 9: Fees and bonds			
102	<p>This Part makes recommendations to retailers concerning fees, bonds and the setting of fees or bonds so that they reflect reasonable costs.</p>	74	<p>Changes proposed to better reflect the content of this Part, by including conditional discounts and replacing 'so that they reflect reasonable costs' with 'to ensure they are reasonable'.</p>
103	<p>In the context of these guidelines, a fee is a charge that a retailer places on a customer for a specific electricity offering other than the electricity supplied or the distribution services provided to the customer. Examples include a break fee for a fixed term contract or an administrative fee at disconnection or reconnection.</p>	--	<p>We propose a simpler definition of 'fee' in clause 11A.2 of the draft Code, to clarify it means any amount charged to a customer in connection with the supply of electricity to that customer, other than a rate charged for electricity supplied.</p>
104	<p>A conditional discount can, in some circumstances, also act as a fee (eg, a prompt payment discount, or a discount</p>	--	<p>We propose a definition of 'conditional discount' in clause 11A.2 of the draft Code that</p>

	for payment via direct debit or paperless transactions) because the customers who do not meet the conditions for the discount pay a higher amount for the electricity supplied or distribution services provided.		aligns with Australian legislation ² and clarifies that a conditional discount is limited to discounts offered for satisfying payment conditions, and does not include other types of conditional discounts, such as a wellbeing discount offered to low income customers.
105	A bond is an upfront payment of a lump sum to provide security to retailers. In the case of non-payment by a customer, a retailer may use that customer's bond to recover debt.	--	We propose a definition of 'bond' in clause 11A.2 of the draft Code that aligns with this description.
106	These guidelines do not restate the fees-related recommendations set out in the Authority's 'Voluntary good contracting principles and minimum terms and conditions for domestic contracts'.	--	This paragraph is not included in the draft Code as it is unnecessary – it refers to external guidance that is not being mandated.
107	Retailers should, in their consumer care policy, provide information on all fees, conditional discounts and bonds charged or made available to customers, even if the retailer has published them elsewhere on its website	3(2)(h) and 75(a)	No material changes proposed.
108	Retailers should make sure that:	--	This paragraph is not included in the draft Code as it is unnecessary – it duplicates the definition of 'fee' in draft clause 11A.2, which means any amount charged to a customer in connection with the supply of electricity to that customer, <i>other than</i> a rate charged for electricity supplied
	a. fees are charged only for goods or services used by a customer that are additional to the supply of electricity or the provision of distribution services; and		
	b. they have satisfied themselves (acting reasonably) that before charging for a good or service that is additional to the supply of electricity or the provision of distribution services, the customer is aware of the amount of the fee; and	76	No material changes proposed.
	c. if a retailer determines a fee by a particular method or calculation (such as a fee calculated by reference to an hourly rate), this is explained in advance and included in the retailer's consumer care policy; and	75(b)	No material changes proposed.
	d. any fees set via a method or calculation should include a stated maximum limit; and	77	No material changes proposed.
	e. customers are made aware of the amount of any conditional discount and how a customer can receive that conditional discount.	80	No material changes proposed.

² See: National Energy Retail Amendment (Regulating conditional discounting) Rule 2020 No. 1.

109	Retailers should make sure all fees or conditional discounts charged under this Part are reasonable, taking into account the following (as applicable):	78 and 81	We propose separating out obligations in relation to fees (clause 78 of the draft Schedule 11A.1) and conditional discounts (clause 79 of the draft Schedule 11A.1) – these are discussed further below.
	a. a fee should only be charged to those customers who are the recipient of a specific good or service that is additional to the supply of electricity or the provision of distribution services and not to other customers; and	--	This paragraph is not included in the draft Schedule 11A.1 as it is unnecessary – it duplicates the definition of ‘fee’ in draft clause 11A.2, which means any amount charged to a customer in connection with the supply of electricity <i>to that customer</i> , other than a rate charged for electricity supplied.
	b. all fees should bear a proper relation to the cost of providing the good or service. Fees should: i. strike an appropriate balance between precision, and administrative and practical efficiency; and ii. not be used to offset the cost of future recipients of the good or service; and iii. not attempt to recover any deficit that may have arisen because of previous under-recovery; and	78	We propose changes to clarify the obligations in relation to fees and in particular clarify that a fee may <i>not exceed</i> reasonable estimates of the costs the fee is identified as contributing to (clarifying that a fee may be less than the costs the fee is for).
	c. conditional discounts should be cost-reflective of the cost to the retailer of a customer not meeting the conditions for the discount, and take into account the extent to which the retailer’s practices (eg, a failure to facilitate the customer being on the retailer’s tariff that is most appropriate to the customer’s circumstances) have contributed to the need for the conditional discount.	81	We propose changes to clarify that conditional discounts must reflect a reasonable estimate of the costs to the retailer of a customer not meeting the conditions of the discount. To make the obligation clearer and more workable, we also propose replacing the existing expectation that a retailer ‘take into account’ the extent to which the retailer’s practices have contributed to the need for the conditional discount (which may be difficult to reconcile with a strict cost-effective approach), with an obligation on a retailer, before removing a conditional discount (such as a prompt payment discount) from a customer, to consider whether it has one or more pricing plans that the retailer reasonably considers would reduce the amount of the customer’s invoices, and if so, advise the customer of that plan or those plans.
110	With the exception of a final invoice from a retailer, if a fee charged to a customer is over 20% of the customer’s average monthly cost during the past 12 months (or the number of months since the customer joined the retailer if this number is less than 12) (eg, the customer has agreed to a significant reconfiguration of their metering installation or the customer is on a weekly billing cycle), the retailer should	79	Changes proposed to clarify the operation of this paragraph for new customers who won’t have any billing history. In this case, the clause will apply if a fee is more than 20% of a reasonable estimate of a new customer’s expected monthly invoice amount. Some retailers were concerned that spreading payment of a fee over five months may not be the best option for a customer, for example, if the fee will be spread over winter months. We therefore propose clarifying the obligation is on retailers is to ‘offer the customer <i>options</i> to

	allow the customer to spread the fee over a period of at least five months.		spread the payment of the fee over a period of at least five months', and an additional obligation to advise the customer how this might impact them, taking into consideration any seasonal effects in their upcoming invoice cycles. This wording provides more operational flexibility to provide options which are more tailored to a customer's specific circumstances.
111	Retailers should consider the Commerce Commission's guidance on unfair contract terms, including regarding break fees, under the Fair Trading Act 1986. Retailers must also make sure that they do not, using break fees or any other fees, breach the provisions of the Code which prohibit save and win-back approaches.	--	This paragraph is not included in the draft Code as it is unnecessary – it refers to pre-existing obligations and external guidance that is not being mandated.
112	A bond should be set at a level that is reasonable taking into account a customer's expected invoice amount for a billing cycle.	82(1)	No material changes proposed.
113	A bond should usually be refunded after 12 months of the customer paying all invoices on time. The 12-month period should only be extended if the retailer has experienced non-payment issues with the customer during the 12-month period.	82(2)	Changes proposed to simplify and clarify the drafting, by deleting the second sentence as it is unnecessary – it is implicit from the first sentence that the 12-month period should only be extended if a customer has failed to pay an invoice by the due date.

Appendix C Evaluation of costs and benefits

Assessment of the costs and benefits of mandating the proposed Consumer Care Obligations

18 July 2024

About Concept Consulting Group

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Our directors have held senior executive roles in the energy sector, and our team has a breadth of policy, regulatory, economic analysis, strategy, modelling, forecasting and reporting expertise. Our clients include large users, suppliers, regulators and governments. Our practical experience and range of skills means we can tackle difficult problems and provide advice you can use.

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1 Executive summary

We assess that the Electricity Authority's (Authority) proposed changes to, and mandating of, the Consumer Care Guidelines (Guidelines) into the Consumer Care Obligations (Obligations) are highly likely to have positive net benefits. These proposed changes (the proposal) reflect Option 4 in the Authority's consultation¹ and decision paper.² Benefits accrue principally to residential consumers, with retailers facing some additional compliance costs and some cost savings. Other cost impacts (e.g. on the Authority or on distributors) are unlikely to be material relative to retailer costs.

Due to data limitations, our assessment is primarily qualitative.

1.1 Consumer benefits from the proposal are likely to be high

The primary benefits of the proposed changes are from a higher degree of consumer protection for a greater proportion of consumers.

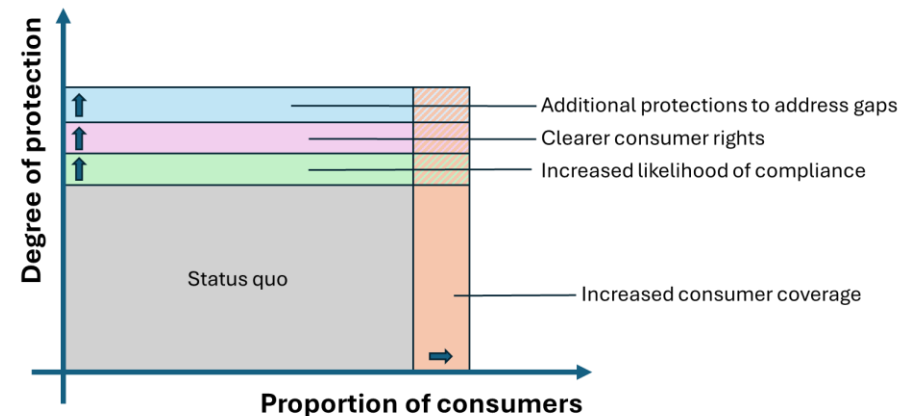
These come from:

- **increased consumer coverage** as the Obligations become mandatory for all retailers
- **increased likelihood of compliance** as the Obligations become enforceable
- **clearer consumer rights** as drafting improvements are made to the Obligations
- **minor additional consumer protections** from specific clause changes to address unintended gaps.

¹ 2023 consultation paper – [Options to update and strengthen the Consumer Care Guidelines \(ea.govt.nz\)](#)

² 2024 decision paper – [Updating and strengthening the consumer care guidelines \(ea.govt.nz\)](#)

Figure 1: Changes to consumer protection³



Increased consumer protection translates into substantial consumer benefits because:

- the Obligations protect customers' access to electricity, the value of which is particularly high for:
 - medically dependent consumers, as they rely on electricity to keep them healthy, and in some cases, alive
 - consumers facing financial difficulties, as there is a large number of households experiencing energy hardship
- the Obligations provide broader consumer protections (i.e. not necessarily related to protecting electricity access/preventing disconnections) that cover interactions over the entire customer-retailer relationship and provide convenience and dignity benefits to consumers
- the flow-on effects of increased consumer protection (including increased trust in retailers and confidence in the electricity market) provide wider economic benefits through making the electricity market more competitive and stable.

³ We note that this graph (as well as Figures Figure 2Figure 4 and Figure 5) are illustrative only. particularly the relative sizes of increases and decreases to consumer protection and compliance requirements, which are likely to be substantially different from one impact to another.



1.2 Retailer compliance costs are likely to increase

We expect retailer compliance costs to increase, but that this increase will be much smaller than the increase in consumer benefits.

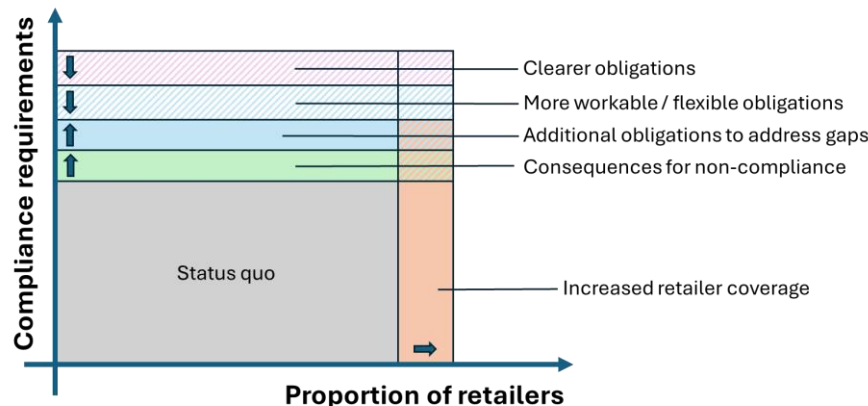
The primary costs of the proposed changes come from:

- **increased retailer coverage** as the Obligations become mandatory for all retailers
- **consequences for non-compliance** as the Obligations become enforceable
- **additional obligations** created by specific clause changes to address unintended gaps.

These increased compliance requirements are offset to some degree by:

- **clearer obligations** due to drafting improvements made to the Obligations
- **more workable and operationally flexible obligations** created by specific clause changes.

Figure 2: Changes to retailer compliance requirements



More onerous compliance requirements for a higher proportion of retailers translates into increased compliance costs (both substantive compliance costs and demonstrative reporting costs – although we note that some

substantive compliance costs relating to debt management, etc. will reduce over time, as the customer-retailer relationship improves).

1.3 Net benefits will increase over time

The net benefits of the proposal are likely to increase over time because:

- the level of consumer protection is likely to improve (and compliance costs are likely to fall) as retailers become more familiar with complying with the Obligations and the Authority becomes more familiar with enforcing them
- the number of electricity consumers protected by the Obligations will likely increase as New Zealand's population grows
- the proportion of consumers requiring protection under the Obligations is likely to grow as New Zealand's population ages (likely resulting in more medically dependent consumers)
- the value of protecting consumers' access to electricity will likely rise as electrification and digitalisation increase consumers' reliance on electricity
- costs will rise with increased consumer numbers (both generally population growth and more medically dependent consumers and those experiencing energy hardship), but this growth is likely to be lower than the increase in benefits.

1.4 The proposal produces higher net benefits than other options

We have considered how we expect the costs and benefits would be different in several sensitivity cases:

- We expect improvements to the drafting of the Guidelines only (Option 2 from the Authority's consultation document) will still result in net benefits relative to the status quo, but to a lesser extent than the proposal.
- We expect codification of Parts 2, 6, 7, and 8 of the Guidelines only (Option 3 from the Authority's consultation document) would also result in net benefits relative to the status quo, but also to a lesser extent than the proposal.



1.5 The net present value of the proposal is likely to be positive

We expect the net present value (NPV) of the proposal to be positive. This means we expect total benefits across 10 years, discounted at a rate of 7% per annum, to outweigh total annual costs.

Because many compliance costs will be incurred immediately, while benefits will be spread more evenly over time, the average annual benefits need to be around 25% higher than average annual costs to achieve a positive NPV. We expect this to be the case.



2 Context and background

In 2020, the Electricity Authority (Authority) reviewed existing guidelines for retailers on arrangements to assist medically dependent and vulnerable consumers. This led to the formation of the current Consumer Care Guidelines (Guidelines) in 2021.

The Guidelines encouraged retailers to set up processes and policies that protect consumers,⁴ particularly those that are experiencing financial difficulties or are dependent on electricity for medical reasons. However, the Guidelines are voluntary (with willing retailers self-reporting their alignment through annual alignment statements) and are being applied inconsistently from retailer to retailer.

In 2023, the Authority consulted on various options to improve the Guidelines so that they better deliver the policy objectives intended by the Guidelines' overarching principles,⁵ and to ensure better alignment with the Authority's additional statutory objective.⁶ This consultation included consideration of four options:

1. Maintain the status quo (i.e. the Guidelines would remain voluntary).
2. Keep the Guidelines voluntary but clarify interpretation issues in some areas. This option could be undertaken on its own or alongside Option 3 or Option 4.
3. Codify (i.e. make mandatory) Parts 2, 6, 7, and 8 of the Guidelines as Consumer Care Obligations. These parts provide key consumer welfare protections around financial difficulty, disconnection, and medically dependent consumers.

⁴ We use the terms “consumers” and “customers” to refer to persons who use energy at least in part for domestic purposes – i.e. residential, not commercial or industrial.

⁵ These are that electricity is important to the health, wellbeing and social participation of people and whānau in communities (overarching principle A), respect and constructive engagement underpin the consumer and retailer experience (overarching principle B) and retailers have a right to be paid for services delivered and competition and innovation should be supported (overarching principle C).

4. Codify Parts 1 to 9 of the Guidelines as Consumer Care Obligations.

In February 2024, the Authority decided that codifying Parts 1 to 9 of the Guidelines (Option 4)⁷ would best achieve their policy and statutory objectives. This option had broad support from consumers and consumer representatives.

⁶ The Authority's main statutory objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers. The Authority also has an additional objective to protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers.

⁷ This includes clarifying interpretation issues (Option 2). Part 10 of the Guidelines was not included in the four options originally, because the Authority was considering improvements to information disclosure and monitoring in a separate project on improving the collection of retail data. The proposed Code amendment does however include a compliance framework, as discussed in section 4.2.2 of this paper.



3 Analysis of proposed changes

This report qualitatively assesses the costs and benefits of the Authority's proposal (proposal) to mandate the Guidelines⁸ together with the clarification of interpretation issues (Option 4) as the Consumer Care Obligations (Obligations). These costs and benefits are assessed relative to a counterfactual based on the status quo (Option 1).

3.1 What does the status quo look like?

Currently, the Guidelines are voluntary and, while most retailers report being aligned⁹ or partially aligned with the Guidelines, a minority of retailers do not align or have not responded to the Authority's enquiries. This means that their customers likely do not benefit from some, or potentially all, of the processes and other consumer protections set out in the Guidelines.

As of June 2023 (i.e. the date of the most recent alignment statements) the retail market consisted of:

- six large retail brands (≥100,000 ICPs)
- eight medium-sized retail brands (10,000-99,999 ICPs)
- 43 small retail brands (<10,000 ICPs). The Authority identified another 17 retail brands, but their eligibility (i.e. whether they supply electricity to domestic consumers) was unclear.

The most recent alignment report¹⁰ show full alignment with the Guidelines reported by:

- all six large retail brands
- six out of eight of medium-sized retail brands (with the remaining two reporting partial alignment)

⁸ Note that, other than the purpose statement, Part 1 is not being codified per se, because it includes overarching principles and intended outcomes which are explanatory only and do not need to be included to mandate the Guidelines. Aspects of Part 10, which relates to information disclosure and monitoring, are also proposed to be codified in clause 11A.4.

⁹ Note that we use the term 'alignment' when referring to adherence to the voluntary Guidelines, and the term 'compliance' when referring to adherence to the mandated Consumer Care Obligations.

- over 80% of small retail brands who provided self-assessments (noting that 31 out of 43 eligible retail brands provided responses).¹¹

Overall, 95% of residential consumers are with retail brands that reported full alignment with the Guidelines. This has increased from the previous set of alignment statements from June 2022, where this figure was only 67%.¹²

In addition, because alignment with the Guidelines is voluntary, with no significant consequences for non-alignment or incorrect reporting, some retailers may be applying insufficient rigour to their self-assessments, and reporting full alignment when they are only partially aligned.

3.2 What do the proposed changes look like?

There are many specific changes being proposed to clauses in the Obligations. However, there are three key policy changes that underly most of these specific changes:

- The Obligations will be **mandatory** – this means they impose obligations on all retailers, and therefore provide protection to all consumers. It also ensures that obligations are on retailers directly (i.e. to take active steps to protect consumers, not just to have policies or systems in place).
- The Obligations will be **enforceable** – this means retailers can face consequences for not complying with the Obligations. This improves the incentive for retailers to fully comply with the Obligations relative to the status quo and enables the Authority to act to address non-compliance.

¹⁰ See alignment report for year ended June 2023 – [2022/23 Consumer Care Guidelines Annual Alignment Statement report \(ea.govt.nz\)](#).

¹¹ Representing 71% of small retailers' ICPs.

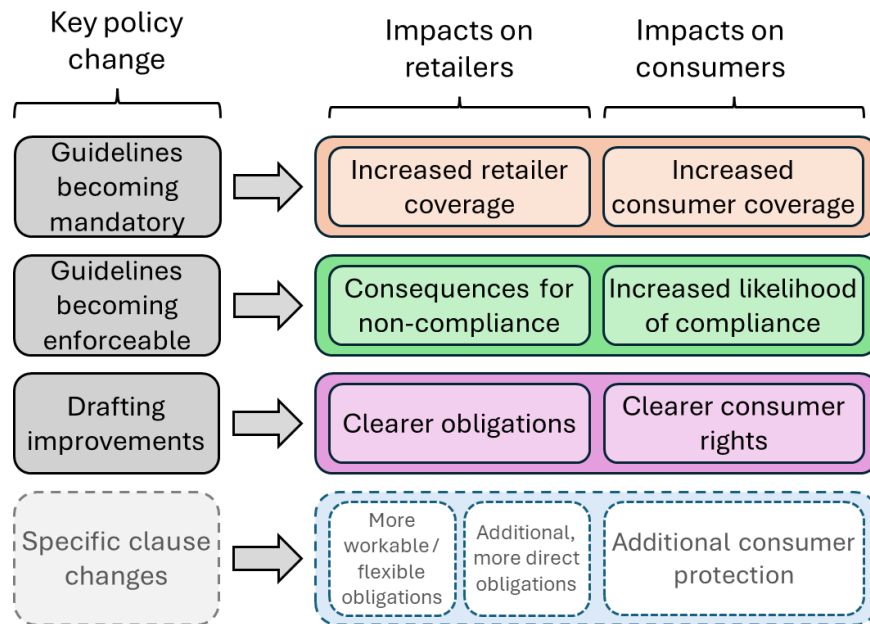
¹² See alignment report for year ended June 2022 – [Summary of Retail Brands' self-assessments of alignment with the Consumer Care Guidelines \(ea.govt.nz\)](#).



- There have been **drafting improvements** to the Obligations – this makes retailers’ obligations clearer, making it easier for retailers to comply, as well as making it easier for consumers to understand their rights and the remedies available to them. It also involves removing obligations that are already covered elsewhere in the Obligations or in other legislation or regulation.

The impacts of these three key policy changes, as well as the impacts of more clause-specific changes, are set out in Figure 3 below.

Figure 3: Impacts of key policy changes



Specific clause changes include:

- several **new obligations** on retailers to address existing gaps and better reflect the policy intent of some clauses – for example,

additional information that retailers must provide their customers, or additional procedural steps they must take, such as reminding customers that are experiencing payment difficulties of the retailer’s consumer care policy

- making obligations **more workable** – tweaking obligations so as to not require retailers to do things that are outside of their reasonable control. For example, the obligation on retailers to satisfy themselves that a new customer has reviewed their terms and conditions becomes a more workable obligation to ensure they have the opportunity to do so
- removing prescriptions to provide retailers with **more operational flexibility** with how they achieve the policy intent of the obligation – this includes less prescriptive wording (e.g. no prescribed statements that retailers must include in their consumer care policies), and broadening categories of information that retailers are required to collect (e.g. collecting information about “any other matters which may be relevant to engaging with that customer”, rather than specific requirements about disabilities).

3.3 Our assessment methodology








We have reviewed policy documents from the Authority that outline the proposed changes and reasoning for each clause and sub-clause of the Guidelines, as well as drafts of Appendix A (new Code Provisions) and Appendix B (clause-by-clause summary of changes) of the Consultation Paper.

As part of this process, we have qualitatively assessed the impact of key changes on both consumers and retailers and assigned a rating indicating



the expected change in net benefits or costs as outlined in Table 1 below.¹³

Table 1: Rating legend

Rating	Explanation
	Significant increase in net benefits or reduction in net costs
	Moderate increase in net benefits or reduction in net costs
	Small increase in net benefits or reduction in net costs
	No material impact on net costs or benefits (including similar countervailing costs and benefits, or no material impact at all)
	Small reduction in net benefits or increase in net costs
	Moderate reduction in net benefits or increase in net costs
	Significant reduction in net benefits or increase in net costs

¹³ We note that the ratings in this report are based on qualitative judgements of the cost and benefits for different parties. As such, ratings in one table are not necessarily perfectly cumulative or perfectly scaled to ratings in other tables.



4 Assessment of costs and benefits

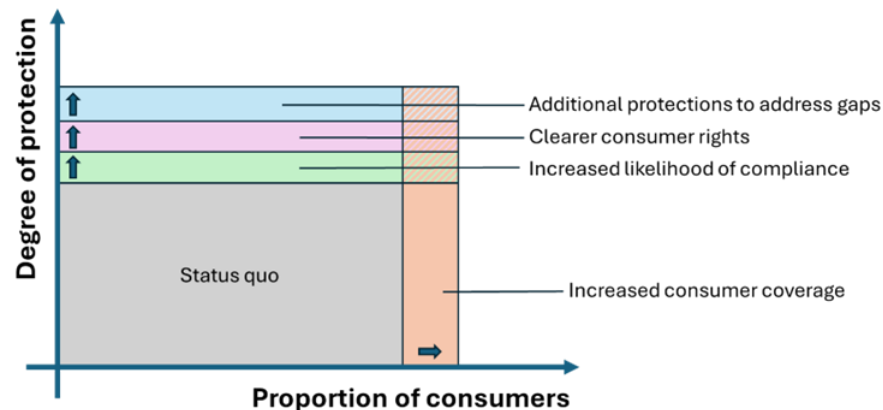
We consider how the proposal affects different parties, and the net costs or benefits they face.

4.1 Net impact on consumers

4.1.1 Increased consumer protection

The proposal will provide a higher degree of consumer protection for a greater proportion of consumers.

Figure 4: Changes to consumer protection



We expect the majority of this increased consumer protection will come from the Obligations being made mandatory and enforceable:

- **Increased consumer coverage** – by making the Obligations mandatory, all retailers will have to comply with them. This means that all consumers will be served by retailers that are required to ensure minimum standards of consumer protection (i.e. coverage will expand to include the 5% of consumers whose retailers are not aligned with the Guidelines).
- **Increased likelihood of compliance** – by making the Obligations enforceable, there will be consequences for retailers for not

complying. This means that retailers who previously self-reported as being fully aligned with the Guidelines will likely apply a higher level of rigour to ensure that they are fully compliant with the Obligations, which will increase the likelihood of full compliance.

Further consumer protection may also come from drafting improvements and specific changes to the Obligations, although likely at a smaller scale:

- **Clearer consumer rights** – by improving the clarity of the retailers' obligations, consumers are more likely to understand what they are entitled to under the Obligations. This (combined with further efforts by the Authority to educate consumers about the Obligations) will help consumers to identify when their rights may have been infringed upon and the remedies available (such as raising the issue with the retailer, and if this unsuccessful, making a complaint to Utilities Disputes Limited, or alleging a breach with the Authority).
- **Minor additional protections** – there are some new consumer protections to address unintended gaps in the specific changes to the Obligations, for example a time limit of five business days for retailers to make a referral to financial support service (where the customer has given consent for them to do so under a previous clause).

4.1.2 Benefits of increased consumer protection

The size of the benefits of consumer protection depends on a range of factors, as outlined below.

$$\text{Consumer benefits} = \text{Degree of protection} \times \text{Number of consumers} \times \text{Proportion of consumers requiring protection} \times \text{Benefits from consumer protection}$$

As indicated by Figure 4, the proposal will increase the degree of protection, as well as the number of consumers covered by the protections. However, to estimate the benefits of the proposal it is also necessary to consider:

- the proportion of consumers requiring protections
- how these consumer protections translate to benefits.



Proportion of consumers requiring protection

It is likely that all consumers will derive some benefit from the Obligations, by having improved engagement with their retailers. However, we expect that the bulk of benefits will be derived from those consumers that are particularly reliant on the Obligations, particularly:

- **consumers experiencing energy hardship** – there are a substantial number of consumers that may be facing energy hardship and are therefore particularly likely to benefit from the mandating of the Obligations. According to research by MBIE,¹⁴ 110,000 households reported that they could not afford to keep their homes adequately warm in the year ending June 2022.¹⁵
- **medically dependent consumers** – the number of these consumers is presumably low, however the health implications of not being able to access electricity (see below) are very high.

Benefits from consumer protection

The proposal aims to impose a set of minimum standards on retailers, requiring them to:¹⁶

- adopt behaviours and processes that foster positive relationships with residential consumers
- help residential consumers maximise their potential to access and afford a constant electricity supply suitable for their needs, and
- help minimise harm to residential consumers caused by insufficient access to electricity or by payment difficulties.

To monitor the impacts of the Obligations, the Authority will assess the following key outcomes:

1. All residential consumers receive care and respect in every interaction with their retailer.

2. Customers receive a consistent minimum level of care from their retailer, ensuring equitable treatment across the electricity sector.
3. Customers are on the most suitable plan for their circumstance.
4. Customers experiencing payment difficulties are connected and supported, with retailers only using disconnection as a last resort measure.
5. Medically dependent consumers are not disconnected.

We consider that the most beneficial aspect of mandating the Obligations is that it will improve access to electricity (for consumers that rely on the Obligations), by improving engagement between retailers and their customers and reducing the number of consumer disconnections (Outcomes 4-5). Not having access to electricity comes with substantial costs (more so than in the past). This is because electricity is vital for many general and specific functions, including:

- **medical care** – without access to electricity, medically dependent consumers may not be able to run equipment that is vital to their health, risking serious medical harm or even death. The economic cost of such a high-impact low-probability event can be very high.
- **heating** – many households use electricity for heating. A lack of heating can result in cold and damp living conditions, leading to poor health outcomes, particularly for children and the elderly. The Energy Hardship Expert Panel Report to the Minister in 2023 noted that “in 2017, damp or mouldy housing in New Zealand led to 6,276 hospitalisations, representing a cost of \$36 million”.
- **other general functions** – electricity is also used for lighting, cooling, and powering appliances and electronics.
- **other utilities** – some utilities can rely on electricity. For example, without electricity some gas heating will not be able to start and some rural water supplies may not be able to pump water. Crucially, electricity is also necessary to power the equipment used to access the internet, including the infrastructure to connect

¹⁴ See [Report on Energy Hardship Measures – year ended June 2022 \(mbie.govt.nz\)](https://www.mbie.govt.nz/reports/energy-hardship-measures-year-ended-june-2022).

¹⁵ Considering the average New Zealand household comprises 2.7 people, this equates to approximately 297,000 people, noting that this is likely a lower bound as “this does not account for ethnic or cultural variation, for example, one third of Pacific peoples live in extended family situations”. See the 2023 Energy Hardship Expert Panel Report to the Minister – [Energy Hardship: The challenges and a way forward \(mbie.govt.nz\)](https://www.mbie.govt.nz/reports/energy-hardship-the-challenges-and-a-way-forward).

¹⁶ See clause 11A.1 of the proposed Code amendment.



a home network to the fibre or copper network, as well as cell phones and other devices that connect to mobile networks. Without this connectivity, consumers may miss out on services that are increasingly provided and coordinated online (including health and education), as well as losing the ability to work from home.

As shown above, our qualitative assessment of the costs of not having access to electricity indicates that the avoided costs (i.e. benefits) of improving consumers' access to electricity are substantial.

Other benefits (not related to a consumer's access to electricity) include:

- **consumer convenience and dignity benefits** – the Obligations should improve engagement and communications between all consumers and their retailers (Outcomes 1-2). While hard to quantify economically, there are inherent consumer benefits from reduced frustration or confusion and being treated fairly and compassionately.
- **innovation benefits** – we expect improved engagement between retailers and customers to make it easier for consumers to use and benefit from new and innovative technologies and arrangements (e.g. residential demand response trials, establishing vehicle-to-grid arrangements, etc.)
- **competition benefits** – the Obligations could give some consumers more confidence to switch retailers if they want to (as they know they would still be protected), help ensure that consumers are on an appropriate electricity plan (Outcome 3), and improve the transparency of retailers' processes. This could lead to improvements in retail competition, which provides broader economic benefits to the electricity market and consumers
- **market stability benefits** – we expect the Obligations will lead to increased trust in retailers and confidence in the electricity sector as a whole (Outcomes 1-5). This should result in a more stable electricity market, reducing the likelihood of more intrusive and costly interventions which can be disruptive to consumers.

In summary, we expect consumer benefits to be high because the proposal will result in a substantial increase in the degree of protection, the

number of consumers protected, the number of consumers that rely on this protection, and the costs the protection will avoid.

Present value

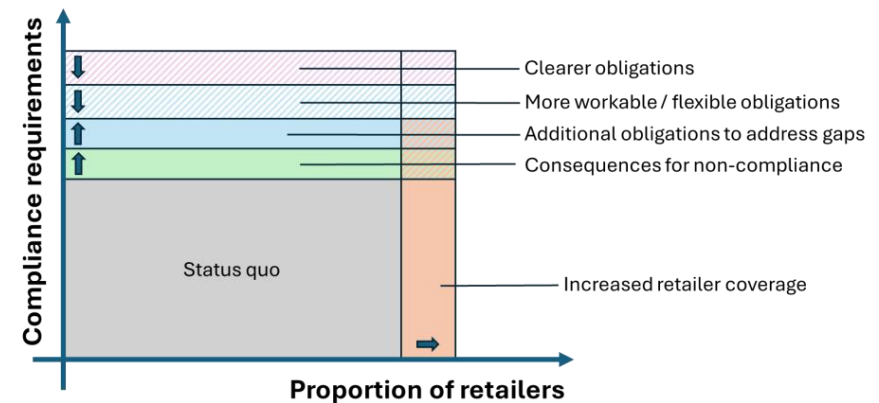
We expect these benefits to accrue from the first year following implementation, and to endure into future years at a relatively constant rate (excluding the impact of macro trends as discussed in section 5). This means that their present value is not affected by the profile of the benefits over time.

4.2 Net impact on retailers

4.2.1 Increased compliance requirements

Retailers will likely incur net costs from the proposal because of higher compliance requirements for a greater proportion of retailers.

Figure 5: Changes to retailer compliance requirements



As with consumer benefits, we expect most of the additional retailer compliance burden will come from the Obligations being made mandatory and enforceable:

- **Increased retailer coverage** – by making the Obligations mandatory, all retailers will have to comply with them. Currently,



two medium retailers and a number of small retailers have not been fully aligning themselves with the voluntary Guidelines. They are therefore unlikely to be fully complying with the mandated Obligations, so will be required to take additional steps to comply.

- **Consequences for non-compliance** – by making the Obligations enforceable, there are now consequences for retailers for not complying. As such, retailers will want to be more certain that they are fully complying with the Obligations before they certify that this is the case. This is likely to require them to allocate more resources towards compliance and develop a more robust assurance process.

Some specific changes have also resulted in increased compliance requirements for retailers, but to a lesser degree:

- **Additional obligations to address existing gaps** – there are some additional obligations on retailers that will require them to take further steps or invest further resources. For example, when a customer falls behind in their repayments, there is now an explicit obligation on retailers to tell the customer that they have fallen behind and inform them of next steps if repayment is not made. We expect that most of these additional obligations will require minimal changes to most retailers' current practices, so the compliance burden is likely to be relatively low.

We expect drafting improvements and some specific clause changes will reduce compliance requirements to some degree, but not enough to outweigh the increased compliance burden from the factors above.

- **Clearer obligations** – drafting improvements give retailers a better understanding of exactly what their obligations under the mandated Obligations are. This means that they can more efficiently target resources at the specific areas and issues outlined by the Obligations. For some retailers, this may also reduce the resources spent trying to ascertain the extent of their obligations.
- **More workable and operationally flexible obligations** – some obligations on retailers have been removed to make sure compliance is practical and workable, and to give retailers more flexibility in their operations, while still requiring them to achieve

the policy objective of the Guidelines. For example, retailers no longer have to inform customers of the retail offerings available from their competitors, and prescriptive wording requirements have been removed. Some changes also give retailers flexibility to provide greater consumer protections (i.e. a minimum standard, rather than a fixed one), which could also result in increased consumer benefits.

Overall though, we expect the increase in retailer compliance requirements from increased retailer coverage, consequences for non-compliance, and additional and more direct obligations to outweigh any reductions from clearer and more workable/flexible obligations.

4.2.2 Cost of increased retail compliance

We expect these increased compliance requirements will manifest as increased economic costs to retailers through:

- substantive compliance costs
- reporting compliance costs

Overall though, we expect the increase in compliance costs to be low relative to the increase in consumer benefits.

Some non-aligned retailers may exit the market if the cost of complying with the Obligations is too high for them. While this may be efficient, it could impose some switching costs to consumers. However, we consider the risk/cost of this is likely to be vastly outweighed by the benefits to consumers of this change.

Substantive compliance costs

These costs include the increased resources that need to be directed to certain areas of the retail business to ensure that area is complying with the Obligations, such as more training for representatives, new IT systems for recording information, etc.

These costs are likely to be very low for the majority of retailers who are already fully aligned with the Guidelines. While they will be higher for non-aligned retailers, in those cases they are the costs necessary to bring about the behaviour changes that create a large proportion of consumer protection benefits.



Improving the relationship between customers and their retailers may also reduce some substantive enforcement costs for retailers by reducing debt collection costs and the level of bad debts.

Reporting costs

These costs include the costs of *demonstrating* compliance with the Obligations, such as through reporting, certification, etc. These costs will exist for all retailers, regardless of whether they are already aligned with the Guidelines or not (although voluntary alignment statements will no longer be required, so many retailers will now avoid the cost of preparing these).

However, we consider that these compliance requirements have been designed to minimise unnecessary reporting costs, for example:

- Retailers are required to provide a compliance report on an annual basis. We consider this strikes a fair balance between ensuring retailers are continuing to comply with the Obligations while not imposing undue reporting costs.
- Compliance reports can be certified by a chief executive (not just be a director). As a member of the management, the chief executive is likely to have a greater working knowledge of the retailers' compliance activities, so will require less assurance (and the costs of demonstrating this) before they are comfortable with certifying the report.
- Retailers (and distributors, as the case may be) are required to provide further information to demonstrate how they have implemented processes and policies to comply with Objectives on request from the Authority, rather than including this in their annual reports. This reduces compliance costs for retailers who the Authority does not have concerns about.

Present value

We expect these costs to be somewhat front-loaded. This is because some substantive and reporting obligations may be met more efficiently by setting up systems and processes that help automate and facilitate compliance. This will result in a proportion of these costs being one-off costs that occur predominantly in the first few years after the Obligations

are mandated (noting that these new systems will still require some ongoing costs, as well as additional costs when they reach end of life).

Assuming that 50% of compliance costs are incurred in the first year following implementation, this will result in a present value of total costs that is around 25% higher than if the costs had an even profile (assuming a 7% discount rate and a present value across 10 years).

Pass-through of increased compliance costs

Assuming a competitive and efficient market, we note that over time increased compliance costs for retailers can be expected to be passed on to consumers in the form of higher retail prices. The extent to which this occurs in practice is difficult to predict, and a function of the broader cost environment and competitive dynamics.

Regardless of whether increased compliance costs are reflected in higher retail prices or not, the conclusions in this report remain the same. This is because:

- our focus is on the overall net economic benefits of the proposal (i.e. the primary indicator of whether the proposal should go ahead)
- we expect the value of the increased consumer protections the proposal would create to have greater value than any price impacts (to the extent they are identifiable), because submissions to the Authority's consultation on mandating the Guidelines implied a willingness from consumers to pay more increased consumer protections.

4.3 Other impacts

We expect net costs/benefits on other parties to be relatively immaterial compared to the impact on consumer and retailers, however we address them below for completeness.

4.3.1 Net impact on distributors

Only a small section of the proposal (relating to medically dependent consumers) affects distributors. The most significant change for distributors under the proposal is that retailers' obligations to coordinate



with distributors now extend to distributors also, to make the obligation workable.

Depending on the current practices of different distributors this could introduce new compliance costs on distributors. Our assessment is that the new requirement on distributors may require some additional processes and controls but is unlikely to result in significant additional cost. It is also likely to result in a corresponding decrease in compliance costs for retailers as it makes their obligations more workable.

4.3.2 Net impact on Authority

The Authority will likely face increased monitoring costs by making the Obligations enforceable. However, making compliance mandatory and more standardised and consistent could reduce these costs.

Overall, we do not expect the impact on the Authority to be material relative to the impact of consumer protection benefits or retailer compliance costs.¹⁷

4.3.3 Net impact on support agencies

We expect the proposal will result in some costs and benefits to social agencies who are indirectly involved in the electricity retail sector through their assistance of financially vulnerable consumers.

Costs may be associated with an increase in referrals, due to the Obligations for retailers to offer to refer their customers who are experiencing payment difficulties or have been disconnected.





On the other hand, by improving the clarity of the Obligations, we expect these third parties to realise efficiency gains – for example, community organisations should find it easier to assist vulnerable consumers with energy hardship issues as their rights will be more clearly set out. Overall, we expect the net impact on support agencies to be relatively minor compared to the proposal's other impacts.

¹⁷ While we note that the Authority's costs may increase as more consumers engage directly with it, we consider that these costs will result primarily from other activities the Authority is choosing to undertake that will raise the profile of the Obligations (such as producing fact sheets, engaging in targeted advertising, setting up a phone line, etc.) rather than resulting directly from the proposal.



4.4 Summary of assessment

We summarise the effects of the key policy changes on the net present value of consumers' and retailers' costs and benefits in the table below.

Table 2: Key policy changes





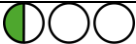

	Effect on consumers	Effect on retailers
Guidelines becoming mandatory	 <p>All consumers will have the protection of the Obligations, no matter who their retailer is.</p> <p>This leads to increased consumer protections (and the associated benefits) because:</p> <ul style="list-style-type: none"> consumers served by retailers currently partially or non-aligned with the Guidelines will benefit from all the consumer protections in the Obligations consumers will be able to switch retailers confident they will continue to be protected by the Obligations. 	 <p>Retailers who are partially aligned or not aligned with the current Guidelines will now likely incur moderate to substantive compliance and reporting costs.</p> <p>Retailers who are already aligned with the Guidelines will face lower net substantive compliance and reporting costs, as they are already likely incurring many of these under the status quo.</p>
Guidelines becoming enforceable	 <p>Due to their mandatory nature, when retailers certify that they have complied with the Obligations they will need to take extra care to ensure that this is in fact true or risk enforcement action. As a result, it is likely that the actual level of consumer protections (not just the self-reported level) will</p>	 <p>Retailers need to be able to verify compliance with a higher degree of confidence, and to explain any non-compliance and resulting remedial action (increasing reporting costs).</p> <p>Consequences for non-compliance may also incentivise retailers to allocate more resources to</p>



	improve, which results in increased benefits for consumers.	consumer care to ensure they are compliant, increasing substantive costs.
Drafting improvements	 <p>Improved clarity will make it easier for consumers to understand their rights and the remedies available to them, increasing consumer protections and the associated benefits.</p>	 <p>Obligations on retailers are significantly clearer, allowing retailers to be more flexible with operations and confident in ascertaining whether or not they have achieved compliance, reducing the need to incur further costs just to be sure.</p>

We also summarise the effects of the specific clause changes. As indicated below, these tend to have more muted net costs or benefits than the key policy changes outlined above.

Table 3: Specific clause changes

	Effect on consumers	Effect on retailers
New obligations to address existing gaps and better reflect policy intent	 <p>Ensures that previous gaps in consumer protections which were not intended are now filled.</p>	 <p>Minimal changes to most retailer's current practices, so the substantive compliance burden and associated costs are likely to be relatively low.</p>
Making obligations more workable	 <p>No material impact on consumers.</p>	 <p>Reduces costs incurred by retailers to try and understand and comply with obligations in ways that may not be practical.</p>
Removing prescriptions to give retailers more operational flexibility	 <p>In some cases, this may allow retailers to apply a higher standard of consumer protection.</p>	 <p>Allows retailers to implement consumer protections in more suitable or efficient ways, which may reduce substantive compliance costs.</p>



5 Trends

This section looks at trends in various drivers that underly the costs and benefits of the proposal.

5.1 Consumer impacts over time

As outlined at section 4.1.2, the benefits of increased consumer protections (achieved through mandating the Obligations) depend on a variety of variables. Based on these variables as they are now, we have assessed that the present value of consumer benefits over ten years to be substantial.

However, as these variables change over time, so will the consumer benefits from the proposal. We expect all of the variables to increase over time, further reinforcing our conclusion that the proposal will have substantial benefits in present value terms.

Table 4: Summary of consumer benefit trends

Factors	Expected trend	Rationale
Degree of consumer protection	Increase	Expected improvement in effectiveness and enforcement
Number of consumers	Increase	Expected increase in population
Proportion of consumers requiring protection	Increase	Expected increase in number of medically dependent consumers and number of consumers experiencing energy hardship
Benefits of consumer protections	Increase	Expected increase in electrification and digitalisation
Overall	Increase	Expected increase in all key factors

5.1.1 Degree of protection

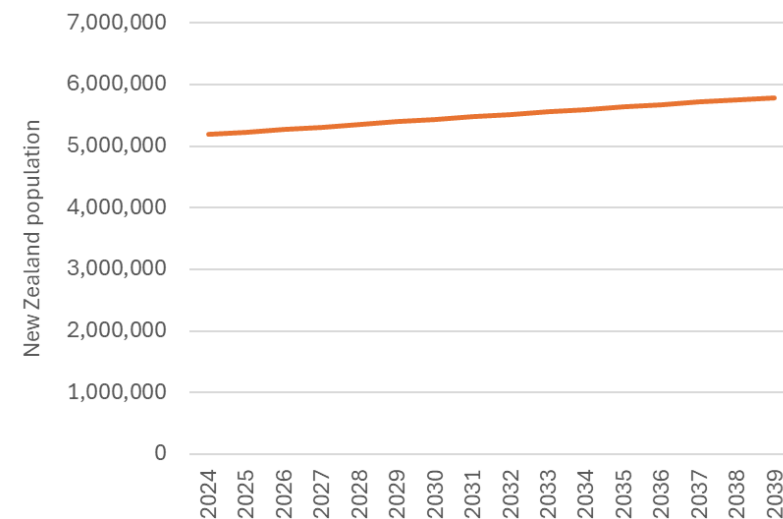
The protection the Obligations afford may increase going forward as, even if the Obligations themselves do not change:

- retailers should become more familiar with the Obligations
- the Authority will likely become more experienced at enforcing the Obligations.

5.1.2 Number of consumers

New Zealand's population is expected to grow by around 12% over the next 15 years, meaning there will be more electricity consumers that are protected by the Obligations. As such, the benefits to consumers from mandating the Authority's proposal can be expected to rise over time (as the mandated Obligations cover all retailers supplying residential consumers).

Figure 6: Population growth



Source: Statistics New Zealand – [National population projections: 2022\(base\)–2073](https://stats.govt.nz/national-population-projections-2022(base)-2073) (stats.govt.nz)

5.1.3 Proportion of consumers requiring protection

As previously mentioned, some consumers will rely on the protections in the mandated Obligations more than others.

Energy hardship trends

Energy hardship depends on both electricity prices for residential consumers and consumers' ability to pay these prices.

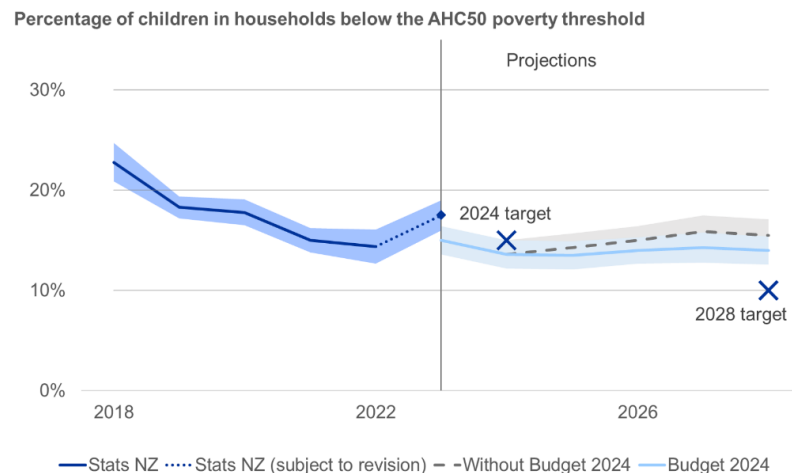


The Commerce Commission has estimated that household's electricity bills are likely to rise over the rest of the decade, with this increase being particularly steep over the next two years – i.e. around \$15 per month (\$180 per year) from April 2025.¹⁸ This is due to a range of factors, including:

- high inflation
- interest rate increases
- higher levels of investment required in transmission and distribution infrastructure, leading to the Commerce Commission increasing the revenue cap for Transpower and distributors to allow them to afford this investment.

The Treasury forecasts that the number of households falling below the AHC50 child poverty measure will remain roughly constant, despite targets to reduce it.¹⁹

Figure 7: After-housing-costs child poverty forecast



Source: The Treasury – [Child Poverty Report 2024 \(budget.govt.nz\)](#)

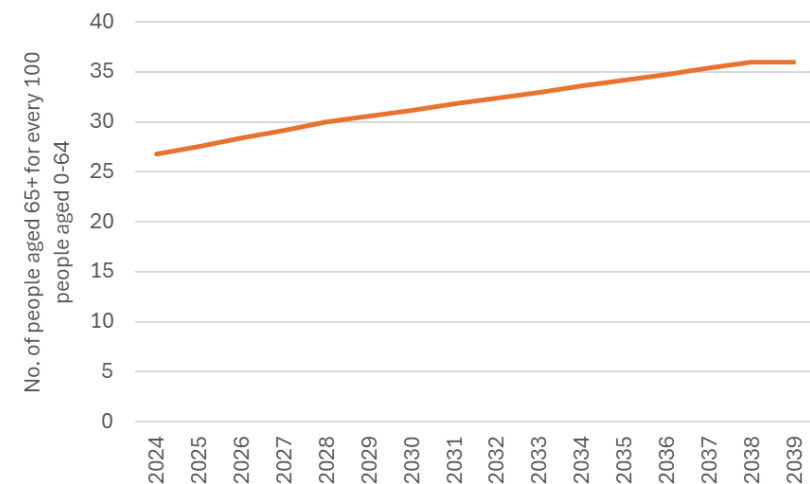
¹⁸ See slide 20 of presentation to stakeholders and media – [Draft revenue limits and quality standards for electricity lines companies for 2025-2030: Transpower RCP4 and EDB DPP4 draft decisions \(comcom.govt.nz\)](#).

Overall, these trends suggest that the proportion of consumers facing energy hardship is likely to increase over the next few years (noting that it is difficult to estimate the degree of change or to forecast this metric over a longer period of time).

Medically dependent consumer trends

While expected future trends in the number of medically dependent consumers in New Zealand are unclear, New Zealand's population is aging. Older persons tend to be more likely to suffer from conditions that require electrically powered equipment such as respirators to keep them healthy, or even alive. As such, we use the change in aged population dependency ratio (the number of people aged 65 and over for every 100 people under 65 years of age) as a proxy for the change in the number of medically dependent consumers.

Figure 8: Population dependency ratio



Source: Statistics New Zealand – [National population projections: 2022\(base\)–2073 \(stats.govt.nz\)](#)

¹⁹ This measure is based on answers to the question “how many households have very low incomes relative to previous years, after considering housing costs and increases to the cost of living?”



This figure is expected to rise by around 34% over the next 15 years, indicating that New Zealand is likely to have more medically dependent consumers going forward. While we note that medical advancements could improve the health of older persons and reduce their reliance on electrical equipment to keep them healthy, we consider this is unlikely to be a substantial impact over the next 15 years.

5.1.4 Benefits of consumer protection

Electrification trends

Currently, without access to electricity, some consumers can still cook with gas, heat their homes with wood-burners, and fill their cars with petrol.²⁰ However, these are increasingly being replaced by electrified alternatives because of broader electrification trends driven by:

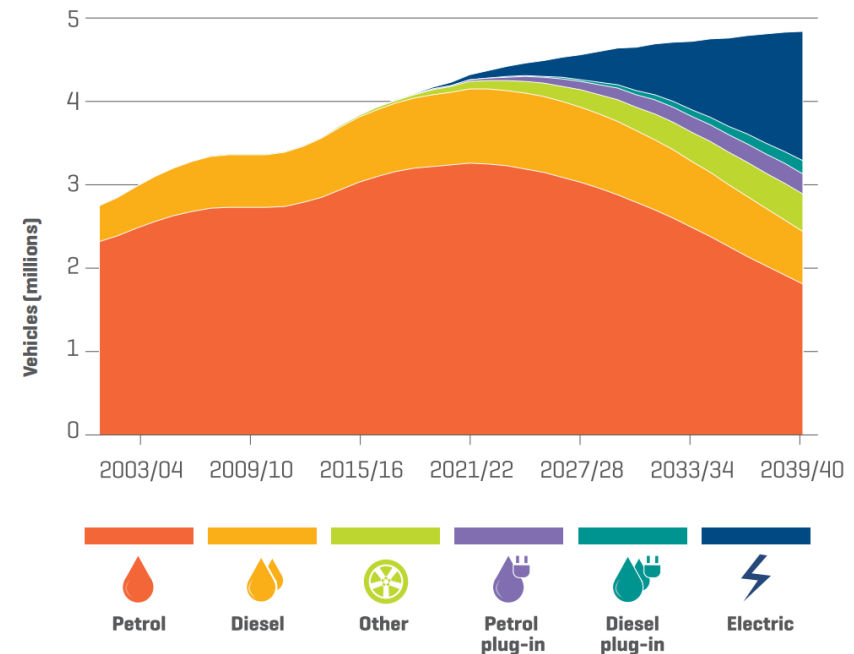
- consumer awareness of the importance of decarbonisation (and other health impacts from some of these alternative fuels)
- increasing costs of alternative fuels
- reducing costs of electrified alternative appliances, vehicles, etc.

This trend towards electrification makes the cost of not having access to electricity increase.

As shown in Figure 9, the uptake of electric vehicles is likely to increase dramatically over the next decade. We expect similar trends in other electrification technologies.

²⁰ While there are many other functions that use fuels other than electricity, as mentioned previously we note that some of these still require electricity to function (e.g. some forms of gas heating).

Figure 9: Projected number of vehicles by fuel type



Source: Ministry of Transport – [Transport Outlook: Future State \(transport.govt.nz\)](https://transport.govt.nz/transport-outlook/future-state)

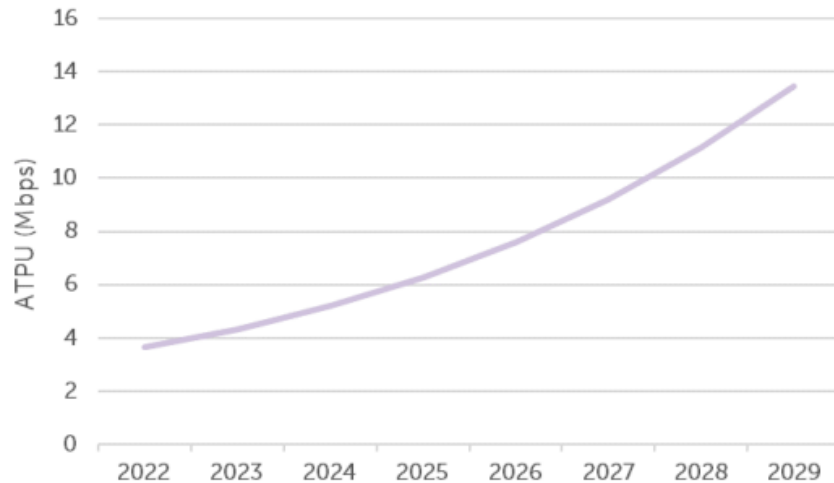
Digitalisation trends

As previously discussed, internet access (which requires access to electricity) is already extremely important for modern life. However, we expect this importance to grow over time with a greater penetration of smart devices, wider use of artificial intelligence, and increased digitalisation generally.



Chorus publishes forecasts that support this expectation, predicting a sustained increase in bandwidth demand (20.6% per year) until 2029.

Figure 10: Forecast average throughput per user



Source: Chorus – [Our Fibre Plans \(comcom.govt.nz\)](https://www.comcom.govt.nz/our-fibre-plans)

5.2 Retailer impacts over time

These costs may decrease over time as retailers become more familiar with the Obligations.²¹

On the other hand, as the number of electricity consumers increases (see section 5.1.2) as well as the proportion of consumers relying on the Obligations (see section 5.1.3), some direct compliance costs will increase. For example, the costs from the additional procedural steps that now need to be taken before disconnecting a customer will be incurred more frequently (as there are likely to be more instances of customers defaulting on invoices). However, we expect that the increase in costs

²¹ Compliance costs will also decrease after the upfront investment has been made. However, this is due to the profile of the compliance costs (rather than due to any ongoing trends) so it is discussed at **Error! Reference source not found.** when considering the net present value of the compliance costs over ten years.

from these macro trends will be matched by the increase in benefits as discussed above.

Overall, we expect the change in retailer costs over time to be relatively immaterial compared to the increase in consumer benefits.



6 Sensitivity analysis

6.1 Sensitivity 1: Improved drafting only

If the Authority went with Option 2 from the consultation paper (i.e. to improve the drafting of the Guidelines but keep the Guidelines voluntary rather than mandating them in the Code), then we expect net benefits to still be positive, but lower than the Authority's proposed solution. This is because:

- consumer benefits would be higher than the status quo (as consumers would benefit from clearer consumer rights) but lower than the proposal (as they would not have the additional protections of enforceable obligations that are mandatory for all retailers)
- compliance costs would be slightly lower than the status quo (as retailers would have clearer obligations), which is lower still than the proposal²² (as there would be no additional costs from consequences for non-alignment or from the Guidelines applying to all retailers).

6.2 Sensitivity 2: Mandating Parts 2, 6, 7 and 8 only

Option 3 from the Authority's consultation paper is to mandate just Parts 2, 6, 7 and 8 of the Guidelines, which provide key consumer welfare protections relating to payment difficulties, disconnection and medically dependent consumers. Compared to the Authority's proposal, this means not codifying Parts 3, 4, 5 and 9, which cover more business-as-usual operations.

We expect this approach would still result net benefits, but again that these would be lower than the Authority's proposed solution. This is because:

- consumer benefits would be higher than the status quo (as some of the most important consumer protections would become

mandatory and enforceable) but lower than the proposal (as not all consumer protections would become mandatory and enforceable)

- compliance costs would be higher than the status quo (because retailers would have mandatory and enforceable obligations in respect of some consumer protections), but lower than the proposal (as other obligations remain voluntary)
- there may be additional compliance costs for retailers or reduced consumer benefits from having a two-tiered system of consumer protections, where some are codified and some are voluntary. This can result in a lack of clarity and certainty.

²² Noting that the reduction in benefits relative to the proposal is greater than the reduction in compliance costs.



7 Conclusions

Overall, we expect the Authority's proposal to yield net benefits (in present value terms, over a period of 10 years). This is because, as outlined in the body of this report, we expect:

- average annual benefits of the proposal (accruing mostly to consumers) to be substantially higher than the average annual costs (incurred mostly by retailers). This is because the benefits of improved consumer protection (including access to electricity and wider economic benefits) can be extremely high in some cases, and the Authority has designed the proposal to minimise unnecessary compliance costs on retailers
- the net present value of the proposal to be positive (i.e. despite the fact that costs are largely incurred in the first few years and benefits are more evenly spread over time, it is likely that benefits are higher than costs to a sufficient degree that the present value of benefits after discounting outweighs the present value of costs)
- macro trends will cause consumer benefits to rise more quickly than retail compliance costs over time, as there are some trends (namely increasing electrification and digitalisation) that will increase the value of consumer protections, but not the compliance costs of providing them.

We also expect that the proposal is likely to result in higher net benefits than the other options the Authority has considered.

Appendix D Format for submissions

Submitter	
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Questions	Comments
Q1. Do you have any feedback on our approach to making operational improvements to the Guidelines, to ensure the proposed Consumer Care Obligations are clear, and workable?	
Q2. Do you have any feedback on the proposals to clarify the application of the proposed Consumer Care Obligations?	
Q3. Do you have any feedback on the purpose statement for the proposed Part 11A of the Code?	
Q4. Do you have any feedback on the compliance monitoring provisions in the proposed Part 11A of the Code, or on the Authority's new outcomes framework?	
Q5. Do you have any feedback on the proposed improvements to terminology?	
Q6. Do you have any feedback on the proposal to align standards of behaviour in the proposed Consumer Care Obligations?	
Q7. Do you have any feedback on Part 2 of the proposed Consumer Care Obligations relating to consumer care policies and related matters?	
Q8. Do you have any feedback on Part 4 of the proposed Consumer Care Obligations relating to information and records relating to consumer care?	
Q9. Do you have any feedback on Part 3 of the proposed Consumer Care Obligations relating to when a customer signs up or is denied a contract?	
Q10. Do you have any feedback on Part 5 of the proposed Consumer Care Obligations relating to business-as-usual account management?	
Q11. Do you have any feedback on Parts 6 and 7 of the proposed Consumer Care Obligations relating to customers experiencing payment difficulties and disconnections?	
Q12. Do you have any feedback on Part 8 of the proposed Consumer Care Obligations relating to medically dependent consumers?	
Q13. Do you have any feedback on Part 9 of the Consumer Care Obligations relating to fees, bonds and conditional discounts?	

Q14. Do you have any feedback on the proposed Code obligations for distributors?	
Q15. Do you agree that the benefits of the proposed Code amendment outweigh its costs?	
Q16. Do you have any comments on the drafting of the proposed amendment?	