

We get it sorted

Electricity and Gas Complaints Commission



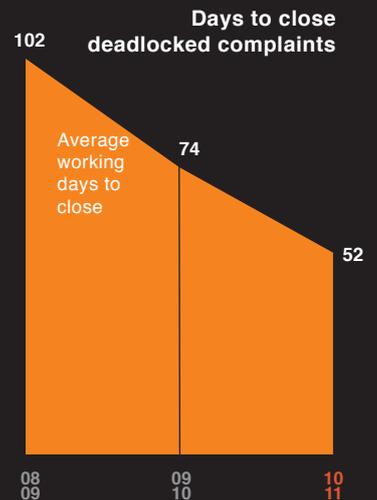
The **Electricity** and **Gas** Complaints Commissioner Scheme offers a free and independent service for resolving complaints about electricity and gas companies

How many

Enquiries and complaints received

	08-09	09-10	10-11
Enquiries	977	1173	3258
Complaints	585	653	1210
Total cases	1562	1826	4468

How long

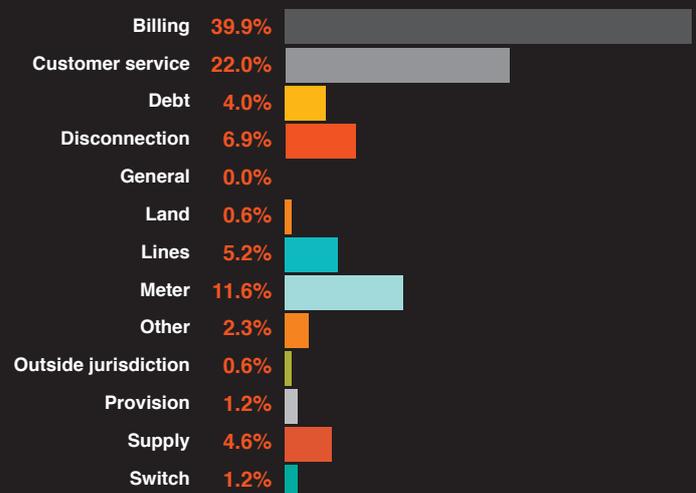


The issues

Complaint issues

	08-09	09-10	10-11
Billing	41.2%	40.8%	40.3%
Customer service	16.4%	15.6%	19.4%
Debt	5.6%	9.4%	6.8%
Disconnection	6.0%	6.7%	7.8%
General	1.1%	1.7%	0.4%
Land	1.1%	0.6%	0.7%
Lines	2.3%	3.2%	2.6%
Meter	10.8%	11.8%	10.6%
Other	2.8%	1.2%	2.4%
Outside jurisdiction	0.8%	0.0%	0.2%
Provision	2.2%	1.6%	1.3%
Supply	6.9%	5.5%	4.1%
Switch	2.7%	1.9%	3.6%

Deadlocked complaint issues 10-11



Key facts

- The amount of time to resolve issues has reduced
- The cost per case has dropped
- More cases have been settled at an early stage
- The number of complaints and enquiries has increased by 145%

How much



The workload

Increase in enquiries and complaints from previous financial year

	08-09	09-10	10-11
Enquiries	-5%	20%	178%
Complaints	-29%	12%	85%
Total cases	-15%	17%	145%



Scheme approved

This report is for the first year in which the Electricity and Gas Complaints Commissioner Scheme (the Scheme) operated as the approved dispute resolution scheme for the electricity and gas industries.

Regulatory approval, effective from 1 April 2010, required the Commission to set performance standards for the Scheme. They reflect the Commission's focus on operational efficiency, with standards for the time and cost of cases, and member and complainant satisfaction with the Scheme. All these standards were met or exceeded, with improvement (decreases) in the time to close cases and the cost per case.

Other standards measure the Scheme's performance relative to the founding principles of being accessible, independent, fair, accountable, efficient, effective, free to complainants, and known in the community.

A table showing 2010-11 performance against the standards is on page 3. The overall result is strong, with five of six measurable standards met, and benchmarks set for newly introduced standards.

Regulatory approval did not mark an end to change. In November the Constitution was amended to incorporate the provisions of the Electricity Industry Act 2010. As the Scheme became the responsibility of the Minister of Consumer Affairs, we needed to substitute the Minister as the regulator, replacing the Electricity Commission and Gas Industry Co.

Members also requested that jurisdiction of the Scheme be expanded to include reticulated LPG. This amendment took effect in December 2010.

The workload for the office increased dramatically in the year, with the number of cases more than doubling. This trend is predicted to continue, with new members joining the Scheme, increased consumer awareness, and increased consumer switching between retailers.

The staffing level in the office remained static for most of the year, demonstrating an increase in productivity relative to workload. There was an improvement in the retention of conciliation staff, which lessened the time necessary for recruitment and induction.

The Commission also undertook promised consultation with members and stakeholders to revise and simplify the constitution and review the levy system.

A new Scheme document took effect on 1 April 2011, and is half the length of the previous Constitution. It does away with the three sets of protocols (electricity, gas and land) for complaint handling and the voluntary codes of practice. The revised Scheme document is more logically ordered and written in simpler language with significant changes to the governance structure and the levy system.

Governance structure

The Minister of Consumer Affairs is responsible for oversight of the Scheme, and for the appointment of two Board members to represent the interests of the community. Retail members and lines members each elect a member.

The five-member Commission, of which I am the Independent chair, has been renamed as a Board. This document refers to the Commission when reporting on activities in 2010-11, and the Board when looking ahead.

The Board of the Electricity and Gas Complaints Council, which represented the electricity and gas industry members, was disestablished at its own request. Member input is now maintained through the Member Committee, to which the Board appoints three retail and three lines members and, from them, its Chair.

Levy system

The Commission has approved a new levy system, with 2011-12 being a transition year. Each year, the Board sets the budget for the Scheme's operation. In 2011-12, the levy to fund this will be calculated according to members' market share. Retail and lines company members will pay sixty and forty per cent respectively, after transmission companies pay a fixed amount. From 2012-13, the levy will be based on a mixture of market share and complaint based factors. The Board will consult with the Member Committee on the amounts for the complaint based factor before the start of the 2012-13 year.

I thank John Robertson for his work in support of the Scheme for more than eight years as Chair of the outgoing Council, and all those who served on the Council Board. Finally, I thank the Commissioner for her work in another successful year of the Scheme's operation.



Richard Janes Independent chair

Required performance standard	2010-11 target	Achievement	2011-12 target
Total time to close cases	75% of deadlocked files to be closed within 90 working days	Met. 76% of deadlocked files closed within 90 working days	Maintain
Internal time to close cases	Benchmark set in the 2010-11 year	See notes below	
Cost per case	The proportion of total budget to total cases is not to exceed \$549	Met. \$430.55	\$405.00
Complainant and member satisfaction	Complainant survey shows 95% overall satisfaction with complainant handling processes	Met. 98% rated the process satisfactory or better. See page 15	95%
	Benchmark set for member satisfaction with the Scheme	65% - see page 11	70%
External review of cases	Independent review of sample cases assesses handling of complaints as meeting requirements of natural justice and good complaint handling standards	Met. See page 5	Reviewer confirms 2010-11 recommendations are implemented
Awareness in the community and accessibility	10% of unprompted and 30% of prompted respondents to a general awareness survey report they have heard about the Office of the Electricity and Gas Complaints Commissioner	Unprompted awareness 3.9% Prompted awareness 14% See page 13 and notes below	Unprompted awareness 5% Prompted awareness 20%
	Community groups surveyed in 2010-11 to set a benchmark for monitoring accessibility	See page 13	Maintain results to Questions 2, 7, and 9 in complainant survey
Reporting – compliance reporting complete, accurate and on time	All compliance reporting to regulators is complete, accurate and delivered on time and cost effective.	Met	Maintain

Notes: The standard for the internal time to close will not be measured next year. The total time to close is the most meaningful measure for the parties, and recording internal time to close is not a good use of the conciliators' time.

The only standard not met was for being known in the community, as measured by participation in a nationwide survey. This was the second year we participated in the survey and the target set represented a 300 per cent increase in awareness, from three to 10 per cent. In hindsight, the Commission was too optimistic about increasing awareness. Although we achieved a 30 per cent increase, to nearly four per cent, we have set a more conservative, although still challenging, target for next year of an increase to 5%.



A positive year

It has been a positive year for the Scheme, one marked by high levels of productivity and good progress on a number of initiatives.

More people are using the Scheme, in part due to an increase in visibility with our contact details now included on energy bills. The impact of this has been an increase of almost one and a half times the numbers of enquiries and complaints and double the number of deadlocked cases. We also supported the Commission in reviewing the constitution, did more work to create awareness of the Scheme, welcomed some new members, continued an active education program (for members and consumers) and made good progress on monitoring and reporting on member compliance with the Scheme rules.

I am again pleased to report the average time to close deadlocked cases fell, as did the average cost per case. More information on these key performance standards can be found on page 3. The reduction in the average cost per case was partly a result of the increased volume of cases, but my staff also stepped up and each handled more cases than in previous years.

Based on the trends in the latter part of this year, we are expecting a further 30% increase in new cases in 2011-12. We have recruited additional conciliators to enable us to continue to close most cases within 90 working days. We have set ourselves the additional standard of closing 50% of cases in 40 working days.

With such a significant increase in our workload this year across all areas of operation, I thank all my staff for their skill, commitment, effort, patience and good humour while we kept up with incoming work and met our performance indicators. I would particularly like to thank the Deputy Commissioner, Nanette Moreau, for her hard work and unfailing support in a challenging environment.

I also thank John Robertson, the outgoing Chair of the Board of the Electricity and Gas Complaints Council for his work for the Scheme over many years.

Thanks also to:

- Members of the Commission, in particular the Chair, Richard Janes, for their ongoing support, expertise, and rigorous oversight
- Outgoing members of the Board of the Electricity and Gas Complaints Council, for the support they have provided and their careful review of matters placed before them
- Community agencies with whom we work for helping create awareness of the Scheme and working with us to resolve complaints
- Our key stakeholders – Electricity Commission (and now the Electricity Authority), Gas Industry Co, Ministry of Consumer Affairs, Ministry of Economic Development, Commerce Commission – for their support and constructive working relationships.

And as always, I would like to acknowledge and thank the members of the Scheme for their support in working with us to resolve complaints.

Judi Jones Commissioner



The Scheme continued to meet the requirements for approval

Annual Review of the Scheme

The Commission is required to review the Scheme's performance each year against:

- The performance standards set by the Commission
- The requirements of the Minister of Consumer Affairs for an approved scheme (the Achievement Standards)
- Any particular issues raised by the Minister of Consumer Affairs.

The Minister has not raised any particular issues for this year's review, so the Commission reviewed the Scheme's performance against the Achievement Standards and the performance standards set by the Commission.

Overall, the Commission believes the Scheme's performance was positive. The Scheme continued to meet the requirements for approval, good progress was made on the new role of monitoring and reporting on compliance with the Scheme and almost all performance standards were met (see page 3). This was achieved while dealing with almost a 145% increase in total cases.

As we work to continue to improve our performance, monitoring and reporting on compliance will be an area for focus in 2011-12.

Mrs Liz Brown, the former Banking Ombudsman, carried out the independent review of files. The report concluded that:

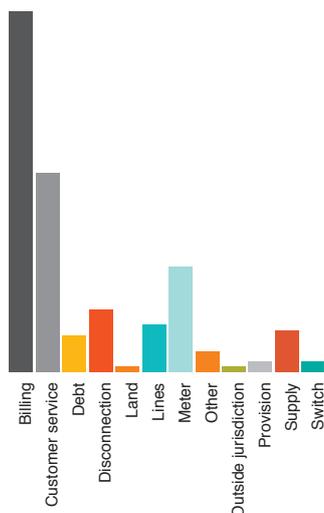
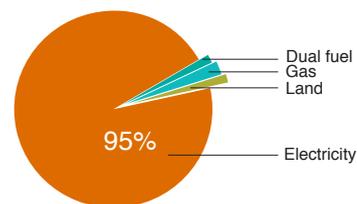
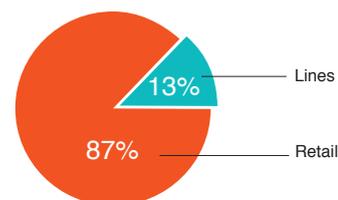
Overall, the impression given by the cases reviewed is of a clear, simple and speedy process with a strong focus on the resolution of complaints at the earliest possible opportunity. The speed and informality of the first steps in the process, particularly the initial contact with the complainant and the company, contributes substantially to the development of a relationship of trust between the conciliator and the parties to the complaint. This in turn makes the process of resolution easier and more effective.

When it is necessary to continue to a more formal consideration of the complaint, the process is fair with due observation of the principles of natural justice. All parties have adequate opportunities to put their case. There is clear demonstration of impartiality and in no case was there any indication of bias or of the appearance of bias. Adequate arrangements are in place for handling complaints about the process.

The report also noted that occasionally the emphasis on speed and informality meant that proper process was not followed or that necessary steps were not taken at the appropriate time.

The report recommended six changes to the Commissioner's process for complaint handling, all of which the Commissioner accepted and is implementing.

The Scheme continued to meet the Achievement Standards – a full analysis of the Scheme's performance against these is available on our website: <http://www.egcomplaints.co.nz/scheme.php>

Deadlocked complaint issues 10-11

Deadlocked complaint category 10-11

Lines and retail complaints 10-11


Complaint handling

We have experienced a significant increase in the number of enquiries, complaints and deadlocked cases this year, with 4,468 people or organisations contacting the office about their electricity or gas company. This contrasts with 1,826 in 2009-10 – a 145% increase.

The issues raised by those contacting our office remain much the same, so we believe the significant increase results from increased awareness of the Scheme, rather than a particular issue in the industry. Information about the Scheme on members’ invoices to customers has contributed to more people knowing about the Scheme.

Classification of work

We classify the complaint handling work of the office under three main categories – enquiries, complaints, and deadlocked cases.

An **enquiry** is a contact where the enquirer is seeking information rather than making a complaint, or where the matter is clearly something with which we cannot deal. We cannot consider a complaint about a company that does not belong to the Scheme, or about the price members set for their services. However, the Commissioner is able to consider whether the member has given the consumer correct information about charges and applied the charges correctly.

A **complaint** is an expression of dissatisfaction with goods or services, where a response is implicitly or explicitly expected. Members need to have the first opportunity to resolve the complaint, and we refer new complaints directly to the complaint handling teams within member companies.

Deadlocked cases are those where the parties have been unable to resolve the complaint within 20 working days, and the complainant asks us to consider the complaint. A complaint can also reach deadlock if the Commissioner believes the member has made it clear they do not intend to do anything about the complaint, the complainant would suffer unreasonable harm from waiting, or it would otherwise be unjust. In some circumstances (see page 7), a company can ask the Commissioner to allow longer than 20 working days.

Workload

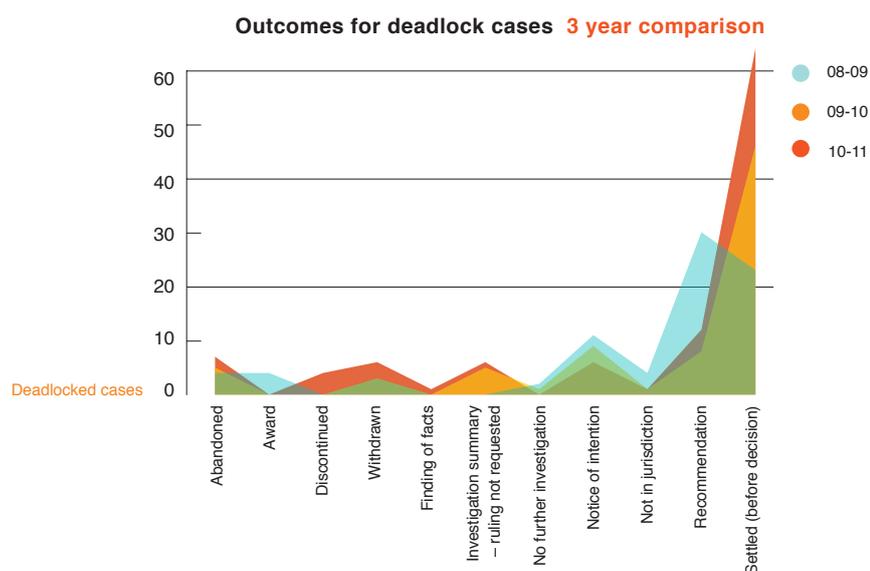
Enquiries and complaints

Overall, the work of the office in dealing with enquiries and complaints increased significantly over the year. Of the 4,468 contacts received in 2010-11, there were 3,258 enquiries (up 177%) and 1,210 complaints (up 85%).

We respond to most enquiries and complaints within 24 hours – by providing information or referral to the appropriate company or other organisation.

Where a customer is about to be disconnected (or has been recently disconnected), we work with the parties to see if we can help resolve the complaint immediately. We also take this action if it appears the complaint could be resolved with a quick clarification or the complainant receiving a specific piece of information.

We took this action on 168 cases this year and only three of those returned as deadlocked cases.



Requests for more time

A company may ask the Commissioner for more than 20 working days to consider a complaint where the matter is likely to be complicated and either party would be disadvantaged by staying within the time limit. The request should be made as early as possible and before the expiry of the initial 20 working days.

This year there were 27 requests for more time. The Commissioner approved 21 requests, did not approve four, and two requests were withdrawn as the complainant was satisfied with the action taken by the company. In three instances, more than one extension was given. The extra time given ranged from five working days to three months. Of the 27 requests, thirteen requests came from one of the smaller lines companies, and one retailer made seven requests for more time.

Deadlocked cases

During the year, 143 cases reached deadlock, compared with 71 in 2009-10 (up 101%). We closed 107 deadlocked cases, compared with 78 the previous year.

Conciliators use a range of strategies in resolving deadlocked cases. These include mediation, conciliation conferences, facilitated negotiation, site visits, billing analysis and expert reports. Conciliators carry out much of this over the phone, but also by email and letter and where appropriate, in person. This year, 64 of the 107 (60%) deadlocked cases were settled by agreement between the parties.

The increased focus on resolution by agreement has meant a significant fall in the time to close deadlocked cases. The average days to close a deadlocked complaint this year reduced to 57 working days (down 30% from 74 working days in 2009-10). Despite dealing with the increased numbers of enquiries and complaints, we closed 76% of deadlocked cases within 90 working days, exceeding our target of 75% closing within that time.

If initial conciliation or facilitated negotiation approaches do not resolve a deadlocked case, the conciliator will take a more investigative approach. This involves obtaining more information from the parties and analysing the information received. In most cases, the conciliator will send a summary of the findings of the investigation to both parties. The parties have the opportunity to review the information and comment on or correct anything in the summary. The summary will normally indicate the conciliator's view of the likely outcome if the Commissioner were asked to recommend a settlement of the complaint.

If a deadlocked case remains unresolved after both parties have received the summary, the conciliator refers the file to the Commissioner for review. The Commissioner may contact one or both parties to discuss likely outcomes with them.

The Commissioner will only recommend a settlement if one party asks her to.

In recommending fair and reasonable settlements, the Commissioner first gives the parties notice of her proposed recommendation. The parties then have 15 working days to make submissions to the Commissioner. This year, the Commissioner gave notice of a proposed recommendation on 18 deadlocked cases. In six cases, both parties accepted the Commissioner’s proposed recommended settlement without needing a final recommendation.

If a deadlocked case remains unresolved, the Commissioner will formally recommend a settlement of the complaint. The parties have another 15 working days to accept the recommended settlement. The recommendation lapses if the complainant does not accept it, and the complainant is free to pursue the complaint in other avenues, such as the Disputes Tribunal. If the member is a state owned enterprise, the complainant may refer the unresolved complaint to the Office of the Ombudsmen.

The Commissioner issued 18 proposed recommendations in 2010-11, as follows

Unusually:

- Two complainants accepted a preliminary recommendation that was not upheld
- Four complainants rejected a final recommendation that was upheld, because they did not agree with the Commissioner’s remedy.

Number	Outcome
18	proposed recommendations (also called Notice of intention or NIT) of these: 12 upheld, 6 not upheld
6	closed at this stage: 3 upheld, 3 not upheld of the 3 upheld: all accepted of the 3 not upheld: 2 accepted, 1 no response
12	final recommendations: 9 upheld, 3 not upheld of the 9 upheld: 4 accepted, 4 rejected, 1 no response of the 3 not upheld: all accepted

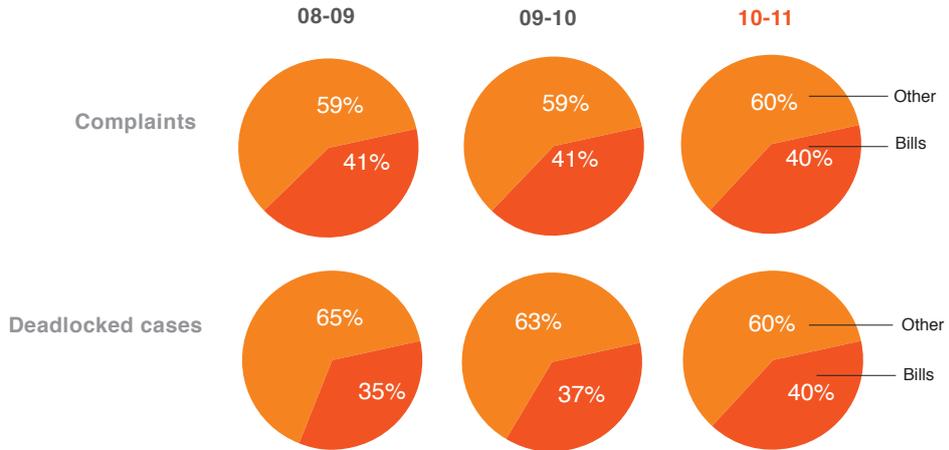
Where only the complainant accepts the Commissioner’s recommendation, the Commissioner can issue an award, making the member bound by her recommendation. The Commissioner was not called on to issue an award this year.

Issues raised by complainants

A problem with a bill continues to be the most common reason for people to contact us. Complaints about bills were 40.3% of complaints and 39.9% of deadlocked cases. This is consistent with the figures for 2009-10 where complaints about bills were 40.8% of all complaints, and 37.3% of deadlocked cases.

High bill complaints continue to increase, making up 39% of billing complaints (41% of deadlocked billing cases). This follows the 2009-10 trend. Generally we find the bill was correct and it was likely the customer had used the electricity or gas. In most cases, the customer was genuinely surprised by the size of the bill. Back bills represent the next highest issue in billing; 18% of complaints and 17.5% of deadlocked cases. A back bill can occur for various reasons including a long period of estimated accounts or a company failing to switch all the meters at a property, causing unbilled consumption for a time.

Billing complaints and deadlocked cases



After billing, customer service is the next major issue raised: this was raised in 19.4% of complaints and 22% of deadlocked cases, an increase on last year. This is followed by issues about meters at 10.6% for complaints and 11.6% for deadlocked cases. The percentage of complaints about meters has dropped since last year, but a greater percentage are reaching deadlock.

The proportion of complaints related to debt and disconnection dropped this year. Debt or disconnection issues arose in 14.6% of complaints and 10.9% of deadlocked cases. In 2009-10, the percentage of complaints involving debt or disconnection was 16% and for deadlocked cases, the percentage was 11.9%.

Most complaints continue to be electricity related (92% of complaints and 95% of deadlocked cases). Only 2.2% of complaints and 2% of deadlocked cases related to gas. Dual fuel accounts were involved in 1.6% of complaints and 1.4% of deadlocked complaints. The balance were land or unknown.

We received two deadlocked cases about land issues. One related to trimming of trees and the other about noise from lines equipment. The tree trimming case was resolved once an investigation showed the company had met the requirements of the tree regulations and the complainant withdrew the complaint. The other case is still being considered.

Member complaint profile

The distribution of complaints has remained similar over the past three years. A minority of members account for the bulk of the complaints, which may reflect their customer numbers.

This year the office received no complaints about 29% of members.



Complaints about the operation of the Scheme

We received four complaints about the operation of the Scheme this year – two from member companies and two from complainants.

The Commission considered each scheme complaint (as required by the Constitution) and responded to the person making the complaint. The following table sets out a general summary of the complaints about the Scheme and their outcomes.

Scheme complaints received	Outcome
Complaint levy	Levy properly applied
Commissioner's decision on jurisdiction incorrect	Commission not able to review the Commissioner's decisions
Information on website	Information complained about not on EGCC website
Failing to pass on a piece of information to a complainant	Apology to complainant; no disadvantage suffered; Commissioner to put processes in place to prevent this reoccurring

Members

We welcomed nine new members to the Scheme this year. For a full list of members, see page 23.

The success of the Scheme relies on members understanding how it works with their business, and its benefits. We surveyed member satisfaction with the Scheme this year to provide a benchmark for the Commission's performance standards. The results of the survey provided information on members' view of the Scheme's performance, the resources we provide, and overall satisfaction.

The survey took place in January 2011 using an on-line survey. The response rate was 37% of retail members and 53% of lines members, 47% of total membership.

The member survey asked for a rating of the Scheme's performance in three areas: complaints resolution, fairness and independence, and timeliness.

The Scheme's performance in complaint resolution was rated as 'excellent' by 25% of lines company respondents and 'good' by a further 44%. The highest rating from retail companies was 'good' (57%). As sixty per cent of the complaints we deal with are about our retail members, we need to demonstrate our expertise to improve their rating of this key aspect of our performance. This response was used to set the benchmark for member satisfaction with the Scheme.

The fairness and independence question got the highest response rate of the three, the most negatives, and the most top scores. There was a marked difference in the responses from lines and retail members, with 43.3% of lines members being 'very satisfied', but only 14.3% of retail members. Half of retail members were 'neutral', 'dissatisfied' or 'very dissatisfied' with the fairness and independence of complaint resolution. Fairness and independence are founding principles of the Scheme so it is important that we work to improve members' experience of our performance in this area.

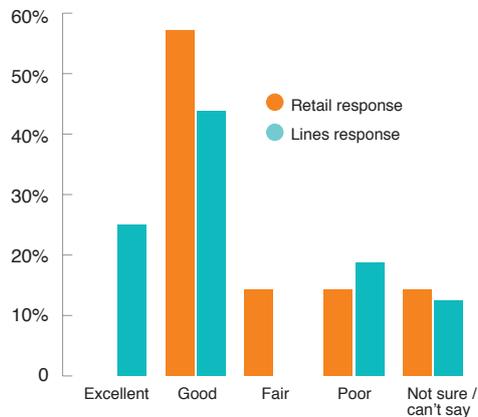
The responses on timeliness were consistent and mostly positive, with just one lines member being 'very dissatisfied'. This is in line with the fact the office met the Commission's performance standard for timeliness.

We communicate with members through the Member Update (an e-newsletter from the Commissioner) and by sending quarterly statistical reports on complaints and enquiries. The member survey showed most members find these resources 'fairly useful' or 'very useful'.

We also consult members on proposals to change the Constitution – something that happened three times in the year, culminating the revised Scheme document effective 1 April 2011. In March 2011 we presented a seminar in Auckland, Wellington and Dunedin explaining the new Scheme document.

eg 65% of members rated our performance good or better

How members rated the performance of the office in investigating and facilitating resolution of electricity and gas complaints



We also launched a members-only section on the website in March 2011. This section allows secure access to the Member Update, Member Guide, levy information and information about the AGM. The member survey showed most members refer to the Member Guide more than twice a year, using both printed and CD-ROM formats. Having the Member Guide on the secure section of the website means members can always access the current version of the document.

We held our annual forum for members in August 2010. These forums give members' staff a chance to meet and learn more about complaint handling, as well as hear from agencies such as regulators. This year, the Minister of Consumer Affairs, Hon John Boscawen launched the introductory DVD about the Scheme. As well as hearing updates on complaint outcomes and trends in complaints, those attending learned about writing in plain English, and took part in a workshop on conciliation. Staff from the Electricity Commission, the Gas Industry Co and the Ministry of Consumer Affairs provided updates at the forum.

Alongside the forum, we held a half-day induction session for staff from new members and new staff from existing members. This covered the structure, processes, reporting and funding of the Scheme, as well as the regulators' requirements.

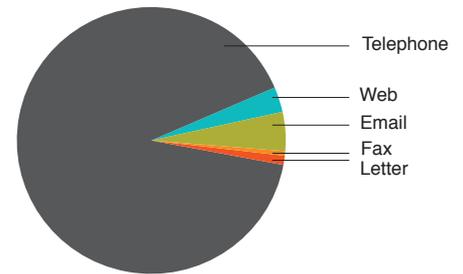
The member survey showed most members who had attended Member Forums or Member Induction rated these events as 'good', 'excellent', 'fairly effective', or 'very effective'. Over half the lines members had not attended a Member Induction and 40% had not attended a Member Forum. We need to make these events more accessible to members, as those that attend find them valuable.

The member survey revealed the Scheme's role in raising systemic issues is not registering with members. Half of the respondents were unable to comment on the question, although those that did were mostly positive.

The final question in the member survey asked respondents to rate our service to members in the past 12 months. There was a difference between the responses of retail and lines members. All the retail members rated us as 'fairly efficient'. The response from lines members was less consistent, 33% rating us as 'very efficient', and 40% 'fairly efficient'. Twenty per cent of lines members did not respond.

The retail member response challenges us to maintain and improve the rating. The lines member response shows we need to improve lines company members' knowledge of the Scheme. We should be able to achieve this through improving access to the Member Forum and Member Induction and through making the Members-only section of the website useful and informative.

How people contacted us - total cases 10-11



Awareness and accessibility

The Scheme's founding principles include being accessible and being known in the community.

Members have a key role to play in maintaining these principles. The Code of Conduct requires members to provide information about the Scheme, including contact details, on invoices and on information for landowners and occupiers. Members also have to tell consumers who have a complaint that may fall within the jurisdiction of the Scheme they can come to us. These requirements are designed to increase the accessibility of the Scheme and general awareness of it. The Scheme works closely with members to help them fulfil these requirements.

The Scheme also promotes itself through listings in the white pages, the website, media releases, and engagement with community and intermediary groups. We produced an eight minute DVD about the Scheme as an information and training tool for members and community groups. The DVD is on YouTube and can be accessed through our website. It is available in short chapters for use in training sessions.

We placed stories about the Scheme in *Close to Home*, the Housing New Zealand publication for tenants, and the newsletter of the Office of the Community and Voluntary Sector.

We issued media releases on changes in the Scheme, and commented on a suspected power switch scam in South Auckland. Radio station Newstalk ZB interviewed the Commissioner about the suspected scam.

We have developed our database of contacts and used it to target consumer and interest groups with information about changes to the Scheme and our resources.

We keep regular contact with organisations through which people may find out about us or access our service. These include Consumer NZ, NZ Federation of Family Budgeting Services, Citizens Advice Bureaux, community law centres, students associations, electorate offices and Business NZ.

Our contact with these organisations generates invitations to speak and make presentations about the Scheme. The Commissioner spoke at the Ministry of Consumer Affairs' Consumer Rights Days in Otahuhu and Porirua. The Commissioner also spoke at the CAB National Forum, and the Commissioner and conciliators visited community law centres in Auckland and Christchurch.

The Scheme is a member of the Australia & New Zealand Energy and Water Ombudsman Network, which comprises the Ombudsmen from NSW, Victoria, Queensland, Tasmania, Western Australia and New Zealand. We meet several times a year to share ideas and experiences, and to work towards best practice in complaint handling. The Scheme is also a member of the Australian and New Zealand Ombudsman Network (ANZOA), a broader group of both industry and parliamentary Ombudsmen. ANZOA's Executive meets regularly and agency staff participate in various interest groups. During the year we took part in ANZOA's very successful conference in Wellington.

How clients were referred - top 7

08-09		09-10		10-11	
Company	294	Company	255	Company	2059
Own knowledge	132	White pages	213	Own knowledge	283
White pages	124	EGCC website	152	EGCC website	263
EGCC website	109	Own knowledge	142	White pages	260
CAB	95	CAB	116	CAB	150
Other	58	Work & Income	108	Work & Income	98
Work & Income nz	53	Friend or relative	65	Other	87

The Commissioner took part in a community forum in Tauranga with other complaint resolution services: the Banking Ombudsman and Insurance and Savings Ombudsman (both ANZOA members) and the Telecommunications Dispute Resolution Service.

General awareness survey

We measure our achievement in being known in the community by taking part in the nationwide UMR Omnibus Survey. This questions 750 people over the age of 18. We first placed questions in this survey in June 2009, and repeated them in December 2010.

The December 2010 results showed an improvement in unprompted awareness of the Scheme, although still at a low level, 3.9%.

We asked 'If you had a problem with an electricity or gas company which you could not resolve with the company, where would you go for help?'

The result was similar to that recorded in June 2009 and showed high uncertainty. Nearly 30% of respondents said they were unsure where to go for help, and a further 7% gave no response. The most common responses were community organisations, electricity or gas company, and the Electricity Commission (now the Electricity Authority). The EGCC was sixth in the list of 33 organisations, which included media, police and the Department of Labour.

Prompted awareness remained the same as in 2009 at 14%. This compares favourably with 12% unprompted awareness of the Energy and Water Ombudsman of New South Wales in surveys done in 2008 and 2010.

Media (40%), friends and family (15.6%), and own knowledge (14.7%) were the most common sources of information about the EGCC Scheme.

The EGCC will take part in this survey again in December 2012 and has set a target of 5% unprompted awareness.

Survey of community groups

The Commission's performance standards for 2010-11 required it to survey community groups to assess the accessibility of the Scheme and set a benchmark for future performance.

The results showed that those who know about the Scheme are positive about the quality of service and information we provide, and are highly likely to refer people to it with confidence.

The survey also showed low levels of awareness are a likely barrier to accessibility, with one quarter of respondents never having seen any resources about the Scheme, and unable to comment on the quality of the service we provide.

While this shows community organisations have better awareness of the Scheme than the general public, as surveyed by UMR, it suggests the need for us to build our profile in this sector.

The survey was done in January and February 2011 using an on-line survey tool. Its maximum reach was estimated to be 400 offices (CABs, community law centres, electorate offices, budgeting services).

The response rate was less than 10%. This has prompted us to rethink how we can survey accessibility.

The Board has accepted the Commissioner's recommendation to survey community groups every second year. In the other years, the Board will assess accessibility through the complainant survey.

For 2011-12, the Board has set a performance standard of maintaining the 2010-11 results of responses to the following three questions in the complainant survey.

- Having heard about us, how easy was it to find our contact details? (easy or better, 80.8%)
- Following your first contact with us, were you given all/most/not enough of the information you needed? (most or better, 84.2%)
- How easy was it to talk to us about your complaint? (easy or better, 91.3%)

Mystery shopper survey

The Scheme is required to use mystery shopper calls to check the quality of information members' call centres give about the Scheme.

We made 123 calls in February 2011, 60% asked for contact details of the EGCC Scheme (call one), and 40% asked for information about the complaints process (call two).

For both calls there was inconsistency within companies, with some staff giving poor responses, and others excellent ones. There was also inconsistency within calls, with the Scheme name given incorrectly, but the contact details correct. The Scheme was called, or confused with, the Electricity Authority, Electricity Commission, Electricity Commission Complaints Department, and Electricity Complaints Authority. Overall, the results point to the need for members to provide more training for call centre staff to ensure that customers get good quality information about the complaints process. The DVD about the Scheme explains this and we recommend it to members as a training tool.

The calls were made to members relative to the number of customers.

Call one

Call one tried to get four different ways of contacting the EGCC Scheme: phone, website, post and e-mail.

The 0800 number continued to be the most commonly given piece of information. It was given in 89% of calls, up from 69% in 2009.

The next most commonly offered piece of information was the e-mail address (45%), followed by website address (38%), with the postal address given least often (22%). This result lines up with the experience in the office, with over 90% of people contacting us by phone (see page 12).

Call two

Call two asked for an explanation of the company's own complaints process. This should include the role of the EGCC and contact details for the Scheme – whether prompted or unprompted. More than half these calls did not yield any information about the EGCC.

There was an improvement in the percentage of calls giving information about their own complaints process, with 93% giving at least a partial explanation. This was 85% in 2009.

Only 21% of calls mentioned the EGCC without prompting. After prompting a further 27% mentioned the EGCC, and contact details were given in 44% of calls.

Complainant survey

We survey people who use the Scheme to understand how they experience it. We sent survey forms to all complainants who contacted the office between October and December 2010 whose file was closed at the complaint stage.

Overall satisfaction with the complaint handling process is one of the Commission's performance standards. The 2010-11 target was 95% overall satisfaction, with ratings of satisfactory or better counting towards the achievement. Our result achieves the goal, with 98% satisfaction. This is up from 91% in the previous survey.

The number of complainants who felt we did not understand their complaint fell from over 4% in the last survey to less than 2%.

The Scheme requires members to tell customers about the Scheme, and to advise complainants of their right to approach the EGCC if their complaint is not resolved.

It appears compliance is having an impact, with a 50% increase in the number of complainants who reported hearing about us from their electricity or gas company.

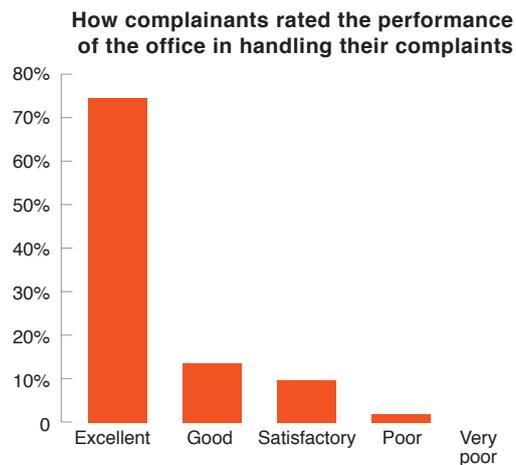
Likewise, there was more than a 140% increase in the number of complainants whose company had advised them they could use the Scheme for unresolved disputes. While this improvement is encouraging, it only equates to 21% of complainants.

There are high levels of satisfaction with the information we provide, with 86% finding materials easy to understand, up from 70%. Everyone who used our website found it easy to use.

The number of complainants who thought we explained the process 'very well' dropped. Our goal is to have all complainants thinking we explained the process 'very well'.

The ethnicity of complainants was in line with figures from Census 2006 for New Zealand Pakeha and Maori, but Pacific, Asian and other ethnicities are under-represented. We need to improve the means by which we communicate with these communities. We are looking at developing resources aimed at people for whom English is a not a first language as step toward this.

Complainants with a household income under \$30,000 were over-represented relative to Census 2006 figures (47% of respondents). Complainants with household income between \$30 and \$70,000 were under-represented, whereas complainants in the upper income brackets and the people who would not say were in line with Census 2006 figures. We need to consider what might prevent people with household incomes between \$30 to \$70,000 from using the Scheme.



smart meter estimates?

The case

Ms A said her electricity retailer, company X, put in a smart meter at her property around June 2009.

Ms A noticed her next bill was an 'estimate' and called to find out why she was getting an estimated bill when she had a smart meter. Ms A said company X told her the bill was based on a reading.

Ms A switched from company X to company Y in September 2009.

In October 2009, Ms A noticed her meter was different. Ms A said she had no notice about anyone coming on to her property or changing the meter. Ms A said the contractor would have had to jump over a locked gate to get to the meter.

Ms A called company X about this. It told her company Y must have changed the meter. When Ms A called company Y, she was told the meter was the type used by company X, and therefore it must have made the change.

In November 2009, Ms A got a bill from company X for \$1,718.56. Ms A said the bill did not include any explanation or information about the bill.

Ms A said she complained to company X about the bill and was told the meter installed in June 2009 had been faulty. She said company X told her it had been to her property in October to replace the meter, and then sent the bill, including a back bill, based on estimated usage.

On 18 December 2009 company X debited the total amount of the bill from Ms A's bank account.

Ms A said company X collected her bank information in 2005. She had since switched away from and back to the company, and used phone banking to pay her bills. Ms A believed company X breached her privacy rights by using information held by the company from 2005 to debit her account without her permission.

Ms A complained to company X about the direct debit and the money was put back into her account the next day. Ms A said she received no further explanation or apology about the incident.

Ms A said she was unhappy with the way staff at company X responded to her initial query about the estimated bill, and later complaints about the meter being changed, the back bill, and the direct debit.

Ms A continued to pay company X each month until October 2009.

The outcome

The EGCC got information from both companies about Ms A's accounts and billing history. After looking on to the complaint, the EGCC found:

The signal transmitted from the first smart meter installed on Ms A's property was weak. This meant the reading was not reaching company X, and estimated accounts were automatically generated.

When Ms A switched companies in September 2009, company Y went to Ms A's property to get a start read from the meter (because no reading information was being transmitted).

Company X changed the meter on Ms A's property in October 2009, after she had switched to company Y. Company X did not read the meter and sent the final bill based on estimated usage.

The start read taken by company Y showed company X's estimated bills had not been accurate.

Company X apologised and acknowledged it had not dealt with the complaint in a timely and effective manner. Company X recalculated the bill and applied a credit of \$1357.63 to the account and closed it with a zero balance. Ms A accepted this in full and final settlement of her complaint.

Settled

a fee for paying cash...

The cases

Mrs S and Mrs M made separate complaints about the same retailer introducing a fee for paying cash at NZ Post outlets.

Mrs S said the retailer told her about the fee in June, and began charging it on 1 July 2010. Mrs S said the retailer had limited payment options to new technology. As an older person, she was not comfortable with new technology and chose to pay her bills in cash. Mrs S complained to the retailer and got a letter in response, which did not satisfy her.

Mrs M said she first complained to the retailer about the fee in the first week of August 2010. The retailer told her fees had been introduced for certain methods of payment. This explanation did not satisfy Mrs M because the Post Shop told her it does not charge the retailer for cash payments. When Mrs M phoned the retailer, a customer service representative (CSR) told her the fee was not a Post Shop charge, but the cost the retailer incurred in processing the payment. The CSR told Mrs M that the retailer was now passing on a part of this cost to consumers.

The outcome

The EGCC looked into whether the retailer was able to charge the fee, and if so, whether it had given proper notice.

The EGCC found the retailer's terms and conditions allowed the retailer to introduce new fees, provided it gave customers appropriate notice. The retailer had told consumers about the fee by placing public notices in four major newspapers and on its website over 30 days before the fee was to apply. This was as required by the retailer's terms and conditions. The retailer had also included

information about the fee on bills sent to customers in the seven weeks before the fee was to apply.

The EGCC considered the Electricity Authority's principles and minimum terms for retail contracts, which say retailers should give consumers reasonable notice before charging fees and explain how the consumer can avoid incurring the fee. The EGCC noted the retailer's public notices said the fee was being introduced and customers could avoid the fee by choosing other means of payment.

Overall the EGCC believed the retailer had made a fair and reasonable effort to notify consumers it was introducing the fee.

However, the EGCC noted the words used to describe these fees on the retailer's website were inconsistent. The terms and conditions referred to "service fees", while the page on the retailer's website listing the fee referred to "special fees". The EGCC also noted the fee was not mentioned on the page headed "bill and payment options – ways to pay", which could have been confusing for consumers. The retailer agreed to make changes on its website to make the wording more consistent, and added information about the fees to the "ways to pay" page.

The EGCC also noted at least two other retailers charge similar fees for making payments at NZ Post outlets.

The EGCC did not find any legislative provisions preventing a retailer from charging a fee for accepting cash payments.

The retailer and the two complainants accepted the findings of the investigation summary and the complaints were resolved.

Settled

salesperson gave cheaper prices

The case

Mr W complained his energy company was billing him on different prices than he believed he agreed to when he signed up for gas and electricity supply.

Mr W said an energy company salesperson came to his door in June 2009 to ask if he would like to switch to that company for his electricity and gas supply. The salesperson showed him prices that were better than his current energy company's prices. Mr W said the salesperson wrote down the prices he was offering on one of Mr W's current energy company's bills. Mr W agreed to switch based on these prices, and signed a form agreeing to the switch. Mr W did not remember checking that the prices were on the form he signed.

The first bill from the new energy company arrived in July 2009. Mr W noticed the prices were higher than those the salesperson wrote down when he agreed to switch. He phoned the energy company to ask why the prices were different. The energy company asked for a copy of the prices written down at the time he agreed to switch. Mr W faxed this document to the energy company but did not get any response.

The outcome

The energy company said it had a form signed by Mr W with the same prices on it as those on his bill. However, the energy company acknowledged Mr W would not have a copy of this form, as it was not the company's process then to give the customer a copy of this form. The energy company said it has now changed its process so customers do receive a copy of this form.

The energy company apologised its staff had not responded when Mr W first raised concerns about the pricing. The energy company offered a goodwill credit to Mr W for the account balance at that time of \$259.64. This was to acknowledge the poor service Mr W received and the misunderstanding about the pricing. The energy company said this was more than the credit he would receive based on the difference in billing up to the current date. That difference, based on the prices he believed he signed up for and the related prompt payment discounts, was \$226.78.

Mr W accepted the energy company's offer of a goodwill credit of \$259.64 as settlement of his complaint.

Settled

where is the point of supply?

The case

Mr S's company owns a rental property that includes two flats, one on top of the other.

A contractor disconnected the property's service line because of safety concerns. Contractors have a responsibility to do this if something is unsafe.

A service line is the line connecting a consumer's property to the network company's electricity lines.

Mr S paid for the repair of the service line and asked the network company to pay back the cost, \$394.82.

The network company declined to pay, saying the service line is private property and is the owner's responsibility.

Mr S said the network company owns the line to the point of supply, and he believes the point of supply is where the line enters the property.

Mr S said it is industry practice for network companies to repair service lines. He said industry practice was relevant because the definition of "point of supply" in the Electricity Act 1992 (the Act) did not apply. He said the definition did not apply because the transition provisions were not satisfied, nor did he believe the old definition applied as it had been repealed.

Mr S and the network company could not agree on the law which applied to service lines and asked the Commissioner to consider the matter.

The outcome

The Commissioner did not uphold the complaint. The Commissioner did not believe the network company was responsible for maintaining the repaired section of the line.

In making this recommendation the Commissioner considered industry practice and the law which applies to the electricity industry.

The Commissioner found the definition of point of supply for Mr S's property was the old definition from the Act. In 2001 Parliament changed the definition of point of supply in the Act and repealed the previous definition. However, the new definition does not apply until transitional provisions are completed and, at the time of the incident, this had not happened. Because the new definition did not apply, the existing rights and status under the old definition continued.

The Commissioner found the network company was responsible for lines up to the point of supply. The point of supply for Mr S's property was at the boundary. The damage to this service line was on Mr S's side of the boundary and there was nothing in law requiring the network company to be responsible for the repairs.

The Commissioner found industry practice is not determinative in the complaint because of the variations in practice. The Commissioner knows of only one company that repairs lines to the building and another that gives consumers the option of paying a monthly fee to cover the cost of repairs to service lines.

Recommendation – not upheld

invoiced for the whole building



The case

Mr H moved into the first floor of a building and signed up for electricity with a retailer.

The meter was on the ground floor, which was unoccupied when Mr H moved in. Tenants moved into the ground floor a few months later.

The retailer usually read the meter every two months, but missed three consecutive reads. The retailer sent notices to Mr H after two readings were missed, advising there were problems with access to the meter. Mr H did not respond to these notices.

The meter was read eight months after Mr H's tenancy started. This showed the meter was recording the electricity used for both the ground floor and the first floor. Mr H received a catch up bill of about \$7,500.

Mr H complained:

- he had only asked the retailer for a supply of electricity to the first floor
- the retailer did not inform him the supply was for the entire building
- there should not have been a meter access problem during normal business hours
- he should only be liable for the electricity used by the first floor.

The outcome

After an investigation, the Commissioner upheld the complaint. She found the retailer was not responsible for separating the metering for a multiple tenanted property. This was an issue between the property owner and the tenants.

The Commissioner also found Mr H had been given adequate notice the meter was not being read but this was balanced out by the fact there should have been no meter access issues.

The Commissioner believed a fair and reasonable outcome, given both parties had contributed to the problem, was a 30% discount of the disputed bill. The retailer accepted the recommendation but Mr H rejected it.

Recommendation – upheld

Financial summary

Income and expenditure (summary)

For the year ended 31 March	10 -11	09 -10	08 - 09
	\$000	\$000	\$000
Annual levy	1,957	1,514	1,743
Other income	23	37	53
Total income	1,980	1,551	1,796
Staff related costs	1,143	956	906
Other costs	694	608	711
Depreciation	64	42	53
Total expenditure	1,901	1,606	1,670
Operating surplus/(deficit) before tax	79	(55)	126

These figures are drawn from our unaudited management accounts. The audited financial statements will be available separately on our website.

2010-11

Total cases 4468

Cost per case \$425

Budget \$1,959,000


Independent chair
Dr Richard Janes

(Appointed December 2007, term expires December 2011)

Dr Janes is a professional director, with extensive international governance experience in both public and private organisations.

Industry representatives
**Retailer representative
Contact Energy**

(Appointed March 2010, term expires June 2012)

Jason Delamore,
General Manager of
Retail, Contact Energy

**Lines company representative
Electra**

(Appointed March 2010, term expires June 2012)

John Yeoman,
Chief Executive,
Electra

Consumer representatives
Therese O'Connell

(Appointed September 2007, term expires August 2012)

Therese works at the Govett-Brewster Art Gallery in New Plymouth, and provides support for her elderly father.

She has held a range of Board roles and been a key developer of networks, forums and collaborative partnerships in refugee and migrant agencies and associated organisations and in the regional and national trade union movement.

Brenda Simmons

(Appointed March 2008, term expired February 2011)

Brenda is Managing Director and Project Coordinator for the O Le Laitaga Trust (New Beginnings) Social Services. She is a member of the O Le Laitaga Trust Board, Deputy Chair of Roskill Union & Community Health Board, and a representative on the Strengthening Families Central Auckland Local Management Group.

Nicky Darlow

(Appointed March 2011, term expires February 2013)

Nicky is self-employed as a community consultant, specialising in reviews of community organisations, community development, training, and mediation and facilitation. Nicky has previously worked for Wellington Community Law Centre and Citizens Advice Bureau.

Nicky is Member of the New Zealand Order of Merit (MNZM) for services to the community. She was awarded the New Zealand 1990 medal for services to consumers.

electricity and gas complaints commission members

egcc staff

Commissioner

Judi Jones

Deputy commissioner

Nanette Moreau

Team managers

Jerome Chapman

Moira Ransom

Conciliators

James Blake-Palmer

Ali Cameron (0.8)

Brenda Devane

Bonnie Gadd

Chris Juchnowicz (0.2, fulltime from December 2010)

Adam Meek (from March 2011)

Joel Pearce

Penny Rea (to March 2011)

Mika Reilly (from October 2010)

Reporting analyst

Richard Heaps

Corporate services manager

Paul Selwyn-Smith (0.5)

Executive and team assistant

Sarah Watts (to February 2011)

Kirsty Williams (from February 2011)

Communications advisor

Dinah Vincent (0.6)

Tamzin Hine (3 hours a week)

egcc member companies

List of Member companies

Where a member joined in the financial year, the month and year of joining is given.

Lines

Alpine Energy
Aurora Energy
Buller Electricity
Centralines (managed by Unison)
Chatham Islands Electricity
Counties Power
Eastland Networks
Electra
Electricity Ashburton
Electricity Invercargill (managed by PowerNet)
Electricity Southland (managed by PowerNet)
GasNet
Horizon Energy
MainPower
Marlborough Lines
Nelson Electricity
Network Tasman
Network Waitaki
Northpower
OnGas
Orion
OtagoNet Joint Venture (managed by PowerNet)
Powerco
PowerNet
Scanpower
Stewart Island Electricity Supply Authority
The Lines Company
The Power Company (managed by PowerNet)
Top Energy
Transpower NZ
Unison

United Networks
Vector
Waipa Networks
WEL Networks
Wellington Electricity Lines
Westpower

Retail

BOSCO – from April 2010 (includes TMP)
Chatham Islands Electricity
Contact Energy
Empower
Energy Direct NZ (see Wanganui Gas)
Energy Online (see Genesis Energy)
Genesis Energy (includes Energy Online)
Greymouth Gas – from April 2010
Hunet Energy – from December 2010
Just Energy (see Pulse Utilities)
King Country Energy – from April 2010
Karapiro Power – from April 2010
Mighty River Power
Meridian Energy
OnGas (a brand of Vector) – from March 2011
Opunake Hydro
Powershop NZ
Pulse Energy (see Pulse Utilities)
Pulse Utilities (includes Pulse Energy and Just Energy)
Stewart Island Electricity Supply Authority
Simply Energy
Tiny Mighty Power (see BOSCO)
TrustPower – from April 2010

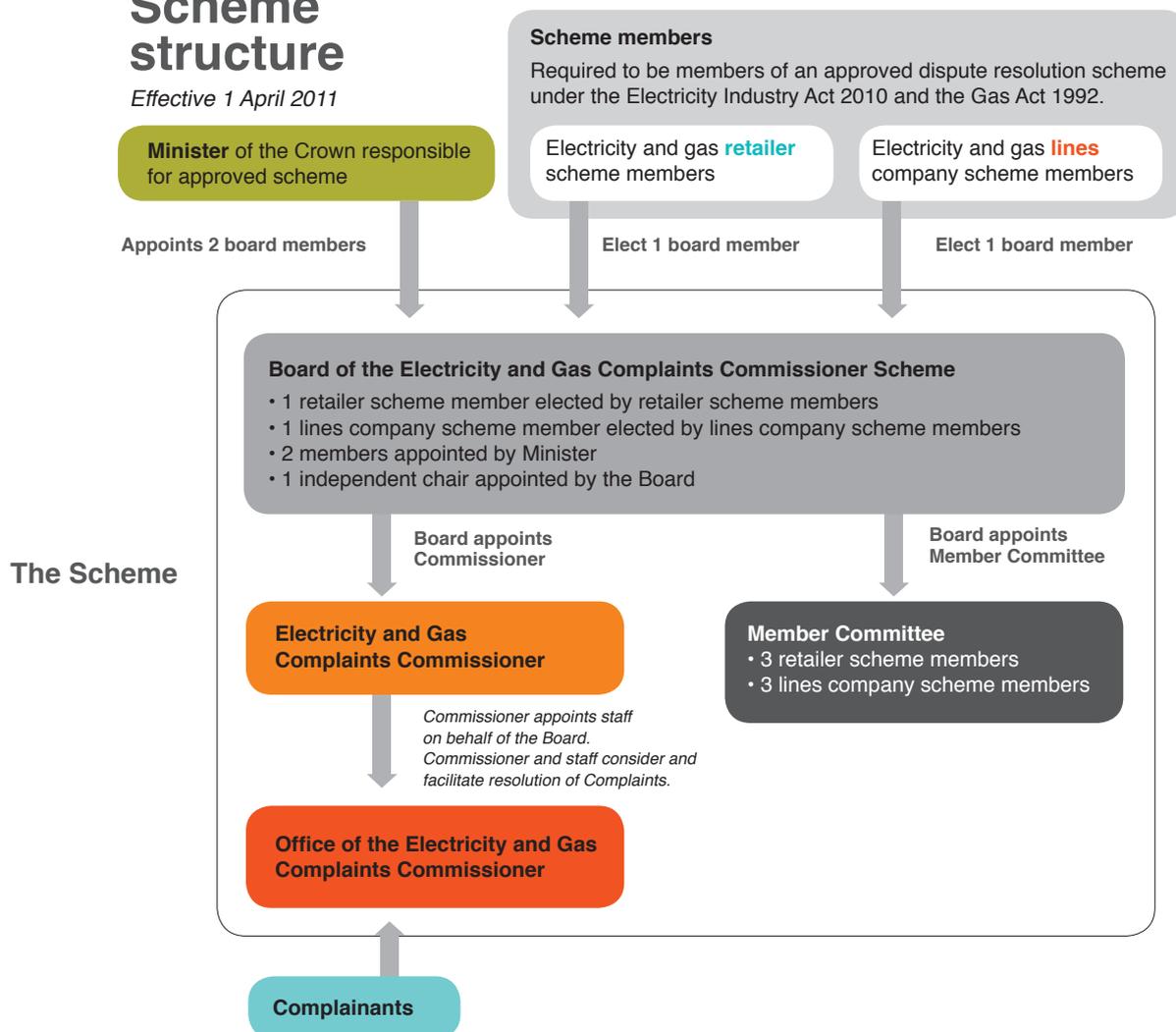
The Electricity Act 1992 and the Gas Act 1992 require all retailers and lines companies (electricity and gas) to belong to the Scheme. Not all companies have joined the Scheme. The Electricity Authority and Ministry of Economic Development are responsible for enforcement, and the EGC Commission has referred the issue of non-members to those agencies for enforcement action.

how we get it sorted



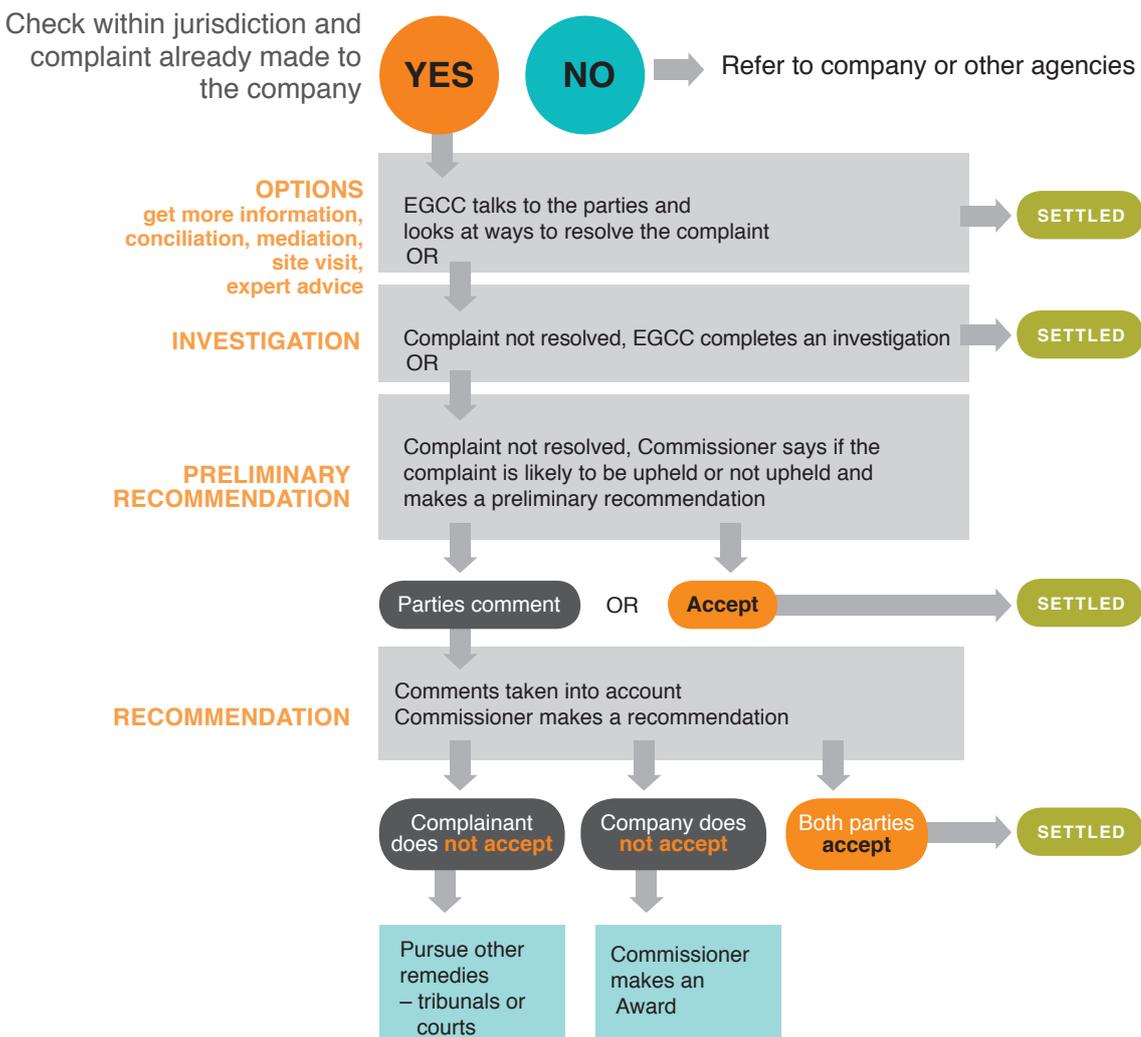
Scheme structure

Effective 1 April 2011



- conciliate
- mediate
- visit sites
- use expert advice
- investigate
- recommend
- award

Commissioner accepts complaint for consideration





Electricity and Gas Complaints Commission

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PO Box 5875 Lambton Quay

Wellington 6145

Freephone 0800 22 33 40

Freefax 0800 22 33 47

Email info@egcomplaints.co.nz

Website www.egcomplaints.co.nz