

Electricity and Gas Complaints Commissioner Scheme

ROAD MAP

ANNUAL REPORT 15
16



Who are we?

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

Contents

Key facts	1
Chair's report	2
Commissioner's report	3
Annual review	4
Scheme document	6
Setting the scene	7
Systemic problems	9
Members	10
Deadlocked complaints by member	12
Awareness and accessibility	13
Real people	15
Case notes	16
Financial summary	21
Board members	22
Definitions	23

This is our journey: where we have been, where we are, where we want to get to...

Key facts

The issues

Complaint issues

Year	13 - 14	14 - 15	15 - 16
Billing	43.0%	47.2%	43.9%
Customer service	16.9%	26.3%	19.6%
Meter	9.5%	6.5%	9.1%
Disconnection	9.7%	4.3%	5.2%
Supply	5.1%	4.5%	4.6%

How many

Cases received

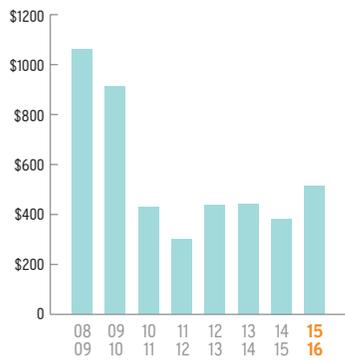
Year	13 - 14	14 - 15	15 - 16
Enquiries	4,387	4,401	3,658
Complaints	2,070	3,655	2,938
Total cases	6,457	8,056	6,596
Deadlocked cases accepted for consideration	189	497	348

This table shows the top five issues in complaints. See the website for a full list.



How much

Cost per case



How long

Days to close
deadlocked cases



Chair's report



2015-16 became a year of change and preparing for change. The Board focused on preparing for the future from a governance perspective to ensure the Scheme is fit for purpose and responds to changes in the electricity and gas industries.

The changing face of membership meant we increased from more than 80 members in 2014-15 to well over 200 members, including resellers of LPG and secondary networks. Members are diversifying their roles and becoming involved in the delivery of emerging technologies. The challenge for the Board is to ensure the Scheme provides timely service and adds value to the member/consumer relationship.

The Electricity Industry Act 2010 requires the Board to commission a five year review of the Scheme in 2016-17. At the 2015 strategy day the Board reviewed recommendations from the first independent review in 2011-12, the Baljurda Report. This report recommended the establishment of a not for profit company and a broadening of the services to provide a complaint handling scheme for converging utilities.

Members are expanding into other utility services such as ultrafast broadband, water, and 'one big bill'. These utilities face common issues, such as multiple connectivity, single invoices, and land access issues.

The Board believes the time is right for change in order to remain relevant and fit for purpose. Consultation is underway to amend the current Scheme to create a company structure and broaden the scope of the Scheme to provide dispute resolution services to related utility sectors. The Board believes these changes will offer efficiency gains and ease of access for consumers and providers of utility services. The Board wishes to have this process complete before the five year review. My thanks go to the Board members, Member Committee members and the Advisory Committee for their continuing commitment to oversight and success of the Scheme.

While the industry is changing so too is the Commissioner's office. Judi Jones left to become the Ombudsman for the Australian telecommunications sector. The Board would like to thank Judi for her exceptional contribution, not only to the work of the office, but also her dedication to dispute resolution generally. The Board appointed Nanette Moreau as Commissioner and is pleased with the continuity this has provided for EGCC.

Work has continued on the strategic initiatives with great success. The five initiatives were: increasing awareness and accessibility, reviewing the scope of the Scheme, sharing knowledge to assist members resolve complaints, developing our staff, and a number of quality improvements to the work of the office.

The Board is committed to ensuring a safe and healthy workplace. To this end, staff met the Board KPI of achieving Level 1 ACC accreditation during 2015-16.

I would like to thank the Commissioner and her staff for their continued strong performance. The Board joins me in congratulating the staff on winning the IBM Kenexa Best Small Workplace award for 2015 and joining the Five Year League, as a finalist in each of the last five years.

Heather Roy
Heather Roy | Independent Chair



2001
Electricity Complaints
Commission established



2005
Gas added
to form EGCC



2006
Land complaints



2014
LPG in cylinders



2016

Commissioner's report



One cannot begin a Commissioner's report without acknowledging Judi Jones. Judi left EGCC in March 2016 after 14 years as Commissioner. She took up a position as Telecommunications Industry Ombudsman for Australia. Her contribution to our industry, dispute resolution, and the life and culture of EGCC cannot be measured in words or numbers. What she has left with us is a foundation of quality and always striving to be better at what we do.

To this end, the staff have responded and are totally committed to carrying on the work of EGCC in a professional, independent, and effective way, always with good humour. For this I thank them.

Our workload has dropped slightly, however the mix of work has meant we have received more complaints and deadlocked cases accepted for consideration than budgeted. The impact of a record level of complaints in 2014-15 was still felt in 2015-16. However, we ended the year with 69 open deadlocked cases compared to 121 in the previous year.

Deadlocked cases accepted for consideration

	13 - 14	14 - 15	15 - 16
Open	189	497	348
Closed	212	419	400

We have continued the review of our process and implemented changes. These include setting up the six week rotation of a 'first response' team, while the three other operations teams work on cases accepted for consideration and other projects. The office has focused on closing the oldest cases which impacts the time it takes to close. We are aware time to close complaints is a concern for both members and complainants alike, and it is an area of focus for improvement in 2016-17.

Membership has continued to grow to more than 200 members, up from 82 at the end of 2014-15. The mix of members has continued to change with some members having very few customers. One of the ways we are working with members is through complaint management workshops. Due to the success of the workshops, they have become business as usual, and we look to deliver more training for members in 2016-17.

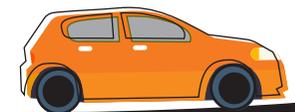
We receive valuable feedback from complainants and members we survey. While we met our satisfaction

performance standard for complainants, we did not for members across the board. A focus for 2016-17 will be improvement in both. As part of benchmarking we enter the IBM Kenexa Best Workplace Awards. It was particularly pleasing this year as EGCC won the Best Small Workplace category and we joined the Five Year League, having been finalists in the last five successive years.

Other activities which contributed to a busy year of change were preparations to introduce a new IT platform across the whole of EGCC. We also began work on significant changes to the Scheme document to ensure we remain relevant.

In addition to the staff who continue to step up when called on, I thank the Board and especially the Chair, the Hon Heather Roy, for their support and show of confidence in appointing me to the position of EGC Commissioner.

Nanette Moreau | Commissioner



Annual review

Each year the Board is required to review the Scheme against its legislative requirements and against the performance standards set. This review provides the opportunity to ensure the Scheme remains aligned to its purpose, and is performing well. It is also an opportunity to plan for improved performance.

Performance against standards set for 2015-16

Scheme requirement	Performance standard	Performance
Time to close	More than 45% deadlocked cases closed in 30 working days More than 75% deadlocked cases closed in 90 working days Scheme complaints closed in 60 working days	Met – 51.5% Met – 80% Met
Cost per case	\$452	Not met – \$520.35*
Member satisfaction	75% of members satisfied with the performance of the Scheme	Not met – 52%
Complainant satisfaction	75% of complainants were satisfied or more with the complaint handling process	Met – 88%
Awareness and accessibility	20% unprompted recognition in general awareness survey – to be measured in 2016-17	To be completed in 2016-17 financial year
Compliance reporting	Compliance reporting complete, accurate and on time	Likely to be met
External review of cases	Five year independent review of the Scheme	To be completed in 2016-17 financial year

*Explained further - right

The Board believes the Scheme continues in good heart. The Commissioner has continued to deal with the impact of increased work load in 2014-15, and achieved this within the existing budget.

Performance

The Scheme's performance against the standards set is summarised in the table on the left.

In 2015-16 the Commissioner met timeliness standards for deadlocked cases accepted for consideration, accepted 348 complaints for consideration and closed 400 cases. The Board considered and closed one complaint about the operation of the Scheme, meeting the time to close standard.

The performance standard for cost per case was not met. The average cost per case is set by dividing the total budget by the total number of enquiries and complaints. The number of enquiries, at 83% of budget, did not reach the forecast level, which meant the office ended the year with a higher cost per case on the face of it. However complaints, at 113% of budget,



exceeded the forecast level. On average a complaint takes 27 times longer to process than an enquiry. Although the cost per case was not met, this figure does not reflect the work done by the office. The Board will be seeking a more meaningful measure as part of the five year independent review of the Scheme.

Satisfaction, awareness and compliance

EGCC met its performance standard for complainant satisfaction, with 72% of complainants rating the process as very good, 12% as good and 4% as satisfactory.

EGCC did not meet its member satisfaction standard, set at 75%. Our annual member survey showed only 52% of respondents rating the performance of the Scheme as satisfactory or better. Breaking down the numbers, 86% of network members rated the fairness of our service as good or better compared to just 54% of retail members.

In 2016-17 we will complete a general awareness survey. In the 2015-16 survey, unprompted awareness was 6%, while once prompted, 18% of New Zealanders had heard of EGCC.

In 2015-16 the Board required 13 members to report on their compliance with the Scheme, and the result was generally good. There are more details of member compliance on page 11. In 2015-16 members who met the compliance standard during the previous reporting period, as well as new members, were not required to report. Given the substantial increase in membership over the last 18 months the Board is reconsidering the process for measuring compliance.

Requirements of the Electricity Industry Act 2010

The Board is satisfied the Scheme is continuing to meet the requirements set out in Schedule 4 of the Electricity Industry Act 2010. This includes the principles of accessibility, independence, fairness, accountability, efficiency and effectiveness.

As signalled in the 2014-15 annual review the Board is reviewing exclusions from the Scheme against the requirement in section 95 and Schedule 4 of the Act for “any person” to be able to complain to the Scheme. The Board will be consulting on this as part of a larger process to be concluded in 2016-17.



Scheme document

Set of rules

The Scheme document is very important to the work we do. It is the set of rules both the office and members need to follow when handling complaints. It sets out what a complaint is and what members should do when they receive one. It also sets out how decisions are made, how the Scheme is structured and funded, and a process for investigating complaints about the Scheme.

Changing landscape

To remain fit for purpose in an evolving industry the Board proposed changes to the governance and structure of the Scheme. The changes aim to: simplify the Scheme's rules to make them more accessible, ensure we meet the requirements as the approved scheme, and allow the Scheme to take advantage of other opportunities that may arise in the future. To achieve the Board's aims there needed to be a substantial change to the look and operation of the Scheme document.

Before drafting, the Board sought views of both members and consumers by convening an advisory group. With input from this group the Board's solicitors drafted a new set of rules for the Scheme, set out in three key documents: a company constitution, general rules and Scheme rules.

In February this year the Board consulted with stakeholders for the first time. A range of

stakeholders, including members and consumer groups, showed significant interest, sending 23 submissions.

While there was support in principle for the changes, stakeholders sought further information about the drivers for change: why the proposed structure was chosen over alternatives, and what impact all this would have on the cost of operating the Scheme. The Board and members shared a key concern to avoid any reduction in the quality of the work we do.

The journey continues

At the time of reporting the Board's consultation process was not finalised. Remaining steps are for the Board to determine the final versions of the documents and approve them for sending to the Minister of Commerce and Consumer Affairs for approval. The Minister then has 45 days to review the changes and raise any issues before they are deemed to be accepted.

The current Scheme document and earlier versions are available on our website. See more information about the proposed changes and consultation on the Current Consultation page of our website.

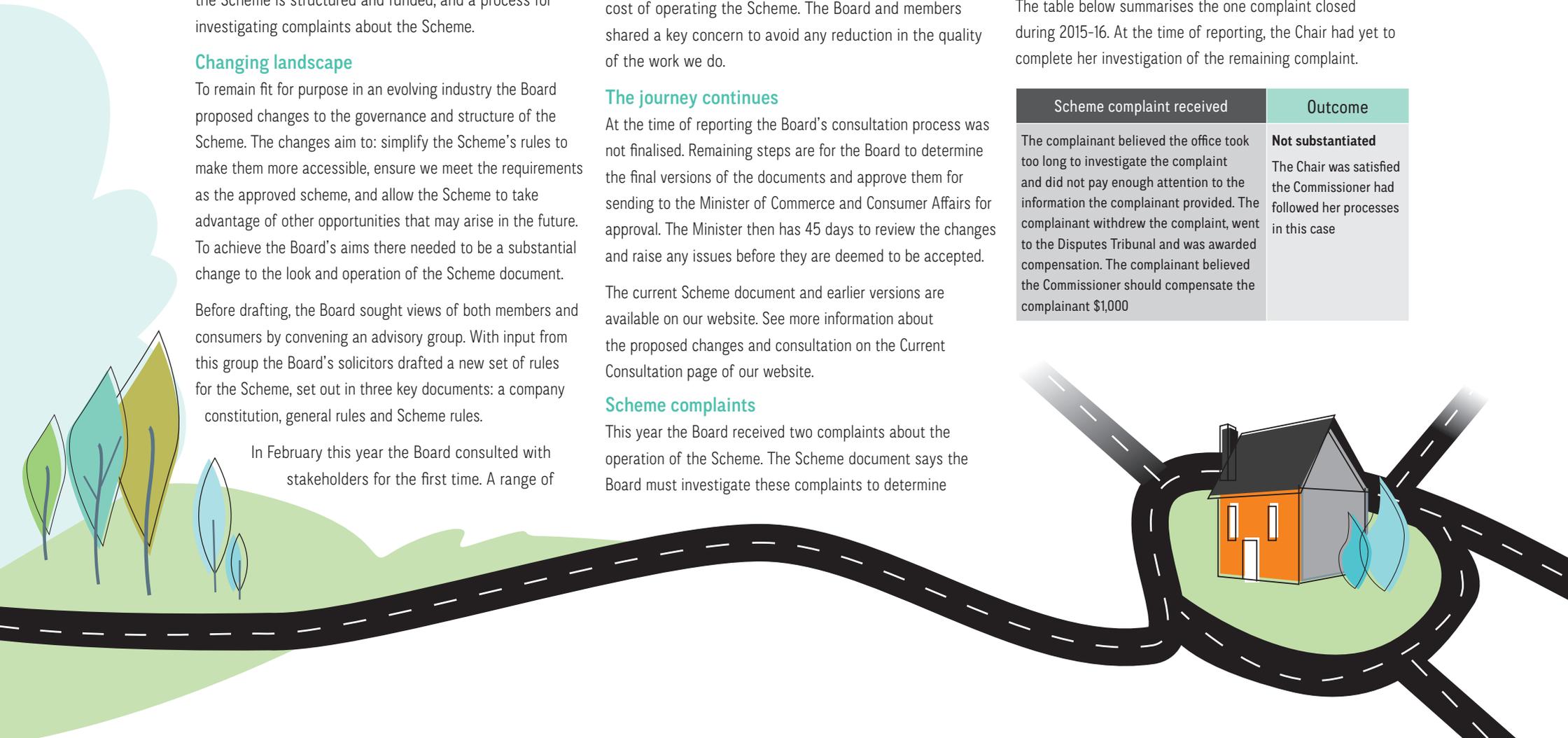
Scheme complaints

This year the Board received two complaints about the operation of the Scheme. The Scheme document says the Board must investigate these complaints to determine

whether the Commissioner applied her processes correctly. The Board has delegated this to the Chair. In reviewing these complaints, the Chair is unable to review the Commissioner's decisions. This is because the Commissioner is required to act independently (clause E.29), and it is not the Board's role to provide an appeal against her decisions.

The table below summarises the one complaint closed during 2015-16. At the time of reporting, the Chair had yet to complete her investigation of the remaining complaint.

Scheme complaint received	Outcome
The complainant believed the office took too long to investigate the complaint and did not pay enough attention to the information the complainant provided. The complainant withdrew the complaint, went to the Disputes Tribunal and was awarded compensation. The complainant believed the Commissioner should compensate the complainant \$1,000	Not substantiated The Chair was satisfied the Commissioner had followed her processes in this case



Setting the scene

2015-16 began with outstanding cases resulting from record numbers in 2014-15 and high staff turnover. Predicting workload is one of the most difficult challenges for dispute resolution schemes and something usually not in their control.

2015-16 was to be a settled year with the five initiatives—visibility, Scheme relevance, quality improvement, developing staff, knowledge to members—well underway. Recruitment of new staff took time, and of course, a period of wonderment for new staff to learn about the work of EGCC.

EGCC had a number of software programmes which did not talk to one another. As the database systems were not providing the quality or flexibility required to provide timely and meaningful data, we began considering alternatives.

Our membership base grew and changed, increasing to more than 200, and varying with the addition of LPG and new entrant retailers, as well as secondary networks.

Members added new technology and changed the face of services provided to consumers.

Being known in the community and being accessible are two of the founding principles of the Scheme. Visibility of the Scheme developed throughout the year with public visits and formal events in partnership with community organisations.

We monitored what was happening in the industry and looked to our dispute resolution counterparts to canvass their response to change. The message was loud and clear: industry and consumer expectations were on the move.

Internally we looked closely at how we worked. Following a comprehensive process review done by staff the focus shifted to what needs to change.

More effective and efficient

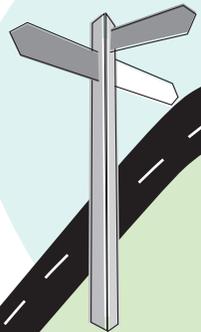
It takes time for new staff to get to grips with New Zealand's energy industry, so keeping trained staff was a focus. In-house training, mediator accreditation through the Resolution Institute, and our scholarship programme contributed to staff satisfaction. The Board continued to strengthen its commitment to a safe and healthy workplace.

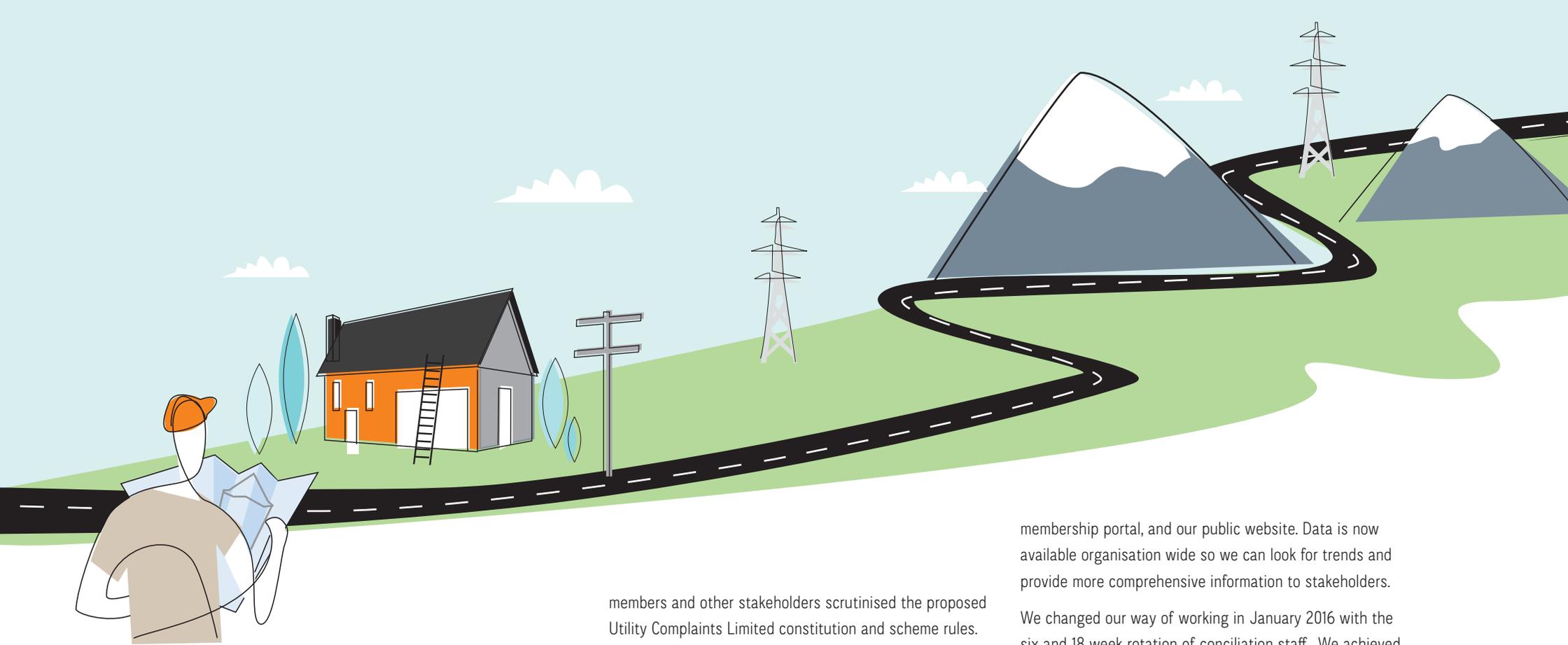
The office had a key performance indicator to achieve Level 1 accreditation from ACC. Our office generally works in a safe environment, however constantly dealing with people in conflict can take its toll.

The complaint management and resolution workshop for members was successful. Demand for the one day workshop exceeded our ability to provide. Members expressed interest in training at the next level and for other parts of their businesses, such as for contractors in the field dealing with customers.

At its strategy day in July 2015 the Board and management staff considered the future of the Scheme and how to remain fit for purpose and relevant.

The strategy day identified the need for EGCC to keep pace with an evolving industry while maintaining the integrity of the existing Scheme.





A sustainable scheme for the future

To ensure the sustainability of the Scheme, the Board commissioned Sapere Research Group to report on the value of the Scheme. You can find the report on our website.

Work began on changes to the Scheme document, with a great deal of thought going into the legal entity needed, the best governance model, and possibilities to expand the Scheme to include other utilities. By early February the Board presented a framework of the re-imagined Scheme to an advisory group made up of members and consumer representatives. In individual feedback sessions

members and other stakeholders scrutinised the proposed Utility Complaints Limited constitution and scheme rules. Responses were generally positive and recognised the need for the Scheme to move forward. As we go to print, the Board is holding a second round of consultation.

To ensure our readiness for potential Scheme changes we looked to our IT assets. Our data was in different places and was hard to access. During the latter part of 2015-16 we test drove a new integrated system, lovingly called the Sandbox. This provided enough confidence to proceed, and we concluded hard development work. On 4 April 2016 we went live with a new system for IT assets on a single platform, including our complaint management system,

membership portal, and our public website. Data is now available organisation wide so we can look for trends and provide more comprehensive information to stakeholders.

We changed our way of working in January 2016 with the six and 18 week rotation of conciliation staff. We achieved Level 1 ACC accreditation. We are working on new training programmes for members. We are looking at ways of increasing visibility and streamlining members' self-review process to ensure consumers know about their right to access the Scheme.

We recognise the importance of maintaining the quality of the Scheme developed over more than 14 years. The Scheme is in good heart as we begin the journey into this changing future.

Systemic problems

Systemic problems affect, or have the potential to affect, groups of people. The Commissioner identifies and responds to systemic problems to ensure fair and consistent complaint resolution. The Commissioner's most common response to a systemic problem is to discuss it with the member or members involved.

Last year the Commissioner took this approach with two systemic problems about contractual terms customers said were unfamiliar to them:

- Some retailers charged a fee when a customer switched to a new provider without giving notice
- Some retailers automatically rolled over fixed term contracts without notice

This year the Commissioner also provides an update on the Penrose outage in Auckland, reported as a systemic issue in the 2014-15 Annual Report.

Unfamiliar contractual terms

The Commissioner received complaints about retailers which charged a fee when the customer switched to a new retailer without giving the old retailer notice—of 30 days in some cases. The retailers charged the fee whether or not the customer was on a fixed term contract. Many customers said the fee came as a surprise to them.

Some retailers changed their approach to fixed term contracts in ways customers said they did not expect. Previously customers had to give the retailer notice to continue a fixed term contract for supply, but this year

some retailers required customers to give notice to end the contract. No response would result in the automatic renewal of the contract, rather than lapse of the contract. This resulted in customers not realising they were still in a fixed term contract until they tried to switch to a different retailer.

Follow up: outage in Auckland

In October 2014 a fire in the Penrose substation resulted in an unplanned outage across Auckland.

In November 2015 the Electricity Authority released the report from its inquiry into the fire and outage. The inquiry found Vector and Transpower responsible for not managing the risks associated with their configuration of cabling infrastructure.

In light of the Electricity Authority's finding, the Commissioner began to consider previously suspended complaints from the Penrose outage.



Members

Membership of the Scheme increased by more than 100% in the last year, with the addition of almost 120 members. The 2013-14 Annual Report recorded 60 members, now two years later there are more than 200 Scheme members.

Member services

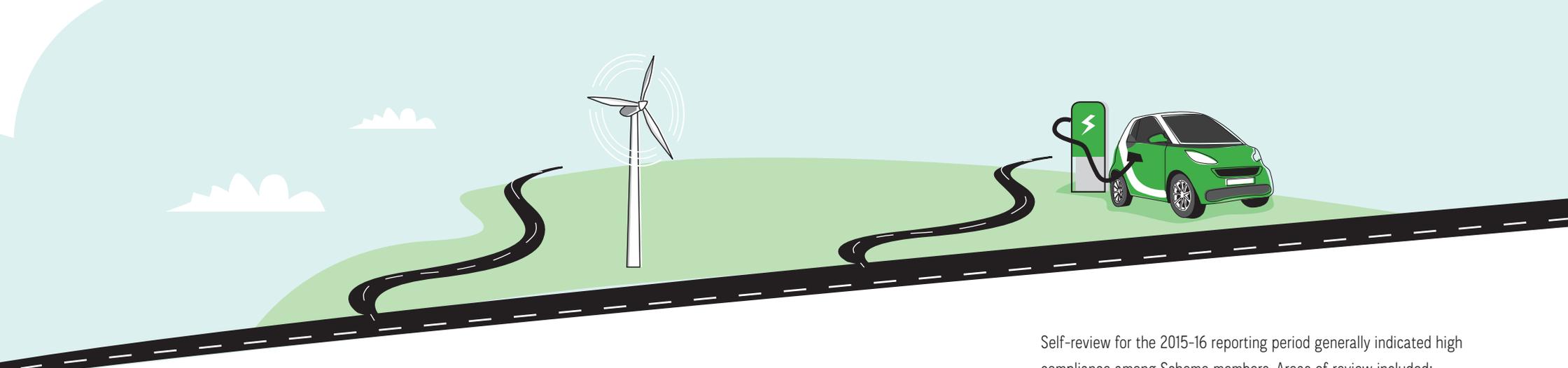
One of the Board's strategic initiatives for 2014-15 was to develop complaint management workshops for members to help them resolve complaints with their customers.

Due to the workshop being so well received, it is now one of the core services EGCC offers members. At year end we had delivered 13 workshops to around 150 people.

The feedback from members suggests the workshop is achieving its purpose of introducing ideas, developing techniques, and providing tools and tips for resolving complaints:

- "Great fun and valuable skills! Looking forward to using my toolbox in the workplace."
- "Very well run. Enjoyable while learning valuable tools."
- "Fantastic trainer. Really appreciated the presentation and willingness to share real life examples."
- "Enjoyed the day, found content enlightening with opportunity to use on a day to day basis."





Member satisfaction

We survey members each year, asking them about their satisfaction with the service the Scheme provides. The member satisfaction standard of 75% was not met. The survey showed 52% of respondents rated the overall performance of the Scheme as satisfactory or better. This is a decrease on the 2014-15 satisfaction standard of 54%, although the response rate increased for both network and retail members.

Network members' satisfaction was rated higher than retail members', with 86% of network members rating the fairness of the complaint resolution process as good or better, compared to 54% of retail members.

Ninety-two percent of network members rated EGCC's independence as good or better, compared to 62% of retail members.

The survey identified members were concerned about timeliness of complaint handling, with only 46% satisfaction in this area.

In 2016-17 EGCC will continue to focus on timeliness by:

- Ensuring sufficient conciliator resource and ongoing training
- Continuing to address any process inefficiencies
- Implementing new strategies to close older files, faster
- Facilitating more call referrals where appropriate during the initial stages of the complaints process

The survey asked members to assess the quality of the Commissioner's written decisions, irrespective of the outcome. The graph below shows the percentage of members who rated the decisions good or better in four areas.

Quality of Commissioner's written decisions % 15-16



Compliance with Scheme document

The Board requires members to review their own compliance with the Scheme document. Because compliance among members in 2014-15 was generally high, only 13 members were required to self-review in 2015-16. New members were not required to report in 2015-16.

Self-review for the 2015-16 reporting period generally indicated high compliance among Scheme members. Areas of review included:

- Promoting awareness of the Scheme
- Handling in-house complaints
- Referring complaints between members
- % of complaints acknowledged within two working days
- % of complaints responded to in seven working days
- % of complainants informed of their right to complain to EGCC at deadlock

Breaches

There was one material and one persistent breach of Scheme requirements in 2015-16. Nova Energy reported it failed to inform 35 of 43 complainants whose complaints reached deadlock of their right to bring their complaint to EGCC within two months. Hunet Energy failed to implement Board recommendations for four consecutive years. The Board is required to report these breaches to the Minister of Commerce and Consumer Affairs. Both Nova Energy and Hunet Energy have since implemented corrective action to ensure these breaches do not persist.

What's next?

Looking ahead it is likely the way the Board monitors member compliance with the Scheme document may change. This is because EGCC now has more than 200 members, and maintaining an efficient, fit for purpose process may require a new approach.

Deadlocked complaints by member

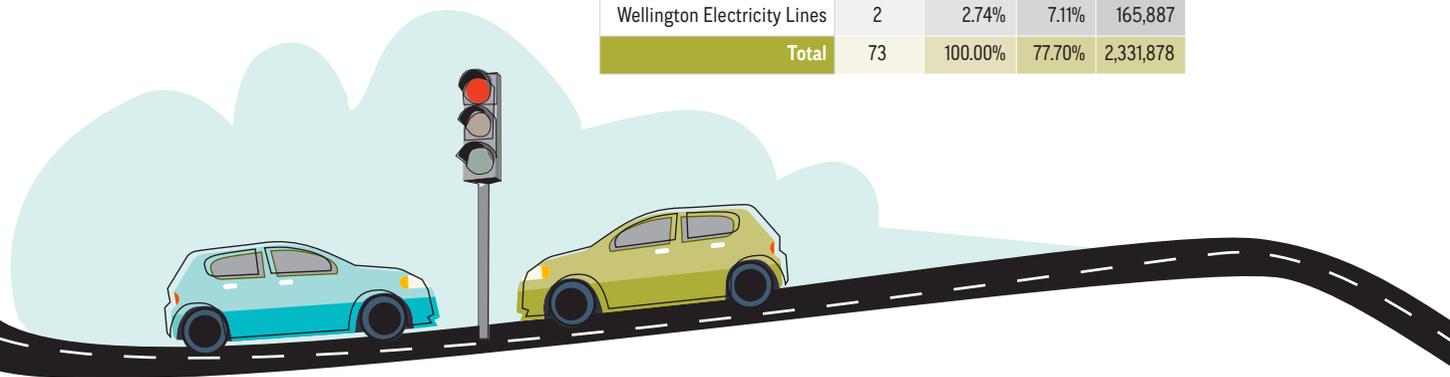
The two tables opposite show the number of deadlocked complaints accepted for consideration by member company for the year. The number of deadlocked complaints is expressed as a share of the total number of complaints, and members' market share is shown for comparison. Market share is calculated by installation control point (ICP). ICPs are the connection points at a site to an electricity or gas network. More than 85% of deadlocked complaints are about electricity. More than two thirds of retail and network members had no complaints reach deadlock.

These tables use the name of the member company. Some member companies have different brands—the list of members on the EGCC website includes any subsidiaries and trading brands.

Deadlocked complaints 2015-16

Retail members	Number of complaints	Share of complaints	Market share of ICPs	Total ICPs
Bosco Connect	5	1.82%	1.26%	29,482
Contact Energy	128	46.55%	20.98%	489,207
Genesis Energy	24	8.73%	27.43%	639,465
Mighty River Power	27	9.82%	17.16%	400,030
Meridian Energy	25	9.09%	9.53%	222,104
Nova Energy	21	7.64%	1.28%	29,902
OnGas	1	0.36%	0.02%	358
Powershop	4	1.45%	2.47%	57,691
Prime Energy	1	0.36%	0.02%	578
Pulse Energy	19	6.91%	5.96%	138,869
Trustpower	20	7.27%	12.39%	288,838
Total	275	100.00%	98.50%	2,331,346

Network members	Number of complaints	Share of complaints	Market share of ICPs	Total ICPs
Alpine Energy	1	1.37%	1.37%	31,971
Aurora Energy	4	5.48%	3.70%	86,223
Counties Power	3	4.11%	1.72%	40,111
Electricity Ashburton	1	1.37%	0.81%	18,886
Electra	2	2.74%	1.87%	43,693
Electricity Invercargill	1	1.37%	0.75%	17,389
Northpower	2	2.74%	2.41%	56,106
Orion	1	1.37%	8.20%	191,219
Powerco	8	10.96%	18.03%	420,358
The Lines Company	19	26.03%	1.00%	23,212
Top Energy	1	1.37%	1.34%	31,177
Unison	2	2.74%	4.70%	109,492
Vector	23	31.51%	20.93%	487,969
WEL Networks	3	4.11%	3.78%	88,220
Wellington Electricity Lines	2	2.74%	7.11%	165,887
Total	73	100.00%	77.70%	2,331,878



Awareness and accessibility

Known in the community

Members play a significant role in ensuring the Scheme is known in the community. Being known in the community is one of the Scheme's founding principles.

The Board was satisfied almost all members advise complainants about our office when their complaints reach deadlock.

One of the Board's strategic initiatives is to create a higher profile for the Scheme and to develop greater knowledge of how to make complaints. A UMR survey from November 2015 found 6% of New Zealanders mentioned EGCC when asked where they would look for help on resolving problems with electricity or gas providers. This was only a minor increase from the 5% recorded in 2014. When prompted, 18% of respondents said they had heard about EGCC.

When out and about staff continue to visit local Citizens Advice Bureaux (CABs), budgeting services, and other community groups. We piloted an initiative with Wellington City Housing to meet residents at housing complexes to explain our service. We are assessing the suitability of this initiative for other major centres. We will be looking to more innovative ways of raising our profile.

How people contact EGCC

	13 - 14	14 - 15	15 - 16
Email	326	550	434
Fax	3	10	5
In person	1	11	8
Letter	49	54	27
Telephone	5,708	6,898	5,681
Web	323	500	380
Facebook			1
Other		33	56
Total	6,410	8,056	6,592
Electronic		1,050	814

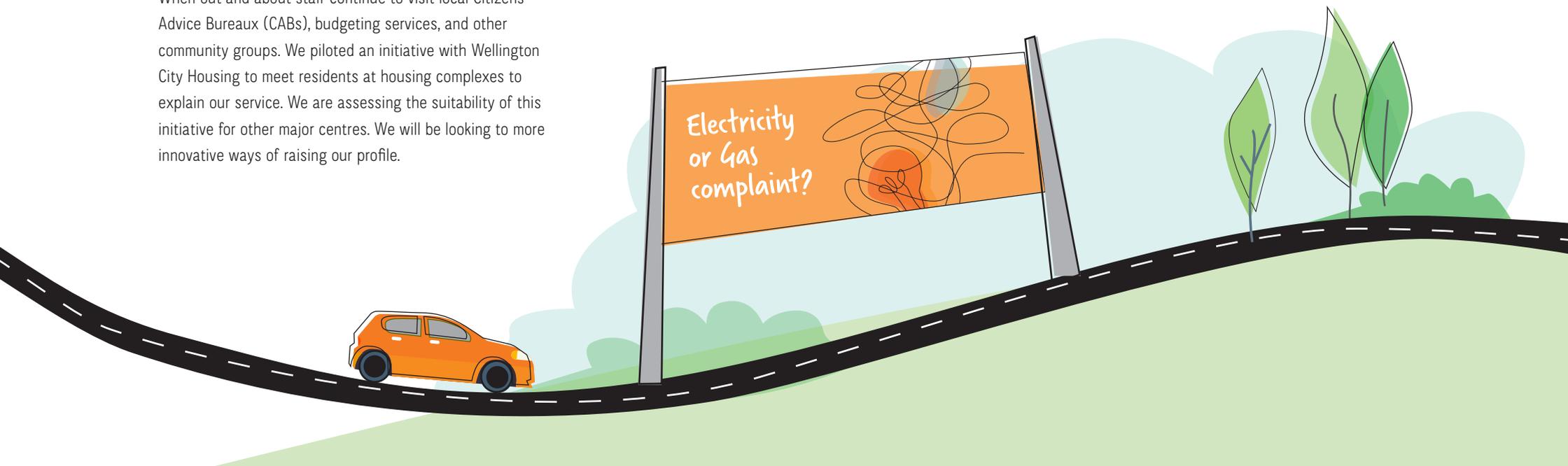
Contacting us

Most people who contact us do so by phone. Our 0800 number accepts calls from mobile phones. Electronic contact remained constant, with 23% of people contacting us this way (12% by email and 11% through our website).

Survey of satisfaction

We surveyed people whose complaints reached deadlock to measure achievement of the performance standard (see page 4). Thirty per cent responded, a slight increase on the previous two years with 28% in 2014-15 and 27% in 2013-14.

We met the performance standard, as 88% of complainants were at least satisfied with our complaint handling. Complainant satisfaction also improved from 85% in 2013-14.



Media

There was low media interest this year with only nine media enquiries. The Commissioner’s policy not to talk about individual complaints means the work of the office is not often in the news. Stories about individual complaints generally result from the complainant contacting the media.

We are updating our communications strategy to make better use of the media to increase awareness about our service.

Publications

We publish a brochure, fact sheets, and case notes. We send hard copies on request, and provide them to referral agencies such as CABs, community law centres, and electorate offices. Our publications are also available on our website.

Introductory information about the Scheme is available in 11 languages.

We are reviewing our brochure against our plain English writing standard and will look to reprint the brochure next year.

Submissions

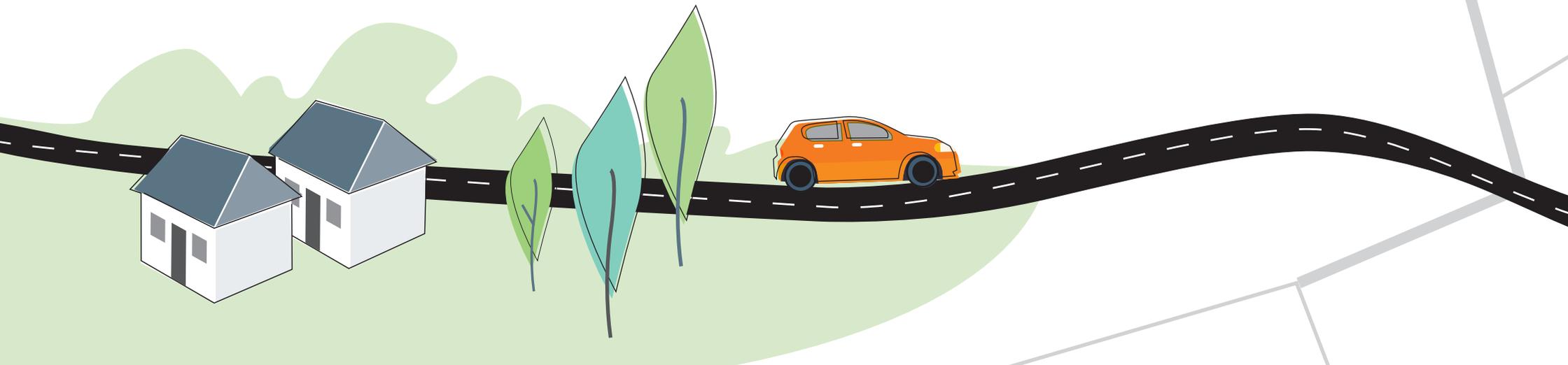
Last year the Commissioner made submissions on two consultation papers. The first submission was to the Electricity Authority on a consultation paper considering the role of secondary networks in the energy market. The Commissioner expressed reservations about the extent to which some secondary network operators are aware of their obligations as electricity industry participants, saying this could adversely affect consumers.

The second submission was in response to the Electricity Networks Association’s consultation paper on distribution pricing. The Commissioner said any changes in distribution pricing need to be clearly communicated to consumers.

As well as these two submissions, EGCC helped draft the Australian and New Zealand Ombudsman Association’s (ANZOA) submission to a consultation paper from the Ministry of Business, Innovation and Employment. The submission outlined ANZOA’s policy on competition between dispute resolution schemes in specific industries.

How people were referred - top 7

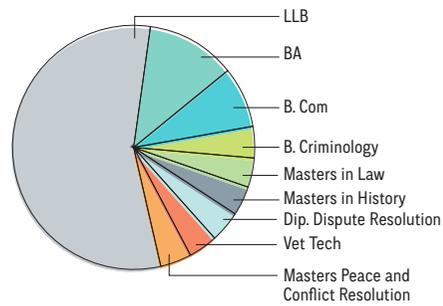
	13-14		14-15		15-16
Company bill	606	Company bill	1,471	Company bill	983
Company	264	Company	348	Company	325
Own knowledge	146	Own knowledge	238	Own knowledge	167
Search engine	93	Search engine	111	Search engine	104
CAB	71	CAB	80	CAB	69
EGCC website	47	Company reminder notice	34	Company reminder notice	5
Friend or relative	44	White pages	25	White pages	0



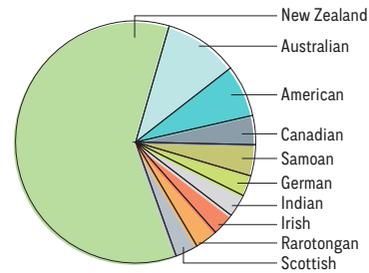
Real people

Here at EGCC we understand our members experience the Scheme through our people and recognise the value in recruiting and retaining quality staff. We believe we have assembled a diverse group of talented people, with a wide range of skills, experiences and backgrounds. Take a look and see for yourself what makes our people a little bit special.

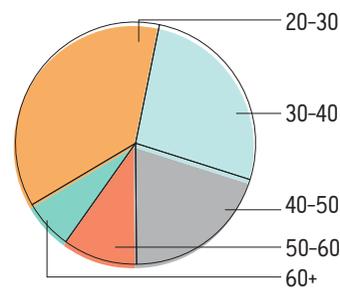
EGCC qualifications



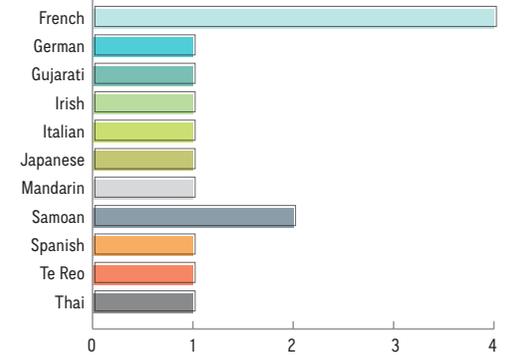
EGCC ethnicity



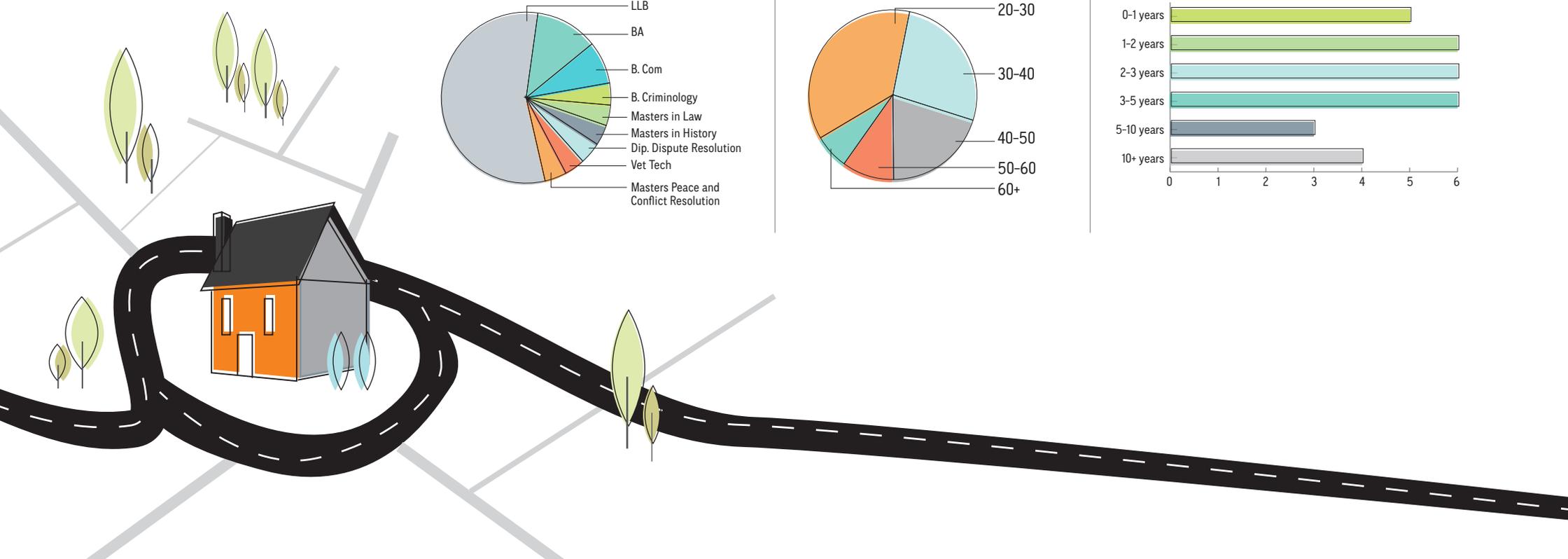
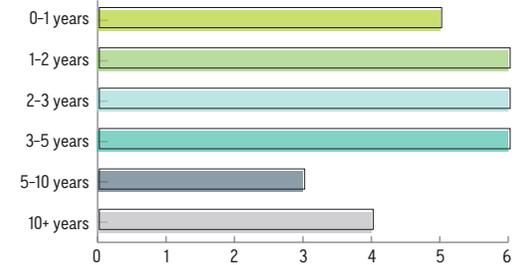
EGCC age range



Languages spoken at EGCC + English



Years at EGCC



Case notes

Food spoiled during outage

Category	Electricity
Unplanned outage – damage	
Customer service – complaint handling – delays	
Consumer Guarantees Act 1993 (revised in 2014)	

The complaint

Mr L complained the network provider was responsible for an unplanned outage that left his property without electricity for two and a half days. Mr L said during the outage food in his fridge spoiled and the network provider delayed responding to him about his complaint.

The network provider first told Mr L it could not deal with his complaint until it looked into the cause of the outage. The network provider later offered Mr L a \$50 customer service payment because the duration of the outage was outside its service standards.

EGCC also contacted Mr L's electricity retailer. This was because under section 7 of the Consumer Guarantees Act 1993 (CGA), electricity retailers guarantee the electricity they supply is of acceptable quality. The retailer said it did not believe the CGA applied.

The parties could not resolve the complaint between them and asked the Commissioner to recommend a settlement.

The outcome

The Commissioner recommended the retailer pay Mr L \$275 for the spoiled food and the network provider pay Mr L \$100 for poor customer service because:

- The retailer supplied electricity that was not of acceptable quality
- The spoiled food was a reasonably foreseeable result of the electricity not being of acceptable quality
- The amount of \$275 was fair and reasonable payment for the spoiled food
- It was fair and reasonable for the network provider to pay Mr L \$100 for poor customer service, including not keeping Mr L sufficiently informed about his complaint

What the CGA allows

The CGA allows consumers to claim from their electricity retailers when electricity or gas supplied to their properties is not as safe, reliable, or of the quality a reasonable consumer would expect supply to that property to be.

Exceptions may apply. The retailer will not be liable if the consumer uses the electricity or gas unreasonably, or if the consumer accepts supply knowing the quality is likely to be significantly worse than normal.

When determining what a reasonable consumer would expect, the CGA assumes the reasonable consumer has considered certain features that may affect the supply.

How the Commissioner applied the CGA

The Commissioner found the electricity supplied was not as reliable as a reasonable consumer would expect supply to Mr L to be. This was because Mr L's property was located in a suburban area, and the outage lasted two and a half days.

The Commissioner said the exceptions did not apply. She said Mr L used the electricity reasonably, and there was nothing to suggest the quality and reliability of the supply to Mr L was likely to be worse than normal.

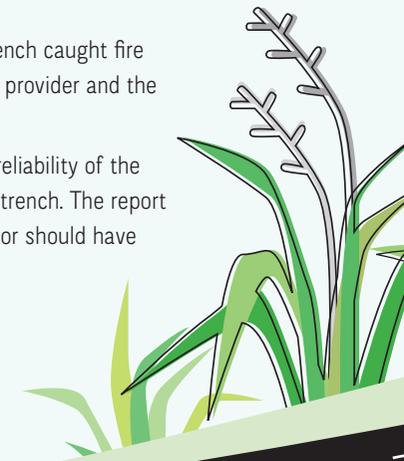
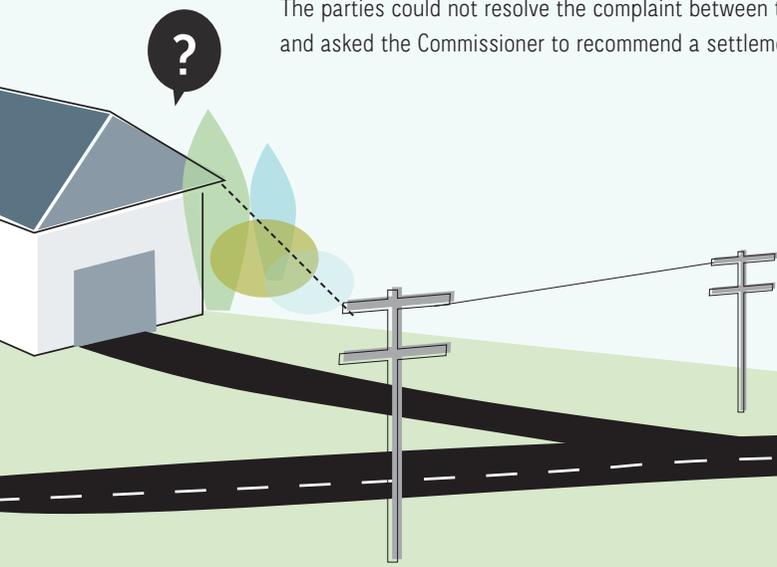
The Commissioner said the features listed in the CGA would not affect a reasonable consumer's expectations.

In particular, the Commissioner said the Electricity Authority's report on the cause of the outage showed the outage was within the control of parties involved in supplying the electricity.

The outage occurred after a cable in a trench caught fire at a substation controlled by the network provider and the national grid operator.

The report identified several risks to the reliability of the electricity supply presented by the cable trench. The report said the network provider and grid operator should have been aware of and mitigated those risks.

Recommendation – upheld



Category	LPG
----------	-----

LPG delivery – safety

Refusal to deliver LPG cylinders up driveway

The complaint

Ms G complained her LPG retailer agreed to deliver 45kg LPG cylinders to her home and then told her it could not.

Ms G said the retailer should be able to deliver the cylinders to her home because a different retailer had delivered cylinders before. She said she believed it was safe to deliver the cylinders.

The retailer said its driver decided it was unsafe to deliver the cylinders to Ms G's home because the driveway was too long and narrow for the delivery truck to navigate. The manager of the retailer's branch office visited Ms G's home and agreed with the driver. The retailer's health and safety adviser reviewed the driver's decision and supported it.

The retailer said its terms and conditions allowed the retailer to refuse to deliver 45kg LPG cylinders to a site it considers unsafe. The parties could not agree and asked the Commissioner to recommend a settlement.

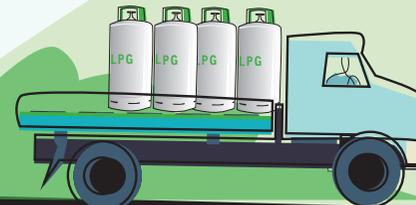
The outcome

The Commissioner said the retailer could refuse to supply 45kg LPG cylinders to Ms G's property for safety reasons under its terms and conditions.

However the Commissioner recommended the retailer pay Ms G a customer service payment of \$50. This was because the retailer should have given Ms G clearer information when she called to open an account. The retailer could not show it had explained to Ms G how it would decide whether it was safe to deliver cylinders.

Both parties accepted the recommendation.

Recommendation – upheld



Advanced meter installed without notice

The complaint

Mr K complained an electricity retailer installed an advanced meter at his home and refused to remove it. He said he had privacy and health concerns about advanced meters.

Mr K said on 25 March 2014 he received a letter dated 19 March 2014 saying the retailer intended to install an advanced meter at his home. Mr K immediately checked his meter. He discovered the retailer had already installed the advanced meter. On 28 March 2014 Mr K phoned the retailer asking it to remove the advanced meter; the retailer refused.

In 2011 Mr K refused installation of an advanced meter. At that time, the same retailer complied.

The parties were unable to settle the complaint and asked the Commissioner to recommend a settlement.

The outcome

The Commissioner recommended the retailer remove the advanced meter and install an analogue meter comparable to Mr K's old meter. She also recommended the company make Mr K a customer service payment of \$1,000.

The Commissioner found:

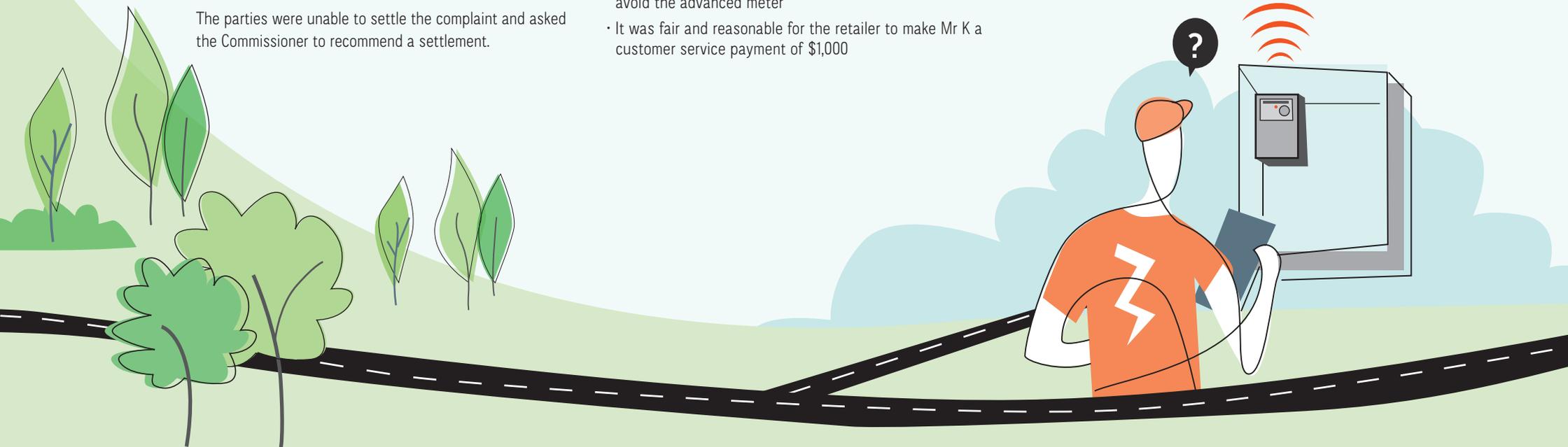
- The electricity retailer installed the meter in breach of its terms and conditions because it did not give Mr K the required 10 days' notice
- The retailer's previous actions gave Mr K a reasonable expectation that he could refuse the meter
- By installing the meter without sufficient notice, the retailer denied Mr K the opportunity to change retailers to avoid the advanced meter
- It was fair and reasonable for the retailer to make Mr K a customer service payment of \$1,000

The Commissioner said the payment of \$1,000 was fair and reasonable because:

- Mr K suffered stress and inconvenience because of the retailer's actions
- The retailer had the opportunity to recognise and remedy the breach of its terms and conditions during the complaint resolution process but did not do so

The retailer did not accept the recommendation so the Commissioner issued her final decision, binding the retailer.

Binding decision



Category	Electricity
----------	-------------

Electrical equipment – health and safety
Customer service – complaint handling

Electromagnetic fields from transformer

The complaint

Mr U complained the network provider upgraded a transformer at a pole near his home. He said the new transformer increased the electromagnetic field (EMF) and this may affect his family's health.

Mr U said the network provider offered to install the new transformer further away from his home. However he said the network provider would charge him between \$6,000 and \$8,000. Mr U believed he should not have to pay.

The outcome

EGCC arranged a meeting between the parties at Mr U's home. During the meeting the parties settled the complaint.

The network provider measured the magnetic fields from the transformer and some other appliances at Mr U's home. The network provider explained the magnetic field decreases exponentially the further away from the source of the magnetic field. The measurements showed the magnetic field from the transformer at the base of the pole was well within the recommended guidelines.⁽¹⁾

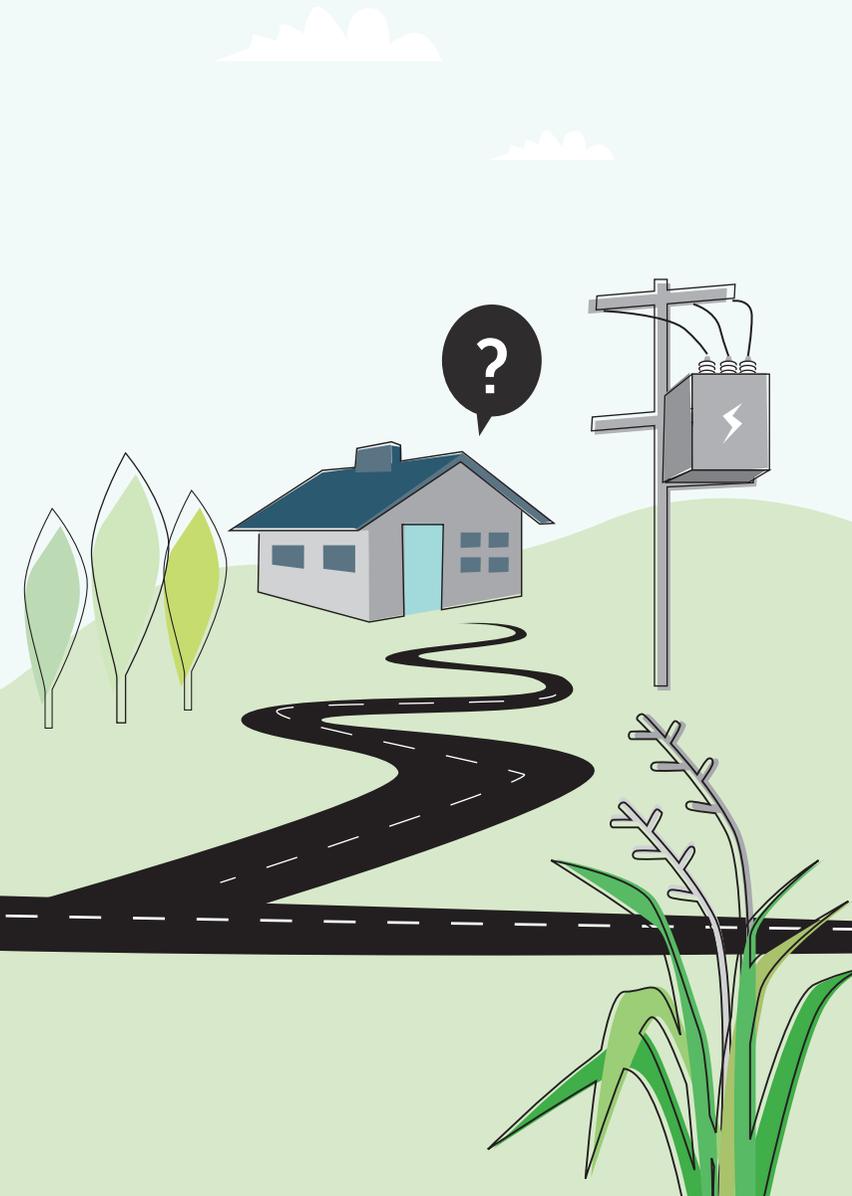
Mr U said comparing the measurements from the transformer with measurements from his home appliances reassured him about his health concerns.

Mr U said the network provider did not fully explain why the upgrade was necessary. He said the network provider first said it needed to upgrade the transformer to keep up the quality of supply, but later told him it upgraded the transformer because a neighbour needed more capacity.

The network provider apologised to Mr U for the lack of communication. The network provider said it hired a customer service adviser, who would work with concerned customers such as Mr U to avoid communication problems in future.

Settled

⁽¹⁾ International Commission on Non-Ionizing Radiation Protection (ICNIRP) Guidelines for limiting exposure to time-varying electric, magnetic and electromagnetic fields (up to 300 GHz)" (1998), available at www.icnirp.org



Ownership of electricity lines

The complaint

Mr J complained the network provider did not accept it owned electricity lines crossing his property.

Mr J said trees belonging to his neighbour periodically fell down, damaging the lines on his property and cutting his power. He said the tree owner lived overseas and did not maintain or remove the trees despite requests from the network provider and Mr J.

The parties agreed the lines owner would be responsible for requiring the tree owner to maintain the trees under the Electricity (Hazards from Trees) Regulations 2003.

The network provider told Mr J he owned the lines and was responsible for any damage to them.

The parties asked the Commissioner to investigate who owned the lines.

The outcome

The Commissioner found the network provider was more likely than Mr J to own the lines.

During a conciliation teleconference with Mr J, the network provider accepted it owned the lines and was therefore responsible for them.

Neither party nor the local council had records confirming the installation or ownership of the lines. To determine whether the network provider was more likely to own the lines, the Commissioner considered:

- The regulations applying at the time the lines were likely installed
- Notices and invoices from the network provider referring to itself as the owner of lines and a transformer on Mr J's property

Settled



Financial summary

Income and expenditure (summary)

For the year ended 31 March	13-14	14-15	15-16
	\$000	\$000	\$000
Annual levy	2,757,577	2,554,000	3,239,616
Other income	86,585	107,685	98,896
Total income	2,844,162	2,661,685	3,338,512
Staff related costs	2,058,088	2,210,525	2,480,269
Other costs	721,971	761,894	888,280
Depreciation	66,886	61,622	63,669
Total expenditure	2,846,945	3,034,041	3,432,218
Operating surplus before tax	-2,783	-372,356	-93,706
Total cases	6,457	8,056	6,596
Cost per case	440.91	376.62	520.35
Budget	3,070,795	3,187,348	3,381,016

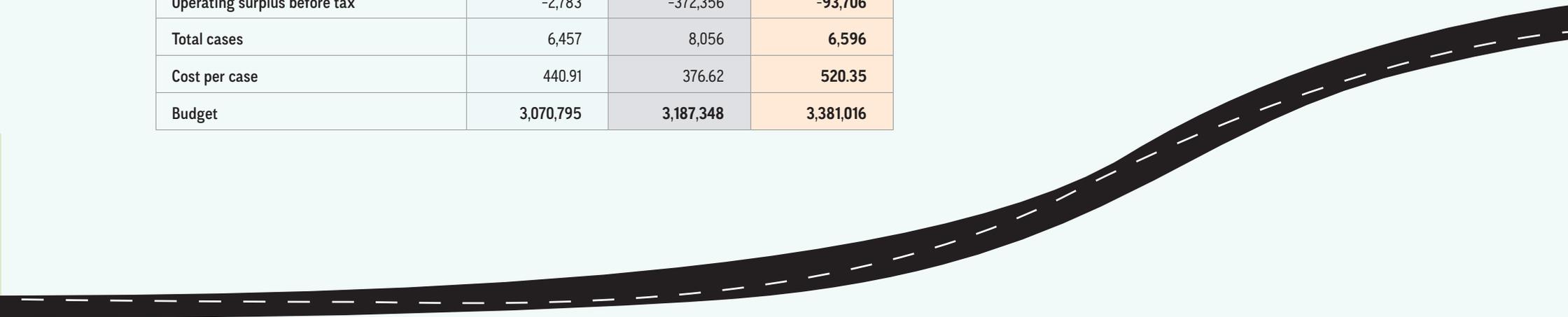
2015-16

Total cases 6,596

Cost per case \$520.35

Budget \$3,381,016

Audited financial statements are available on the publications page of the website www.egcomplaints.co.nz



Board members

Independent Chair

Hon Heather Roy

(Appointed January 2014, term expires December 2017)

Heather was a Member of Parliament from 2002-11. As Minister of Consumer Affairs (2008-10) she was involved in consumer law reform and the approval of EGCC as the regulated scheme for the electricity and gas sectors. Heather is Chair of Medicines New Zealand and Chair of the Advertising Standards Authority. She is principal and director of a boutique consulting business, Torquepoint Limited.

Industry representatives

Retailer representative Contact Energy

(Elected June 2014, term expires 2016)

Vena Crawley

Chief Customer Officer

Lines company representative Powerco

(Elected June 2014, term expires 2016)

Paul Goodeve

General Manager Operations Support

Consumer representatives

Linda Cooper JP

(Appointed September 2012, reappointed November 2015, term expires 2017)

Linda has over 20 years of governance experience in commercial, local body, and non-governmental community organisations. Linda is a councillor for Waitakere on the Auckland Council, a trustee of Waitakere Healthlink, and Chair of Family Action Inc. Linda is the youth mentoring representative on the Territorial Forces Employer Support Council.

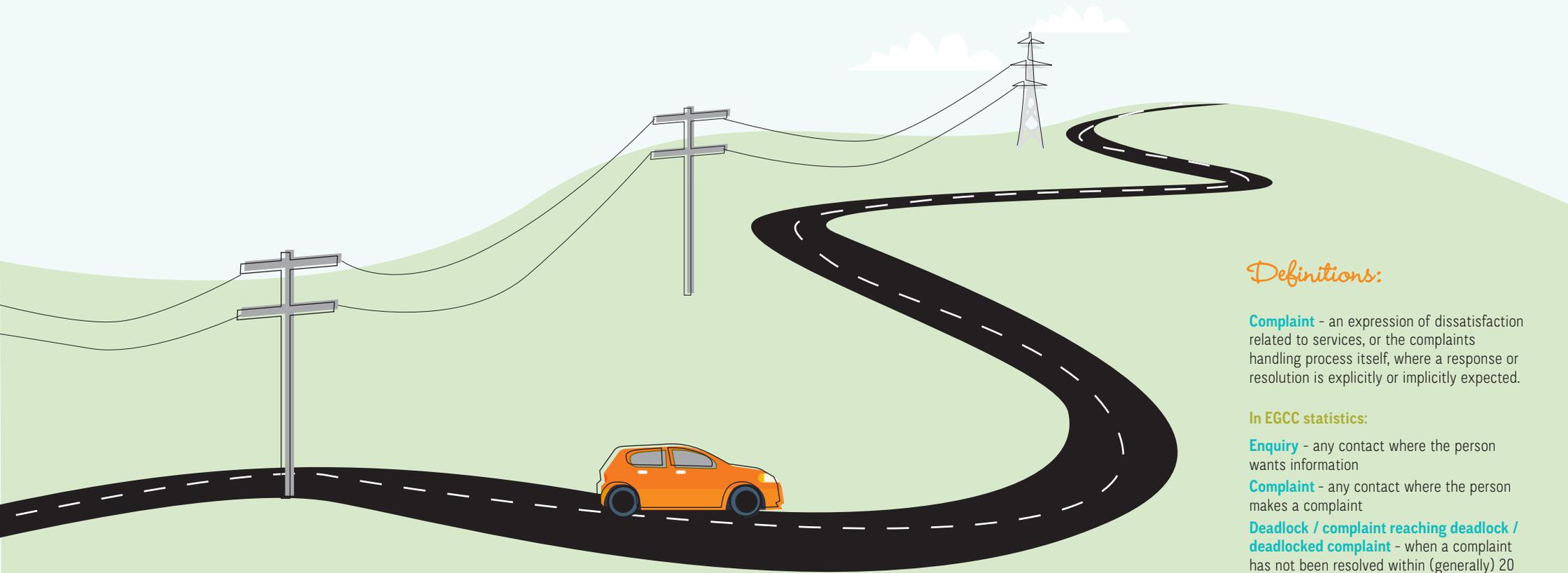
Nicky Darlow MNZM JP

(Appointed March 2011, re-appointed March 2013 and February 2015, term expires 2017)

Nicky's background is in community development, consultation and dispute resolution. She is a lay member and consumer representative on a variety of boards and panels.

*Alternates: Major Campbell Roberts–The Salvation Army,
Ian McChesney– Independent energy specialist*





Definitions:

Complaint - an expression of dissatisfaction related to services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.

In EGCC statistics:

Enquiry - any contact where the person wants information

Complaint - any contact where the person makes a complaint

Deadlock / complaint reaching deadlock / deadlocked complaint - when a complaint has not been resolved within (generally) 20 working days



Freepost 192682

PO Box 5875

Wellington 6140

Freephone 0800 22 33 40

Freefax 0800 22 33 47

Email info@egcomplaints.co.nz

Website www.egcomplaints.co.nz

Electricity and Gas Complaints Commissioner Scheme