



electricity & gas  
complaints commissioner

# case notes



# 3

The Electricity and Gas Complaints Commissioner Scheme (EGCC) is an independent service for resolving complaints about electricity and gas companies. The EGCC service is free to complainants.

Commissioner Judi Jones heads the EGCC. The EGCC can look at complaints about electricity or gas companies that are members, including complaints about things that happen on land on which companies may have equipment. A person does not have to be a customer of a company to make a complaint about that company. From 1 October 2012 the Commissioner can look at complaints where the amount in dispute is up to \$50,000, or \$100,000 with the agreement of the company. In the last financial year the EGCC received 4,783 enquiries and 2,707 complaints.

The EGCC encourages the parties to settle complaints between them, and that happened in over 90 per cent of the complaints received last year. Where complaints cannot be settled between the parties, the Commissioner may recommend a settlement. If a complainant does not accept the recommended settlement, they can take the complaint to the courts or, if the company is a state owned enterprise, the Office of the Ombudsman. If a complainant accepts the Commissioner's recommendation, it is binding on the company.

The Commissioner needs to publish anonymous summaries or case notes of every complaint where she makes a recommendation. This is to provide guidance to member companies and complainants, and to show consistent and fair decision making.

The Commissioner also publishes selected case notes of complaints settled between the complainant and the company. This volume includes an example of a complaint found to be outside the Commissioner's jurisdiction, and one where the complainant decided not to pursue the matter.

The case notes in this volume represent the most common issues in complaints: billing, customer service, meters, supply, and debt.

All case notes are published on the website, [www.egcomplaints.co.nz](http://www.egcomplaints.co.nz).

November 2012

# contents

## Settled

Meter – advanced meter – whether installation permitted	Advanced meter – safety issues	1
Billing – back bill – disputing back bill	Customer service – failure to respond	2
Wrong ICP switched – customer service	Back bill – inaccurate	3
Interruption of supply – damage to appliance		4
Back bill – disputing back bill		5
Billing – price increase		6
Billing – maintenance – private network		7
Customer service – failure to respond	Supply – surge – damage	8

## Recommendation – upheld

Damage to trees – amount of compensation		9
Billing – high – errors – customer service		10
Billing – back bill	Meter tampering – disputed	11
Insufficient notice of transfer to prepay		12
High bill	Meter – new meter – unexplained consumption – disputed usage	13
Back bill – account errors – customer service		14
Customer service – failure to provide information		15
Contract – interpretation		16

## Recommendation – not upheld

Upgrade of supply	Supply – damage to property	17	
Lines – customer service – poor attitude		18	
Bill – high – disputed		19	
Debt – disconnection	Damage to appliances	Billing – estimates – double billing	20
High bills – meter			21

## Outside jurisdiction

Supply – surge – damage		22
-------------------------	--	----

## Complaint not pursued further

Meter – supply – usage	Customer service – complaint handling	23
------------------------	---------------------------------------	----

# 1

## Mrs M complained her retailer replaced the old electricity meter at her property with an advanced meter

Case number	24801	<b>Issues</b> Meter – advanced meter – whether installation permitted Advanced meter – safety issues	<b>Outcome</b> <b>Settled</b>
Year	2010		
Category	Electricity		

### The complaint

Mrs M complained her electricity retailer replaced the old electricity meter at her property with an advanced meter (sometimes called a smart meter). Mrs M said her retailer installed the advanced meter and connected an antenna for reception without permission. Mrs M said the smart meter and antenna emit electromagnetic radiation which could affect her family.

Mrs M said the advanced meter and antenna were in a wall cavity backing on to her dining room. Mrs M said her young child would at times sit within 20 cm of the advanced meter and antenna.

Mrs M said the advanced meter manufacturer's warnings say the advanced meter should not operate when a person is within 20 cm. Mrs M said her retailer had an obligation to follow the manufacturer's warning but did not tell her of it. Mrs M said she found the warning after searching on the internet.

Mrs M said she wanted to know if the advanced meter was installed illegally. Mrs M wanted the advanced meter replaced with a non-transmitting electricity meter.

Mrs M's retailer said the advanced meter and antenna emit the same radiation as a cell phone. Mrs M's retailer said it would not remove the advanced meter and antenna as it is was entitled to install them under its terms and conditions.

### The outcome

The EGCC held a conciliation teleconference with Mrs M and her retailer. The parties could not agree on whether the retailer was entitled to install the advanced meter and whether there were safety concerns to consider.

The parties then asked the Commissioner's office to investigate the complaint. The investigation summary findings were:

- The retailer's terms and conditions permitted the replacement of the old meter with an advanced meter

- The retailer's terms and conditions permitted the installation of an antenna
- The retailer's terms and conditions did not require notice to be sent to Mrs M about the advanced meter install
- It was possible the retailer had not met certain health and safety obligations because:
  - The advanced meter manufacturer's user guide states the advanced meter should not operate when a person is within 203 mm
  - The retailer had not followed the manufacturer's safety distance requirements
- The retailer had not submitted a radio frequency report for the electricity meter with the local city council
- As the retailer had not submitted the radio frequency report then the advanced meter may not be a permitted activity under the City Plan
- By not following the local City Plan rules, the retailer may have acted contrary to its own terms and conditions

The retailer did not accept the investigation summary findings but made an ex gratia offer to Mrs M. This means the retailer did not accept it had done anything wrong but was making the offer anyway. The offer was to remove the advanced meter and replace it with an old type meter. Mrs M's retailer also offered to make a customer service payment to Mrs M.

The complainant discussed the complaint with the Commissioner and asked if her office could continue to investigate whether the advanced meter was a permitted activity or not under the local City Plan.

The Commissioner advised she noted this as a potential systemic issue for separate consideration.

Mrs M then decided to accept the retailer's offer and the complaint was settled.

## Mr A got a back bill for \$5,781.06

Case number	26909	<b>Issues</b> Billing – back bill – disputing back bill Customer service – failure to respond	Outcome
Year	2011		<b>Settled</b>
Category	Electricity		

### The complaint

Mr A complained he received a large back bill from his electricity retailer six months after the meter at his property was replaced. The back bill was for \$5,781.06.

Mr A also complained that his retailer did not:

- Give him accurate information about the amount of electricity he had used
- Respond adequately to his complaint
- Handle his complaint well on an ongoing basis
- Display a helpful attitude towards resolving the dispute
- Listen to what he said about his electricity usage, which caused him to spend a lot of time trying to work out his usage and what he might owe as a result of getting estimated bills

### The outcome

The EGCC investigated Mr A's complaint and found:

- The retailer failed to read Mr A's meter for seven months
- The retailer underestimated Mr A's electricity use during the period of the estimates
- The retailer had information available to it that would have enabled it to more accurately estimate Mr A's use on the new meter
- The retailer provided inadequate customer service, both in dealing with the back bill itself, and in handling the complaint. The issues were:
  - The retailer did not adequately communicate with Mr A about the reasons for the back bill
  - The retailer provided inaccurate and confusing information when initially discussing the back bill with Mr A
  - The retailer was impolite to Mr A and his employee during phone calls discussing the back bill
  - The retailer did not communicate with Mr A after initially acknowledging his complaint
  - The retailer sent a disconnection letter to Mr A while his complaint was in progress
  - The retailer sent a second letter acknowledging the complaint to Mr A more than 20 working days after he made his complaint

The EGCC sent a summary of the investigation findings to both parties. After further discussion, the retailer offered to credit 50% of the back bill, \$2,890.53 in total. Mr A accepted the retailer's offer and the complaint was settled.

# 3

## The retailer billed for the wrong meter

Case number	27396	<b>Issues</b> Wrong ICP switched – customer service Back bill – inaccurate	<b>Outcome</b> <b>Settled</b>
Year	2011		
Category	Electricity		

### The complaint

In September 2009, Mr K moved into a property that was part commercial and part residential. Mr K asked the electricity retailer who had been supplying the property for the installation control point (ICP) number for the address. The ICP number is linked to the meter at a property. Mr K called his chosen retailer and quoted that ICP number to open an account for the property.

In November 2009 Mr K got his first bill. It was based on commercial rates and was very high. Mr K called his retailer and the retailer began to bill him on residential rates. Despite this, Mr K continued to believe his bills were too high and complained to the retailer each month.

In February 2010 Mr K's neighbour (a business) called the retailer and said his ICP had been switched to that company in error. After several site visits over a period of month, the retailer confirmed the wrong ICP had been switched, and Mr K had been receiving a bill for his neighbour's electricity use. The retailer sent Mr K a back bill for the electricity used on the correct meter.

Mr K complained the retailer:

- Billed him for the wrong meter since September 2009
- Showed poor customer service by taking so long to sort out the meter issue
- Caused a large back bill to accumulate
- Provided a high back bill that did not reflect the actual electricity use at the property

### The outcome

The EGCC visited Mr K's property with a meter contractor and representatives from the local network company. The visit and discussions revealed:

- Mr K and his neighbour both claim the same property address
- The network company and the retailer need to fix the address information in the national registry for Mr K and the neighbour's ICP numbers
- Mr K's meter was labelled with the wrong ICP number
- Mr K's property is capable of using the back billed amounts
- Mr K's meter has a 100x multiplier <sup>1</sup>

Following the site visit and discussion with the EGCC, the retailer offered to resolve the complaint. The retailer wrote to Mr K:

- Confirming Mr K's correct meter number
- Noting the back bill was accurate as it was based on meter readings and included the correct multiplier
- Explaining the retailer believed Mr K's large commercial property was capable of using the electricity billed
- Apologising for the delays and customer service issues and offering a \$150 goodwill credit
- Advising it would ask the city council to change Mr K's address to the one he claims

Mr K accepted the offer in full and final settlement of his complaint.

<sup>1</sup> A meter multiplier is used where the actual amount of electricity used is too large to be registered and the meter displays a fraction of the actual use. Information about the multiplier rate should be included on the bill.

## Food rotted in Mr O's fridge freezer

Case number	28430	<b>Issues</b> Interruption of supply – damage to appliance	Outcome
Year	2011		<b>Settled</b>
Category	Electricity		

### The complaint

Mr O complained that a fault on the electricity network caused the electricity supply to fail at his holiday property. He said food rotted in his fridge freezer, leaving a smell that made the fridge freezer unusable. He said he had been away from the property for two or three weeks. He said two years ago he had bought the fridge freezer for \$1,700. He said he lost \$100 worth of food.

The network company accepted there had been a fault on its network but it did not accept responsibility for the damage to the fridge freezer. The network company said consumers are not guaranteed an uninterrupted supply of electricity.

### The outcome

The parties and the EGCC investigated options for removing the smell from the fridge freezer.

Mr O accepted the network company's offer of \$250 to cover the cost of a special treatment to remove the smell from the fridge freezer. The parties agreed that if the treatment did not work, the investigation could be reopened.

The treatment did not work and Mr O asked the EGCC to reopen the investigation.

The EGCC requested more information from the network company about the supply fault and the network company's maintenance of the lines in Mr O's area.

The network company said it did not have the inspection records for the pole where the fault occurred. As a result, the network company offered Mr O \$1,800 in full and final settlement of the complaint. Mr O accepted the network company's offer.

# 5

## The meter reader was unable to find the building

Case number	28473	<b>Issues</b> Billing – meter not read – customer service	Outcome <b>Settled</b>
Year	2011		
Category	Electricity		

### The complaint

Ms Q complained about her electricity retailer sending a back bill of \$6,892.49 nine months after her business became a customer.

### The outcome

The EGCC's investigation found:

- The meter at the business was not read for seven months because the meter reader was unable to find the building
- The address of the business was discussed in three phone calls between the retailer and Ms Q
- Despite the address being changed during the first two calls, the meter reader was unable to find the building until after the third call

After receiving a summary of the investigation, Ms Q asked the retailer for a written apology, a 40% discount to the back bill, and eight months to pay the balance of \$4,135.49.

The retailer agreed and the complaint was settled.



## Ms V was not told certain information when she signed the agreement

Case number	28553	<b>Issues</b> Billing – price increase	Outcome
Year	2011		<b>Settled</b>
Category	Electricity		

### The complaint

Ms V complained her retailer increased its prices for her electricity bills from 1 April 2011. Ms V said she had signed a contract with her retailer in December 2010 agreeing to fix her prices for 12 months.

The retailer said it was only increasing the network charge portion of Ms V's bills. The retailer said the network charges were not covered by the fixed price agreement. Ms V said she was not told that information when she signed the agreement.

### The outcome

The retailer provided the EGCC a copy of the contract Ms V signed about the fixed price agreement. The EGCC found the information on the contract about the fixed price terms:

- Said the prices were fixed until 1 August 2011
- Did not mention anything about network charges not being fixed

The retailer said its sales people did not have a checklist of information a sales person must give a customer about the contract.

The retailer spoke directly with Ms V and offered to credit her \$97.

Ms V accepted the offer in full and final settlement of her complaint.

# 7

## The network company billed Mr G \$110 for repairing a fault at a private pillar box

Case number	30164	<b>Issues</b> Billing – maintenance – private network	Outcome <b>Settled</b>
Year	2011		
Category	Electricity		

### The complaint

Mr G complained the network company billed him \$110 for repairing a fault at a private pillar box. Mr G said he should not have been the only person billed as the pillar box serves four properties.

Mr G said the power to his property went out one day. He said his wife could not use the phone at their house, so she went to a neighbour's house to call the network company to report the fault.

Mr G said he complained to the network company about the bill repeatedly, and each time he got a different explanation for the charges.

### The outcome

The EGCC held a conciliation teleconference between the parties, during which the complaint was settled. It was agreed Mr G would pay half the bill, and have six weeks to do so.

The network company explained why Mr G was billed. The network company said its terms and conditions say it will bill the person who reports a fault on a private network. The network company said Mr G's wife reported the fault and gave her address. The network company said Mr G's name was on the account the retailer had for that address, so it sent the bill to him. Mr G accepted this explanation.

The network company offered to discount half the amount of the bill and defer the due date in recognition of the conflicting information Mr G received from the network company when he complained. Mr G accepted this offer.

## Mrs N complained to her network company about a power surge but did not receive a response

8

Case number	33231	<b>Issues</b> Customer service – failure to respond Supply – surge – damage	Outcome
Year	2011		<b>Settled</b>
Category	Electricity		

### The complaint

Mrs N complained that a power surge damaged \$2,000 worth of appliances in her home.

Mrs N said she complained to her network company about the power surge but did not receive a response. Mrs N said she believed contractors working on a nearby transformer caused the fault.

### The outcome

Mrs N's network company sent the EGCC information about the power surge which was forwarded to Mrs N.

The EGCC then held a conciliation teleconference to discuss the information with Mrs N and her network company.

At the conciliation teleconference the network company explained no contractors were working on the transformer at the time the surge occurred. Mrs N accepted the contractors may have been working on the transformer after the time of the surge.

The network company said the surge was caused by a neutral connection failing. The network company said it cannot actively prevent a fault like this, as it will only be aware of the connection failure when it occurs. Mrs N accepted the events were not within the network company's control and it had not acted negligently.

The network company explained it did not reply to Mrs N's complaint as her letter was lost under other work on a desk. The network company apologised to Mrs N for this.

The network company offered an ex-gratia payment of \$2,000 in full and final settlement of the complaint. Mrs N accepted this offer and the complaint was settled.

# 9

## Mr E wanted the network company to pay for the cost of reinstating the shelter belt

Case number	26173	<b>Issues</b> Damage to trees – amount of compensation	Outcome
Year	2011		<b>Recommendation – upheld</b>
Category	Land		

### The complaint

Mr E complained that part of the electricity network fell in high winds, causing significant damage to a shelter belt of trees on his land.

Mr E wanted the network company to pay for the cost of reinstating the shelter belt, including installing protection for the trees while they were young.

The network company accepted liability, but the parties disagreed on the amount of the claim. The network company made a final offer of \$6,500. Mr E rejected this, and limited his claim to \$20,000 to bring the complaint within the Commissioner’s jurisdiction.

### The outcome

The parties were unable to settle the complaint between them and Mr E asked the Commissioner to recommend a settlement.

The Commissioner noted she was only required to determine the amount of compensation, and did not consider the issue of whether the network company had been negligent. The Commissioner found the cost of reasonable repair and reinstatement was likely to exceed \$20,000. The Commissioner recommended the network company pay the complainant \$20,000.

## Ms G felt her complaints were ignored by the retailer

Case number	27155	<b>Issues</b> Billing – high – errors – customer service	Outcome
Year	2011		<b>Recommendation</b>
Category	Electricity		<b>– upheld</b>

### The complaint

Ms G had a complaint about her electricity retailer, which covered three issues.

- **Electricity bills were too high**  
Ms G said her electricity bills were too high at about \$435 a month. She did not believe her property used this much electricity. Ms G said she had two electricians check her property to see if there was a fault that was causing the high bills. Ms G said neither of the electricians found a fault at her property.
- **Overcharging for the controlled meter**  
Ms G said her retailer had been overcharging for the controlled meter by using the wrong (and higher) rate for ten years. Ms G found out about this by talking to a contractor sent to her property by the retailer. The contractor was sent to disconnect supply to the property because of unpaid bills. Ms G said the retailer offered her \$200 for the error and said it would wipe \$1,800 from her bill. Ms G felt this offer did not resolve the issue.
- **Poor customer service**  
Ms G felt her complaints were ignored by the retailer and that she received poor customer service.

### The outcome

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

The Commissioner looked at each issue separately. The Commissioner upheld the complaints about overcharging and poor customer service, and recommended the retailer pay Ms G \$437.57. This payment included a refund of \$137.57 overcharged and not refunded and \$300 in recognition of the stress and inconvenience caused by poor customer service.

- **Electricity bills were too high**  
The focus of the EGCC investigation was whether the retailer had billed the customer correctly. The EGCC investigated the billing and found nothing to suggest the retailer was causing the high bills. The investigation found that Ms G had used the units of electricity billed, although some of these had been charged at the wrong rate.
- **Overcharging for the controlled meter**  
The EGCC investigation found the retailer had been overcharging for the controlled meter. The retailer had overcharged Ms G \$1,817.81 over a six-year period, and had refunded \$1,680.25. The retailer therefore owed Ms G a further \$137.57.
- **Poor customer service**  
The EGCC investigation found the retailer provided poor customer service in the way it dealt with Ms G's complaint. The Commissioner also found some customer service payment was necessary in recognition of the stress and inconvenience caused by six years of overcharging.

Ms G and the retailer both accepted the Commissioner's recommendation of a credit of \$437.57 and the complaint was settled.

# 11

## The meter at Ms F's property had been tampered with

Case number	27526	<b>Issues</b> Billing – back bill Meter tampering – disputed	Outcome
Year	2011		<b>Recommendation – upheld</b>
Category	Electricity		

### The complaint

Ms F complained her electricity retailer sent her a back bill of \$4,118.31.

Ms F said her retailer said the meter at her property had been tampered with, causing it to stop reading for periods of time. The retailer re-billed Ms F for electricity used during the periods the meter stopped recording.

Ms F said she had not tampered with the meter at her property. She said she was not aware there was anything wrong with the meter. She said the meter reader had told her the meter was fine.

### The outcome

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

The Commissioner recommended the complaint be upheld and the parties take the following actions:

- The retailer credit 50% of the back bill to Ms F's electricity account for its portion of responsibility for the back bill
- Ms F set up a reasonable payment arrangement with her retailer for the remaining 50% balance of the back bill
- The retailer credit \$160 to Ms F's electricity account to reimburse her for the fee charged for the new meter

The recommendation was based on conclusions drawn from investigation of the meter, the company's terms and conditions, and the actions of various parties.

The Commissioner found:

- The meter was tampered with
- It was not known who tampered with the meter
- The meter did not record electricity used at the property for an 11-month period, and a nine-month period

The Commissioner found Ms F's electricity bills reduced significantly during the months the meter stopped recording electricity use. The Commissioner found Ms F:

- Paid the retailer regularly for electricity
- Did not look at her electricity bills and so did not notice they had reduced significantly
- Did not deliberately take advantage of the incorrect bills

The Commissioner found the retailer:

- Credited Ms F's account \$1,050 between 2008 and 2009 in response to Ms F's requests
- Was told by a meter reader twice in 2008 that he suspected the meter at the property was faulty
- Noticed in 2010 the electricity use at the property was zero when Ms F phoned to ask for another refund from her electricity account

The investigation showed the retailer's terms and conditions specify a customer must:

- Protect any meters at their property
- Pay for costs if a meter was found tampered with or meter inaccuracies were deliberately taken advantage of by the customer
- Pay if they are under-charged

When the problem with the meter was identified, the retailer billed Ms F \$160 for the cost of a new meter and a site visit. The retailer estimated the unbilled electricity at \$4,118.13. The Commissioner found the units used by the retailer to estimate the back bill were within the range of Ms F's previous and current electricity use.

The retailer now has a process to check the meter reading history for a property before issuing a refund to a customer.

Ms F and the retailer agreed Ms F would pay \$20 per week to settle the arrears. Ms F and the retailer accepted the Commissioner's proposed recommendation in full and final settlement of the complaint.

## Mr R had three days to accept a prepay meter or switch retailers

Case number	27579	<b>Issues</b> Insufficient notice of transfer to prepay	Outcome
Year	2011		<b>Recommendation – upheld</b>
Category	Electricity		

### The complaint

Mr R complained his electricity retailer told him he had three days to accept a prepay meter or switch retailers. He believed this was insufficient notice. Mr R also complained that the retailer's call centre staff were impolite to him when discussing the matter.

The retailer said Mr R's account was in arrears and his poor credit history with the company meant it wanted him to use a prepay meter.

Mr R said his poor credit history was a result of the company sending too many estimated bills in 2009.

### The outcome

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

The Commissioner upheld the complaint and recommended the retailer pay Mr R \$200, made up of \$50 in recognition of the poor customer service payment and \$150 for the stress and inconvenience of the short notice.

The investigation found:

- The retailer's terms and conditions allows it to require customers to use prepay meters
- The retailer's terms and conditions says it will give at least 30 days notice if it transfers a customer to another pricing plan
- Three days notice of the change in pricing plan was not sufficient
- The estimated bills sent in 2009 were not a significant factor
- The company did not provide Mr R with good customer service when discussing the matter with him

Both parties accepted the recommendation.

# 13

## Mr N believed the meter was not recording his electricity use correctly

Case number	29560	<b>Issues</b> High bill   Meter – new meter – unexplained consumption – disputed usage	<b>Outcome</b> <b>Recommendation – upheld</b>
Year	2011		
Category	Electricity		

### The complaint

Mr N complained his electricity bills increased after his electricity retailer installed an advanced meter at his property in August 2010.

Mr N believed the meter was not recording his electricity use correctly. He thought this led to an unusually high bill in September 2010. Mr N's September bill was higher than any bill he had received previously. The bill included different information to earlier bills.

Mr N rang the retailer more than 10 times over a five-month period and sent letters and e-mails asking for an explanation.

Mr N's retailer said the meter was recording Mr N's electricity use correctly. The retailer offered Mr N \$25 as a goodwill gesture to settle the complaint. Mr N declined the offer.

### The outcome

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

The Commissioner upheld the complaint and recommended the retailer make a \$200 customer service payment to Mr N. The Commissioner found the retailer:

- Did not respond adequately to Mr N's complaint
- Did not explain changes to his bill
- Provided confusing information
- Billed Mr N correctly for the electricity he used

As a member of the EGCC Scheme, the retailer has to comply with the Code of Conduct for Complaint Handling (the Code). The Commissioner found the retailer did not comply with the Code by failing to tell Mr N:

- His complaint had reached deadlock (In this case the complaint reached deadlock when the company had not been able to resolve it within 20 working days.)

- He could ask the EGCC to consider his complaint

The Commissioner found the retailer did not adequately explain the following changes to Mr N's bill:

- The advanced meter was installed halfway through the billing period, so there were extra rows of charges for two meters on the September bill
- Mr N's bill for the month before the advanced meter was installed was underestimated

The Commissioner found the retailer provided Mr N confusing information about the advanced meter. When Mr N asked for usage information the retailer advised him there were two days where the meter recorded more than 90 units in a single day. The EGCC investigation showed the meter did not send data to the retailer every day. Sometimes atmospheric conditions mean advanced meters cannot send information to the retailer. The two readings of over 90 units were for 48-hour periods. The retailer did not explain this to Mr N.

The Commissioner reviewed Mr N's bills. She found the retailer appeared to have billed Mr N correctly because:

- The advanced meter appeared to be recording accurately
  - Electricity use measured on the advanced meter was consistent with that measured on the old meter
  - The meter did not record more than 90 units a day on two days, as the retailer initially advised Mr N
- The high bill included a catch-up bill for electricity used the previous month

Mr N and the retailer accepted the Commissioner's recommendation and the complaint was settled.



## Mr Q said the retailer wrongly disconnected his new property

Case number	30519	<b>Issues</b> Back bill – account errors – customer service	Outcome
Year	2011		<b>Recommendation</b>
Category	Electricity		<b>– upheld</b>

### The complaint

Mr Q complained about the way his electricity retailer dealt with his accounts. Mr Q says this caused him stress, inconvenience, and a back bill for \$1,019.41.

Mr Q stayed with the same retailer when he moved to a new property. This meant he had two accounts with the retailer, one at the old property (first account) and one at the new property (second account).

Mr Q said the retailer:

- Made errors on both accounts
- Dealt improperly with the \$100 payment he made in December 2010
- Dealt improperly with the balance owing on the first account
- Did not bill him for the second account between September 2010 and April 2011, causing a large back bill
- Wrongly disconnected Mr Q's new property for vacancy in April 2011
- Provided poor customer service

In response to Mr Q's complaint, the retailer credited Mr Q's second account with \$150. Mr Q was not satisfied with this response.

### The outcome

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

The Commissioner upheld all aspects of the complaint and recommended the retailer credit Mr Q's account with a further \$750.

The EGCC's findings are summarised below.

The retailer made errors on Mr Q's first account by:

- Failing to close the account in a timely manner
- Billing Mr Q for electricity used at his old property when he no longer lived there

The retailer made a number of errors on Mr Q's second account. These were:

- Closing the second account when it should have opened it
- Sending Mr Q an incorrect bill for the second account
- Failing to send a bill for the second account to Mr Q between September 2010 and April 2011, which resulted in Mr Q later receiving a back bill for \$1,019.14

Mr Q made a \$100 payment to the retailer in December 2010. The retailer dealt with this in a confusing way because it:

- Applied \$16.33 of the \$100 to the first account, which had a balance owing of \$56.47 and should have been closed
- Applied \$83.47 of the \$100 to the second account
- Did not tell Mr Q (either directly or indirectly through billing) it had split his payment in this way

The retailer dealt with the balance of \$56.47 owing on the first account in a confusing way because it:

- Only applied \$16.33 of the \$100 payment from December 2010 to the first account balance when the account was overdue by \$56.47 from October 2010
- Did not tell Mr Q it only paid \$16.33 to the first account leaving \$40.14 owing (due 13 October 2010)
- Did not send reminder letters for the remaining balance of \$40.14 until 24 February and 14 March 2011

In April 2011 the retailer wrongly disconnected Mr Q's new property for vacancy, although Mr Q was living there at the time.

Overall, the Commissioner believed the retailer provided Mr Q with poor customer service by:

- Making numerous errors on Mr Q's accounts, leading to a wrongful disconnection and a large back bill
- Failing to identify or correct the problems with Mr Q's accounts over nine months (August 2010 to April 2011)
- Giving Mr Q confusing and incorrect information over the phone and by post on more than one occasion
- Failing to return Mr Q's phone calls from 13 April 2011 as promised

Both parties accepted the Commissioner's recommendation.

# 15

## Mr J said the bill was double what it would have been if the work was done on a business day

Case number	31486	<b>Issues</b> Customer service – failure to provide information	Outcome
Year	2011		<b>Recommendation</b>
Category	Electricity		<b>– upheld</b>

### The complaint

Mr J complained he paid twice as much as needed to for repair of a pole fuse on his property because his electricity retailer did not give him information about the cost of repairing it on a Sunday.

Mr J said he rang his retailer on a Sunday to report a suspected blown pole fuse. He said his retailer sent a contractor to fix it. Mr J got a bill from the contractor.

Mr J said the bill was double what it would have been if the work was done on a business day. Mr J said if he had known this he would have waited until Monday to get it fixed.

### The outcome

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

The Commissioner upheld the complaint and recommended the retailer make a \$50 customer service payment to Mr J for failing to provide him with information.

The Commissioner found:

- The retailer took responsibility for managing the fault
- The retailer did not warn Mr J of any likely cost for repairing the fault
- The Electricity Authority's minimum terms and conditions for retail contracts say consumers should know about costs before being liable for them

The investigation showed the contractor undercharged Mr J by omitting the call out fee and the cost of the materials. This meant that although the cost of the repairs was higher than the last time Mr J had the same fault, it was less than he would have been charged on a business day.

Both parties accepted the recommendation and the complaint was settled.

## Mr W complained his retailer breached a clause in his fixed price agreement

Case number	33075	<b>Issues</b> Contract – interpretation	Outcome
Year	2012		<b>Recommendation</b>
Category	Dual Fuel		<b>– upheld</b>

### The complaint

Mr W complained his retailer breached a clause in his fixed price agreement (contract) when it increased its charges following the introduction of the emissions trading scheme (ETS).

The clause said “[the retailer] reserves the right to separately charge you from time to time...” amounts it determines to reflect the cost of the ETS. Mr W said this clause meant the retailer should list any ETS charges separately on his bill and this was not done.

The retailer said the contract split electricity charges into two parts: energy charges and other charges. The contract said the energy charges would not change but the other charges could. The retailer said the ETS had not been introduced when the contract was drafted so the clause took three possibilities into account:

- A government tax or levy directly to the retailer but shown under other charges
- An increase in the customer’s existing energy charges
- A new charge being added to the bill under energy charges (similar to the Electricity Authority levy)

The retailer said the clause allowed it to add the ETS costs to Mr W’s energy charges.

### The outcome

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

The Commissioner upheld the complaint and recommended the retailer pay Mr W a \$50 customer service payment and refund \$120 for ETS charges between 1 July 2010 and 16 September 2011.

The Commissioner found:

- A plain reading of the contract did not support the retailer increasing the energy charges without a separate notice
- The right to increase energy charges had to be set out in the contract with a description of how the increase could occur
- The retailer should have set out the amount of the increase in a separate notice to Mr W. The retailer told Mr W it would be increasing his electricity charges to reflect the introduction of the ETS but did not set out separately what the increase would be
- The energy charges were increased by 0.76c a kWh on 1 July 2010 but the retailer did not tell Mr W about the increase until 18 August 2011
- The retailer was not entitled to charge Mr W the extra 0.76c a kWh during this period because it had not set out separately the amount of the increase in charges
- It would have been reasonable for the retailer to give Mr W 30 days notice of the increase, so the retailer was able to charge the extra 0.76c a kWh from 16 September 2011 onwards
- The amount the retailer overcharged Mr W between 1 July 2010 and 16 September 2011 was about \$120

The Commissioner recommended the retailer refund Mr W the \$120 and pay Mr W a \$50 customer service payment. This was for not providing specific details of the increased energy charge 30 days before it occurred, and only providing specific details of the increase after Mr W complained to the retailer.

Mr W accepted the Commissioner’s recommendation. The retailer did not agree with the Commissioner’s recommendation but accepted it in the interests of resolving the complaint.

# 17

## Mrs B wanted to upgrade the electricity supply to her property

Case number	25938	<b>Issues</b> Upgrade of supply Supply – damage to property	Outcome
Year	2011		<b>Recommendation – not upheld</b>
Category	Electricity		

### The complaint

Mrs B wanted to upgrade the electricity supply to her property, which included a homestay business. Mrs B had 30 amp single phase electricity but wanted 10 amp three-phase electricity supply.

Mrs B said her electricity network company would not supply her with three-phase electricity unless she upgraded the transformer supplying the property. She said the transformer near her property was due for an upgrade and the network company was pressuring her to pay for this.

The network company said the transformer was at full capacity and it would not upgrade Mrs B's supply unless she paid for a transformer upgrade.

Mrs B also complained the network company caused a set of speakers to blow when pulling a fuse to her property.

The network company said it was not liable for the damage to the speakers as it did not act negligently.

During the EGCC investigation the network company offered Mrs B three-phase 10 amp supply if she agreed to certain conditions. The conditions were that Mrs B:

- Arranged conversion of her service cable to three phase
- Arranged for changes to the internal wiring to ensure load was evenly spread through the property
- Installed sealed circuit boards
- Installed 15 amp fuses
- Gave the network company information on use
- Gave the network company a covenant over the property

Mrs B declined this offer.

### The outcome

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

The Commissioner did not uphold the complaint. She found:

- The network company can choose whether to upgrade network assets such as electricity transformers
- The network company can ask a customer to pay for an asset upgrade if the upgrade is needed due to a request for increase in electricity capacity. Mrs B wanted an increase in electricity capacity which would require an asset upgrade. The network company would need to upgrade assets as the local transformer was close to maximum capacity
- The network company can place conditions on Mrs B's supply and the proposed conditions were not unreasonable
- The network company did not act negligently when checking the fuse so was not liable for the speaker damage

The Commissioner found the network company did not act negligently as it took reasonable care when replacing the fuse which connects electricity to the property.

In finding the network company did not act negligently the Commissioner asked an independent expert about fuse changes. The independent expert confirmed checking a fuse is no different to interrupting and restoring power supply, such as turning a switch off and on. Based on this advice, the Commissioner found the network company did not have to tell Mrs B about the fuse change.

## Ms O was not given a choice about new locations for electricity poles and lines visible from her rural property

Case number	26509	<b>Issues</b> Lines – customer service – poor attitude	Outcome
Year	2011		<b>Recommendation</b>
Category	Electricity		<b>– not upheld</b>

### The complaint

Ms O complained she was not given a choice about new locations for electricity poles and lines (works) visible from her rural property. Ms O said the process for choosing the location of the works was unfair, and the new location benefited the owner of a neighbouring property.

Ms O complained the location proposed for the works meant she had no choice but to pay for the cost of putting the lines connected to her home underground. Ms O said the cost, \$8,486.00 (excluding GST), was excessive. She wanted an itemised account of the cost.

The network company said it offered to cover the cost of putting the lines connected to her home underground. This offer was withdrawn when it redesigned the works in response to a request from Ms O. The network company said the amount paid by Ms O was the actual cost of putting the lines underground.

Ms O wondered if her rights under the Property Law Act 2007 had been infringed.

### The outcome

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

The Commissioner did not uphold the complaint because she found:

- The network company offered Ms O the choice to have the lines put underground fairly
- Ms O accepted the network company's quote for putting the lines underground
- The network company provided an itemised account of the cost of putting the lines to Ms O's home underground
- The Property Law Act 2007 (the Act) did not apply

The Commissioner investigated the timing of events leading to the complaint. This investigation showed Ms O accepted an offer from the network company in March 2010 to put the lines to her property underground free of charge when the works were moved.

In August 2010, in response to requests from Ms O, the network company investigated alternatives. The alternative design kept the lines on the original route with taller poles. The company's offer to cover the cost of putting the lines underground was withdrawn at this point.

In September 2010 Ms O agreed to pay \$8,486.00 so the poles near her home could be removed and the lines placed underground.

The network company provided a breakdown of costs showing labour, materials, vehicles (including diggers), and back fill.

The Commissioner investigated whether the Property Law Act 2007 (the Act) applied to the complaint. Part 6 describes special powers of the court in respect of trees and unauthorised structures on neighbouring land. The Commissioner found the Act did not apply in this case because the works:

- Were not a structure as defined by the Act
- Were specifically permitted by the local council plan, so are not unauthorised

# 19

## Mr C said his bills had increased since the meter change

Case number	28759	<b>Issues</b> Bill – high – disputed	Outcome
Year	2011		<b>Recommendation</b> – not upheld
Category	Electricity		

### The complaint

Mr C complained about his retailer sending high electricity bills since changing his meter in 2009. He said his bills had increased since the meter change.

Mr C said he did not understand how he could be using the amount of electricity for which the retailer was billing him. He said something must be wrong.

The retailer said it believed the electricity used by appliances in the house caused higher electricity bills.

Mr C's electricity use had continuously increased from about January 2010. Mr C's landlord arranged for an electrician to check the hot water cylinder. The electrician found no fault with the cylinder.

### The outcome

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

The Commissioner did not uphold the complaint. She found the retailer was not causing the high electricity bills, and that Mr C's bills were likely to be correct.

The Commissioner based her recommendation on the following conclusions:

- Electricity use had increased at the property since the beginning of 2010
- Another energy company supplied electricity to Mr C when the meter was changed in 2009
- The Commissioner did not find any evidence to suggest the retailer caused the increased electricity use
- The retailer was billing Mr C for the correct meter
- There was no reason to believe the meter installed in 2009 was faulty
- The new meter installed in 2011 recorded a similar pattern of electricity use

During the EGCC's investigation the retailer offered to pay for an independent energy audit of Mr C's property. The energy audit found Mr C had many electric appliances but was not able to identify a reason for the high electricity use.

Mr C did his own further investigation. He said a friend found the floor behind the hot water cylinder was wet. Mr C's landlord sent out a plumber. Mr C says the plumber said the hot water cylinder needed replacing. Mr C said he was confident the hot water cylinder had caused the high electricity use. He said he did not believe the retailer had caused the high bills and said the complaint could be closed.

## Mr Z complained his retailer billed him for gas based on estimated meter readings

Case number	29469	<b>Issues</b> Debt – disconnection Damage to appliances Billing – estimates – double billing	Outcome
Year	2011		<b>Recommendation – not upheld</b>
Category	Dual Fuel		

### The complaint

Mr Z complained his retailer:

- Double billed him for gas from July 2010
- Billed him for gas based on estimated meter readings from September 2010 to June 2011
- Disconnected the electricity supply to his property which meant his fridge and freezer were no longer usable because of damage from spoiled goods in the appliances

### The outcome

Mr Z passed away before the complaint could be settled. Mr Z's estate asked the Commissioner to recommend a settlement.

The Commissioner did not uphold the complaint, but proposed the retailer pay Mr Z's estate \$50 in recognition of the confusion experienced by Mr Z.

The Commissioner found:

- The retailer continued to send Mr Z reminder notices for his deceased partner's account after it wrote off her account
- The retailer did not double bill Mr Z for gas. It is likely Mr Z was confused by receiving reminder notices for both his overdue account and his late partner's account, as well as current bills
- The retailer estimated Mr Z's meter readings from September 2010 to June 2011 because Mr Z did not provide access to his meter
- The retailer was entitled to disconnect Mr Z's electricity for not paying his electricity bills
- The retailer gave Mr Z notice it was going to disconnect his electricity supply. The retailer used reasonable care in the circumstances to protect Mr Z from a foreseeable risk of damage
- The retailer was not responsible for the damage to Mr Z's fridge and freezer

Both parties accepted the Commissioner's recommendation

# 21

## Mrs H believed her meters were faulty

Case number	31044	<b>Issues</b> High bills – meter	Outcome
Year	2012		<b>Recommendation</b> – not upheld
Category	Electricity		

### The complaint

Mrs H complained her electricity retailer had been overcharging her for electricity use for years.

Mrs H believed her meters were faulty. She had two meters at her property, one controlled and one uncontrolled. She said four electricians checked her meters and all said she had a faulty meter. She said when she turned off the electricity mains switches, a disc in one of the meters continued turning.

As an example, Mrs H said her retailer billed her \$1,100 after she and her husband went overseas for six weeks leaving the property vacant.

The retailer said a disc in a meter may continue to rotate for a while when appliances are turned off. The retailer replaced both meters and tested the removed meters. The retailer said both meters passed the meter test.

The retailer said the bill for \$1,096.93 included some unpaid bills.

### The outcome

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

The Commissioner did not uphold the complaint because she believed the retailer's bills were likely to be correct.

The Commissioner found:

- Both the controlled meter and the uncontrolled meter passed an independent meter test
- The bills showed high use of electricity each winter
- The electricity use was consistent with what Mrs H said about how she used the central heating at her property
- The bill for \$1,096.93 was likely to be correct because Mrs H missed paying two previous bills and the bill itself covered a period of 120 days

The EGCC asked an independent meter expert about the accuracy of the meters based on the information received from both parties. The meter expert said the meter test should be regarded as definitive. He said a disc in a meter may continue to spin if the entire load of electricity is not removed. He said a creep test is part of the standard meter test. A creep test checks the meter stops moving when electrical loads are removed. Both meters passed the creep test.

Mrs H said she could not believe the meter was not faulty because the units went down on her uncontrolled meter after it was replaced. She said she had not changed her electricity use at all.



## Ms L complained a surge on the network damaged the heat pump at her house

Case number	30568	<b>Issues</b> Supply – surge – damage	Outcome
Year	2011		<b>Outside jurisdiction</b>
Category	Electricity		

### The complaint

Ms L complained a surge on the network damaged the heat pump at her house. Ms L claimed the cost of the repair from her insurance company and wanted the network company to pay the excess of \$450.

### The outcome

The Commissioner checks complaints are within her jurisdiction before investigating. In this case, she considered initial information from both parties, and found she could not consider the complaint.

The Commissioner was satisfied a surge incident did occur but, on balance of probabilities, it was on the Transpower network not the network company's network.

Transpower manages the transmission of energy around the country, to the points where network companies take over distribution. The Commissioner may not investigate complaints, apart from land complaints,<sup>1</sup> against Transpower. She did not believe the complaint was a land complaint.

Ms L accepted the Commissioner's view and the file was closed.

<sup>1</sup> A land complaint is a complaint that a network company has unlawfully affected a land owner's or land occupier's rights in respect of the owner's or occupier's land. The full definition is in the Scheme document, on the publications pages of [www.egcomplaints.co.nz](http://www.egcomplaints.co.nz)

# 23

## Mr U complained the retailer told him it was entitled to install an advanced meter at his property

Case number	28479	<b>Issues</b> Meter – supply – usage Customer service – complaint handling	Outcome
Year	2011		<b>Complaint not pursued further</b>
Category	Electricity		

### The complaint

Mr U's complaint was about his retailer installing an advanced meter at his property and the way the retailer treated him during his complaint.

There were three parts to Mr U's complaint:

- Installation of advanced meter – Mr U complained the retailer told him it was entitled to install the advanced meter at his property (against his wishes) because the government required it to.
- Over-recording of electricity use – Mr U said between July 2010 and February 2011 the advanced meter installed at his property over-recorded his electricity use. Mr U complained there were high readings during December 2010 while he was away from his property on holiday. Mr U wanted the retailer to refund him \$100 for the amount he believed he was overcharged.
- Customer service – Mr U said the retailer unduly delayed dealing with his complaint on two separate occasions when the retailer's representative assigned to Mr U's complaint went on holiday without delegating his complaint to another representative. Mr U wanted the retailer to make a further payment for the stress and poor customer service he received.

### The outcome

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

The Commissioner's preliminary recommendation upheld the complaint, but did not propose any compensation for settlement.

The Commissioner based her recommendation on the following conclusions:

- The Electricity Authority requires all retailers to re-certify meters by 2015 and this has prompted (rather than required) the retailer to install advanced meters
- The retailer's contract entitles it to install the advanced meter at Mr U's property
- The Commissioner sought advice from an independent technical expert about Mr U's concerns about the over-recording of electricity use. The expert's report confirmed advanced meters are not sensitive or prone to miscalculate when power to a meter is turned off and on
- The advanced meter was not likely to have over-recorded electricity use because its recordings are similar to those from the previous meter
- The retailer overestimated Mr U's January 2011 bill but did not ultimately overcharge him \$100
- The retailer did provide poor customer service to Mr U when it delayed sending information regarding his complaint

Mr U was not satisfied with this recommendation, and decided he would withdraw his complaint.

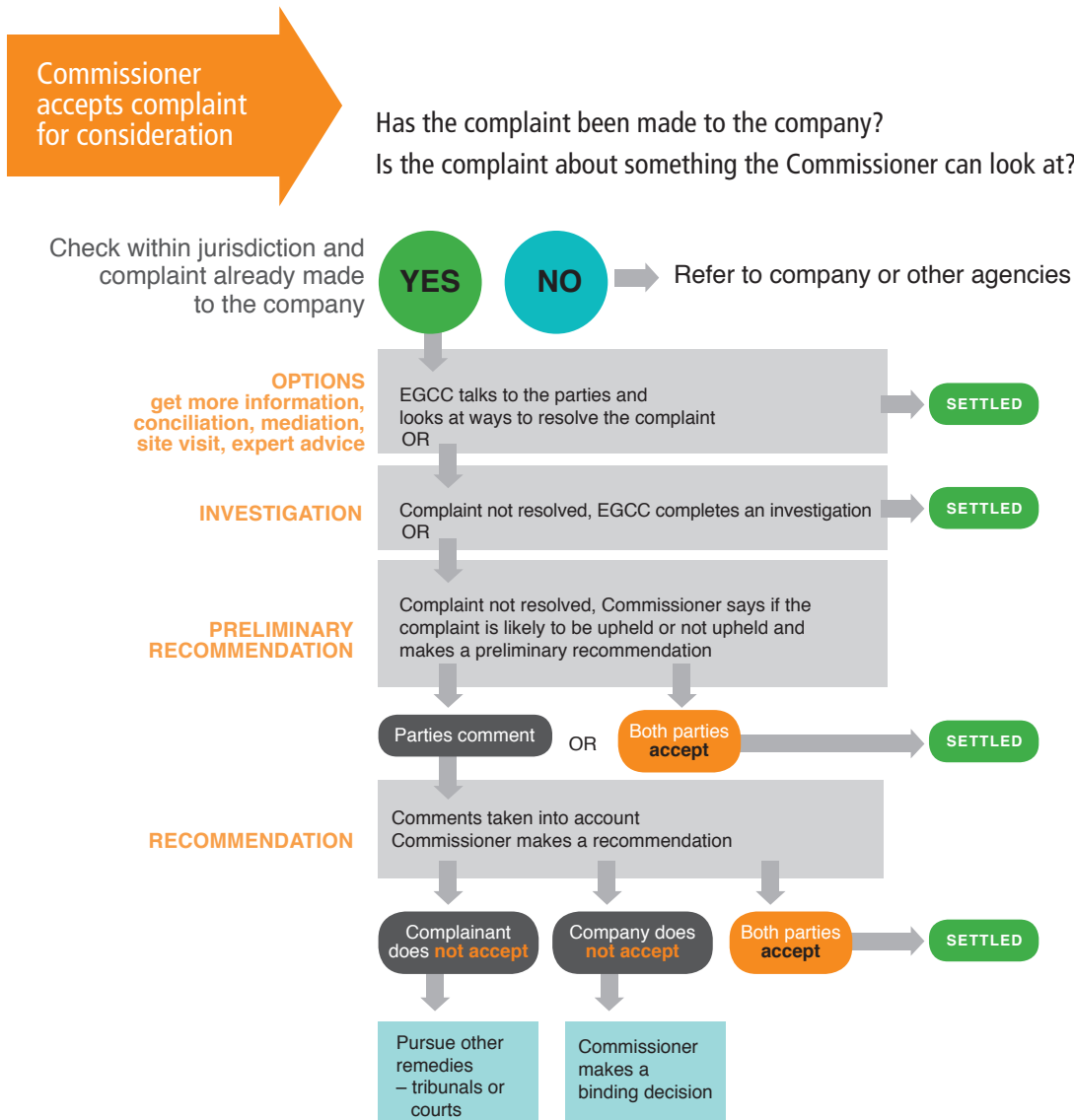
# How to use the Electricity and Gas Complaints Commissioner Scheme

You can contact the Electricity and Gas Complaints Commissioner Scheme (EGCC) for help if you have a complaint about an electricity or gas company.

We encourage you to resolve the complaint directly with the company. If this is not possible, you may be able to use the EGCC service.

We need to check if the complaint is about something the EGCC can look at. For example, the EGCC cannot look at complaints about price, but it can look at complaints about the way charges are applied.

## It works like this:





**electricity & gas**  
complaints commissioner

Freepost 192682, PO Box 5875 Lambton Quay, Wellington 6145

Freephone 0800 22 33 40    Freefax 0800 22 33 47

[info@egcomplaints.co.nz](mailto:info@egcomplaints.co.nz)    [www.egcomplaints.co.nz](http://www.egcomplaints.co.nz)