



electricity & gas
complaints commissioner

case notes



6

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

Last year we received over 3,600 complaints. The complaints were from all sorts of people, including home and business owners, and people in rental accommodation.

The EGCC can look at complaints about electricity and gas businesses that are members of the Scheme. Members agree to certain standards of complaint resolution.

We work with the complainant and the member to help them settle the complaint together. Most of our work is by telephone, although we use face-to-face meetings and site visits where these will help settle the complaint.

Over 90% of complaints were settled between the parties after the complainant contacted the EGCC. If the complaint can't be settled this way, the Commissioner decides whether to uphold the complaint. If the Commissioner upholds a complaint, she can recommend a settlement. If the complaint is upheld, and the complainant agrees with the recommended settlement, the business must provide the settlement. The settlement may be an apology, a credit, a refund, or any other action the Commissioner thinks is fair and reasonable in the circumstances.

This book has summaries of some of the complaints we received in the past few years. The most common issue in complaints is billing, including back bills and high bills. Other common issues are customer service, meters, and supply.

The EGCC can look at complaints about electricity or gas including LPG in cylinders over 15kg. This includes complaints about actions of an electricity or gas business affecting the rights of a landowner or occupier. You do not have to be a customer to complain about the actions of a business. The EGCC can look at complaints where the amount in dispute is up to \$50,000, or \$100,000 if the provider agrees.

You can find out more about the EGCC by visiting our website, www.egccomplaints.co.nz, or free call 0800 22 33 40.

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contents

Billing

42852	Billing - high - disputed back bill	Recommendation - not upheld	2
39982	Billing - low user tariff	Binding decision	3
48144	Billing – back bill – estoppel	Recommendation - upheld	4
49892	Provision - new connection – cost Billing – high - disputed	Settled	5
50001	Billing Customer service Supply - meters	Recommendation - upheld	6
35958	Billing - meter	Settled	6
35987	Billing - high - meter Customer service - complaint handling Electrical fault - wiring	Withdrawn	7
55983	Debt – payment arrangement – medical dependency	Recommendation - upheld	8

Customer service

48771	Customer service - poor attitude Billing - back bill - disputing back bill Switch - error - wrong site	Settled	9
45269	Customer service Provision of information – complaint handling	Recommendation - upheld	10
42901	Customer service - poor attitude	Settled	11

Meters

54605	Advanced meter – health concerns Customer service	Recommendation - upheld	12
56576	Advanced meter – health concerns Customer service – poor attitude	Recommendation - upheld	13
53271	Advanced meter - installation	Recommendation - not upheld	14
50354	Meter – advanced meter Contract – notice requirements	Binding decision	15

Supply

49809	Supply - planned outage - loss of business	Recommendation - upheld	16
44622	Supply - surge - damage	Recommendation - not upheld	17

Lines

51498	Electricity lines – maintenance – ownership Billing – high – disputed	Settled	18
50348	Lines	Recommendation - upheld	19


Contract

37936	Contract - quantum meruit	Binding decision	20
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The case notes are grouped by the main issue of the complaint.

Mr A believed maintenance work carried out by the network company at the property may have contributed to the high bills

42852

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Billing - high - disputed back bill	Recommendation - not upheld

THE COMPLAINT

Mr A complained about receiving a series of high bills over several months. Mr A said the bills varied from month to month and sometimes bills were high, even:

- when the house was unoccupied for some of the billing period; or
- only one person was home.

Mr A believed maintenance work carried out by the network company at the property may have contributed to the high bills.

The retailer tested the meter at the property and found the meter was recording accurately. Mr A's retailer provided electricity use history showing his use of electricity was at about the same level as previously.

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. The Commissioner was satisfied the retailer had met its obligation to bill Mr A by ensuring the meter was recording correctly.

The Commissioner found the subsequent use on the new meter was consistent with the use on the previous meter where the use had not been disputed.

The Commissioner was satisfied the maintenance work carried out by the network company would not have contributed to increased electricity bills for Mr A.

Customer incorrectly removed from low user tariff

39982

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2012	Billing - low user tariff	Binding decision

THE COMPLAINT

Mr F complained his electricity company incorrectly removed him from its low user tariff^[1]. The network company told Mr F it was exempted from offering him a low user tariff as Mr F's home was supplied from a feeder^[2] listed on an exemption notice from the Minister of Energy. Mr F argued the exemption did not include his home. The company disagreed.

THE OUTCOME

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

- Apologise to Mr F for incorrectly removing him from the low user tariff and continuing to justify this action
- Make Mr F a \$500 customer service payment

This meant the company had to reinstate Mr F on its low user tariff.

The Commissioner found Mr F's home was not covered by the company's exemption, and therefore Mr F was eligible for the company's low user tariff.

The Commissioner found the company's exemption had three criteria:

- The consumer was supplied from a feeder which had been listed in the exemption,
- The consumer was within the highlighted area in the map appended to the exemption,
- The consumer was supplied from a line serving fewer than 10 customers

In looking at Mr F's situation, the Commissioner was satisfied his property did not meet all three criteria as the property was not supplied from lines serving fewer than 10 homes. The Commissioner was satisfied her interpretation of the exemption notice was consistent with both:

- the circumstances in which the Minister may grant an exemption; and
- the network company's original application for the exemption.

Mr F accepted the Commissioner's recommendation. The company advised it had no objection to apologising to Mr F and paying him \$500. However, as it disagreed with the Commissioner's conclusions, it rejected her recommendation.

The Commissioner issued a binding decision against the company.

^[1] The Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004 require electricity retailers and network companies to ensure average consumers pay no more per year on a low fixed charge tariff option than on any alternative tariff option.

The Regulations define average as:

- a consumer whose home is in the Lower South region, a person who purchases or uses 9000 kWh of electricity per year in respect of that home; or
- a consumer whose home is elsewhere in New Zealand, a person who purchases or uses 8000 kWh of electricity per year in respect of that home

^[2] a network substation

Retailer claimed payment after a meter had not been recording the electricity used

48144

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Billing – back bill – estoppel	Recommendation - upheld

THE COMPLAINT

Mr C complained his electricity retailer sent him a bill of \$8,638.04 after it replaced the meter at his property. He said the bill did not make sense because his bills were normally \$90-\$180 a month.

The retailer said the bill was an estimate of electricity used but not recorded on the old meter at Mr C's property during the previous 12 months.

The retailer said after replacing the meter, it discovered one of the registers^[1] of the new meter was recording high use. The same register on the old meter had recorded no use for the entire time Mr C had been the retailer's customer.

THE OUTCOME

The parties could not agree and asked the Commissioner to recommend a settlement. The Commissioner recommended the retailer cancel the bill of \$8,638.04 and pay Mr C a customer service payment of \$100.

The Commissioner said:

- The retailer's terms and conditions did not allow it to estimate the bill
- It would be unfair for the retailer to claim payment
- It was fair and reasonable for the retailer to cancel the bill and pay Mr C \$100

The Commissioner said the retailer's terms and conditions did not allow it to estimate the bill. The retailer's terms and conditions

only allowed it to send an estimated bill if the customer used electricity but a meter reading was not available. The retailer had billed Mr C on an estimate but had no proof he used the electricity, nor that the meter was faulty.

The Commissioner said even if the retailer could estimate the bill under its terms and conditions, it would be unfair to do so for three reasons:^[2]

- The retailer had previously sent Mr C bills for electricity used on all three registers and each bill said it was based on meter readings
- It was reasonable for Mr C to assume the bills were accurate
- Mr C paid the bills without budgeting for a larger bill and did not have the opportunity to check the electricity was being used

The Commissioner said the retailer was responsible for the reliability of its metering equipment.


The Commissioner believed it was fair for the retailer to pay Mr C \$100 because the retailer continued to ask Mr C to pay the bill when it had no right to do so.

^[1] Register – sometimes an electricity meter may split up how it records electricity use. For example, one register could record electricity used to heat hot water or underfloor heating, and one register could record the rest of the household appliances

^[2] These reasons are an application of the legal doctrine of estoppel. Estoppel prevents a party from going back on their word when it would be unfair to do so. The Laws of New Zealand, Estoppel (online ed) at para 1.

Cost of infrastructure to connect to the network too high

49892

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Provision - new connection – cost Billing – high - disputed	Settled

THE COMPLAINT

Mr and Mrs B wanted to connect electricity to their new house. The network company quoted for the new connection. Mr and Mrs B were unhappy with the quote because:

- They believed the network company was charging them for unnecessary infrastructure (e.g. additional pillars)
- They believed the network company should not ask them to contribute 90% of the equipment needed to connect their property because the network company would own the equipment and continue charging Mr and Mrs B for the use of it in the future

THE OUTCOME

The EGCC met with the parties onsite. Mr and Mrs B and the network company agreed on the scope of the infrastructure needed for the connection. The network company requoted the work and Mr and Mrs B accepted the quote.

The Commissioner called Mr B to discuss the second part of his complaint. She explained she is unable to consider the price members choose to set for their services, which includes decisions on what would be charged for. The Commissioner said if Mr and Mrs B's complaint was about the network company being a monopoly the Commerce Commission would be the appropriate forum to deal with the complaint. Mr B accepted the Commissioner's explanation.

Disrupted power supply caused damage and inconvenience

50001

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Billing Customer service Supply - meters	Recommendation - upheld

THE COMPLAINT

Mr X complained the retailer replaced the meter at his property after he switched to a new retailer. He said disruption to his power supply caused damage to a laptop and interrupted precise time recording. After receiving his complaint the retailer sent a second incorrect final invoice to Mr X asking him to accept a settlement. Mr X says the retailer blamed its contractor for the disruption.

THE OUTCOME

The retailer offered payments of \$180 and later \$280 to resolve Mr X's complaint. Mr X asked the retailer to pay him \$1,000. The parties could not agree on a resolution and asked the Commissioner to recommend a settlement.

The Commissioner upheld Mr X's complaint and recommended the retailer apologise to Mr X and make Mr X a customer service payment of \$350.


The Commissioner based her recommendation on the following conclusions:

- The retailer was not entitled to interrupt Mr X's electricity supply or replace the meter, as it was no longer Mr X's retailer
- The retailer should have systems in place to prevent an incorrect final invoice being sent to Mr X
- The retailer asking Mr X to accept the offer of \$180 in full and final settlement of his complaint did not meet the threshold of undue pressure but the retailer could have provided better customer service
- It was fair and reasonable for the retailer to make a \$350 customer service payment to Mr X

Mr X did not accept the Commissioner's recommendation and the complaint was closed.

Charges for gas when gas appliances were disconnected

35958

TYPE	YEAR	ISSUES	OUTCOME
 GAS	2012	Billing - meter	Settled

THE COMPLAINT

Mrs C complained about a gas retailer charging her for gas when she was not a customer of that retailer. Mrs C said she moved into a rental property in August 2010 and, since then, the retailer sent bills addressed to 'the new occupant'.

Mrs C said the bills had charges for arrears and daily lines charges. She said there were no gas appliances at the property. Mrs C said the gas meter at the property had a sticker on it saying it was disconnected.

THE OUTCOME

The EGCC investigated the complaint. It found Mrs C's landlord

had removed all gas appliances from the house shortly before she moved into the property.


The retailer said it would reverse the charges if the meter was removed. The retailer said it needed the landlord's permission to remove the meter.

Mrs C provided the retailer with her landlord's contact details through the EGCC and the meter was removed.

The retailer then issued a new invoice for the property showing a zero balance. Mrs C accepted the invoice in full and final settlement of her complaint.

Incorrect wiring contributing to higher electricity bills

35987

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2012	Billing - high - meter Customer service - complaint handling Electrical fault - wiring	Withdrawn

THE COMPLAINT

Mr G rented a flat above a shop. A tenant leased the shop. Mr G complained his retailer was billing him for electricity used by the shop as well as the electricity used at his flat. Mr G said his electricity bills were too high for the amount of electricity he believed he used. He said he had been complaining to his retailer for months, and the retailer had not fixed the problem.

THE OUTCOME

The EGCC investigation showed there was an internal wiring issue. The retailer said it had received the complaint months ago and had been trying to contact the landlord to arrange a site visit. The EGCC helped to arrange a site visit with the retailer, Mr G, the landlord, and the tenant in the shop. The site visit found:

- The meters at the property were correctly recording electricity use
- The retailer was billing Mr G for the correct meters
- Some of the appliances and lighting in the shop were wired through one of the meters in Mr G's flat
- There were fuses missing and the electrical installation was unsafe

Further investigation from the EGCC showed Mr G's landlord had renovated the downstairs shop two years before. It appeared the landlord's electrician had rewired the installation incorrectly by wiring one of the phases from the shop through Mr G's meter.


The EGCC shared this information with Mr G and said:

- The EGCC can only look at whether the retailer had acted correctly and was billing him correctly
- The incorrect wiring at the property contributed to Mr G's high bills
- Mr G should talk to the landlord about any issues with the internal wiring

Mr G withdrew his complaint and said he would make a complaint about his landlord to the tenancy tribunal.

Mr C stopped making an agreed regular payment and claimed medical dependency

55983

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2015	Debt – payment arrangement – medical dependency	Recommendation - upheld

THE COMPLAINT

Mr C accumulated a debt of approximately \$6,000 with his electricity retailer. The EGCC had looked into this claim previously and the Commissioner recommended the retailer and Mr C enter into a reasonable payment arrangement for the debt and Mr C's ongoing electricity usage. Mr C agreed to pay \$80 a week.

Mr C stopped making payments after a few months saying the payments were too high. Mr C offered \$20 a week. The retailer refused the proposed amount and said \$20 would not even cover Mr C's ongoing electricity usage. Mr C and the retailer agreed upon \$60 a week.

After a few months Mr C again stopped making payments. He told the retailer he was medically dependent on electricity. Mr C's debt grew to about \$11,000.

THE OUTCOME

The parties could not agree and asked the Commissioner recommend a settlement.

The Commissioner's investigation revealed the electricity retailer tried unsuccessfully to substantiate Mr C's medical dependency. It sent Mr C forms for his doctor to complete, but Mr C did not return them. The electricity company sent contractors to observe Mr C's medical equipment, but Mr C would not let the contractors into his house.

The electricity retailer did not disconnect Mr C's electricity for non-payment because of his claim of medical dependence on electricity. The Commissioner found the electricity retailer's actions were reasonable in the circumstances because the retailer erred on the side of caution.


After Mr C changed retailers and initiated this complaint the retailer places Mr C's debt with a collection agency. The Commissioner found the retailer's actions were not reasonable because the complaint process had not run its course.

The Commissioner proposed recommending the retailer withdraw the debt from the collection agency if Mr C either paid the debt in full or entered into a reasonable payment arrangement.

The retailer accepted the Commissioner's proposed recommendation. Mr C rejected it, but made no submissions about why he rejected it. The file was therefore closed.

Mistake with ICP number causes billing issues

48771

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Customer service - poor attitude Billing - back bill - disputing back bill Switch - error - wrong site	Settled

THE COMPLAINT

Mrs L complained an electricity retailer did not bill her tenants properly and provided poor customer service to her as their representative.

Mrs L was the tenants' budget adviser and had authority on their electricity account. Mrs L said the tenants moved in to a property she used to live in. The tenants opened a new electricity account with a different retailer. The tenants set up direct debits to the retailer for their electricity. After four months the retailer sent the tenants a letter saying no electricity was being used at the property and the account was in credit.

Mrs L contacted the retailer to sort out the account. Mrs L and tenants gave the retailer information about the meter at the property and the ICP number.^[1] Mrs L said the retailer told her the information she provided was wrong. Mrs L said she spent many hours talking to the retailer about the account.

The retailer checked the electricity registry ^[2] and realised it had made a mistake about the ICP number when it opened the tenants' account. The retailer offered a \$150 customer service payment to resolve the complaint.

Mrs L did not accept the offer, and asked the EGCC to investigate the complaint.

THE OUTCOME

The EGCC held a telephone conciliation conference with the parties after investigating the complaint. The complaint was settled at the conference. The retailer agreed to apply a 10% prompt payment discount on the correct bill, and apply a \$400 credit to the account.

The EGCC's investigation found:


- The electricity registry did not have correct information about the properties in the street
- The tenants' street address on the electricity registry did not match the postal address for the property
- Mrs L gave the retailer the correct address for the property in the registry two months after the tenants moved in
- Another retailer changed the meter at the property before the tenants' retailer requested the ICP number in the registry

^[1] Installation Control Points are the points of connection on a network from which electricity or gas is supplied to a site.

^[2] The electricity registry is a national database of information on every point of connection on a network from which electricity is supplied to a site. The points of connection are called installation control points.

Customer with zero gas consumption invoiced for daily fixed charge

45269

TYPE	YEAR	ISSUES	OUTCOME
	2013	Customer service Provision of information – complaint handling	Recommendation - upheld

45269

THE COMPLAINT

Mrs R had an electricity and gas account with the retail company, which she paid by direct debit. Mrs R's son arranged to have a heat pump installed at her property and so she stopped using gas. Mrs R did not let her retail company know she no longer required gas. The property remained connected to the gas network and the company continued charging her for the gas connection.

When Mrs R moved out of the property, her daughter-in-law, Ms P, realised Mrs R had still been paying daily charges for gas. Ms P raised the issue with the retail company because she believed the charges were unfair, especially as Mrs R was elderly and on a fixed income. Ms P believed the company should have identified gas was no longer being used at the property and could have contacted her mother to ask whether she still needed a gas connection.

Ms P said she phoned the company to discuss the charges and said the staff were unhelpful and appeared indifferent to Mrs R's situation.

THE OUTCOME:

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


The Commissioner recommended the company make Mrs R a \$100 customer service payment for poor customer service.

The Commissioner found the company was not required to refund the daily charges paid by Mrs R. In her investigation, the Commissioner surveyed major gas retailers to find out standard practice. She did not find evidence of a general industry practice of monitoring accounts and contacting customers after a period of zero consumption. Mrs R had received bills from the company showing she was continuing to pay a daily charge, but she did not ask them about her options.

The company accepted the recommendation but Mrs R rejected it and the file was closed.

Contract cancelled 20 minutes after signing charged full commercial termination fee

42901

TYPE	YEAR	ISSUES	OUTCOME
 GAS	2012	Customer service - poor attitude	Settled

THE COMPLAINT

Ms X complained a gas retailer threatened to charge her an early termination fee of more than \$4,000 when she said she wanted to close her business account.

Ms X purchased a business that used gas. Ms X contacted the gas retailer used by the previous owner of the business. Ms X expected to pay the same rate for gas as the previous owner.

An account manager from the company visited Ms X and offered a slightly cheaper rate, as long as Ms X signed the contract immediately. Ms X signed.

Ms X called the retailer 20 minutes after signing to cancel the contract.

The retailer told her there was a \$4,000 termination fee for a commercial contract. Ms X did not read all the conditions of the contract and was unaware an early termination fee could apply.

Ms X believed the gas retailer should have informed her how much an early termination fee could be.

THE OUTCOME

The EGCC talked to Ms X and the retailer. Ms X offered to stay with the retailer for two months. The retailer offered to waive the termination fee. Ms X accepted the offer in full and final settlement of the complaint and switched to another gas retailer.

Advanced meter installed without permission despite health concerns

54605

TYPE	YEAR	ISSUES	OUTCOME
	2015	Advanced meter – health concerns Customer service	Recommendation - upheld

THE COMPLAINT

On behalf of her aunt, Ms B said an electricity retailer installed an advanced meter at her aunt's house without her permission. Ms B's aunt passed away before Ms B brought the complaint to the EGCC, so she complained on behalf of her aunt's estate.

Both Ms B and her aunt had health concerns about advanced meters. Ms B said the information the retailer gave her about advanced meter did not say enough about the health, safety, and privacy risks she believed advanced meters presented.

Ms B said the retailer had handled the complaint poorly because said she had to speak with many different representatives at different times. Ms B said none of them offered her any alternatives to resolve the complaint.

The retailer said its policy is to install advanced meters at its customers' properties. The retailer said it had sent Ms B's aunt a letter saying it was going to install an advanced meter before it installed one.

THE OUTCOME

Ms B and the retailer could not agree and asked the Commissioner recommend a settlement.

The Commissioner recommended the electricity retailer pay the estate \$500. This was because the retailer:

- Did not give Ms B's aunt enough notice before installing the advanced meter
- Should have recognised the complaint earlier

The retailer had sent a letter to Ms B's aunt saying it would install an advanced meter. However, the letter said someone would contact the customer to make an appointment first, and this did not happen.

The letter also said the meter retailer would install any time within the next three months. The Commissioner said the retailer needed to be more specific about when the installation would take place, especially because the letter recommended the customer turn off any sensitive appliances at the time.

The Commissioner said the retailer handled the complaint reasonably, but should have recognised the complaint earlier. As a member of the EGCC Scheme, the retailer needed to treat Ms B's expression of dissatisfaction as a complaint.

The Commissioner said if the retailer had given proper notice, it probably would have been entitled to install the advanced meter. This was because the meter type was compliant with New Zealand standards for EMF, and there was no other law or rule preventing the retailer installing an advanced meter.

Both parties accepted the recommendation.

Objections to a modem installed on an advanced meter

56576

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2015	Advanced meter – health concerns Customer service – poor attitude	Recommendation - upheld

THE COMPLAINT

On behalf of Mr A, Ms L complained about an electricity retailer installing a modem in the advanced meter^[1] at their shed.

The electricity supply to the associated house was in Ms L's name. The electricity supply to the shed, where they both worked, was in Mr A's name.

Ms L complained the retailer:

- Installed a modem^[2] in the meter at the shed, ignoring her and Mr A's requests by phone and letter not to install an advanced meter
- Threatened to disconnect the electricity to the house if Ms L removed the advanced meter from the shed, even though the shed and house were separate

Ms L said she did not want an advanced meter because she believed it adversely affected her and her family's health. She provided a medical certificate in support of her complaint.

She said she felt upset and angry when the retailer threatened to disconnect the electricity to the house. She said she believed this was "blackmail" because the house account was separate from the shed account. She said she did not accept the retailer's offers to resolve the complaint because she felt the retailer was trying to bribe her.

In response, the retailer said its policy was for all customers to have advanced meters. The retailer said it installed a modem because the previous retailer had installed the advanced meter without a modem.

The retailer said it gave Mr A notice it would install an advanced meter. The retailer said it had no records of Ms L or Mr A objecting to the meter before the retailer installed the modem.

THE OUTCOME

The parties could not agree and asked the Commissioner recommend a settlement.

During the investigation, the retailer accepted its representative had told Ms L the retailer would disconnect the electricity to the house, rather than the shed. In recognition of this part of Ms L's complaint, the retailer offered to pay Ms L and Mr A \$500 and to remove the modem from the meter on the condition they both switched to another retailer. Ms L rejected the offer, but the retailer removed the modem and Ms L and Mr A switched to another retailer.

The Commissioner recommended Ms L accept the retailer's offer of \$500.

The Commissioner said the retailer's offer was reasonable because:

- The retailer did not give Mr A sufficient notice it intended to install the modem in the meter
- At times the retailer communicated poorly with Ms L and Mr A

The retailer did not comply with its terms and conditions about the notice it must give before accessing the property. She said the insufficient notice may have contributed to the retailer not knowing Mr A did not want the modem. If the retailer had given sufficient notice, Mr A would have had the opportunity to switch to another retailer who may not have installed a modem.

The retailer communicated poorly when it:

- Gave Ms L wrong information about why it chose to install advanced meters and who to complain to
- Told Ms L it would disconnect the electricity to the house account instead of the shed account if Ms L tampered with the meter
- Spoke with someone not authorised on the account before installing the modem


The retailer accepted the recommendation but Ms L did not respond and the file was therefore closed.

^[1] An advanced meter (or "smart meter") records the amount of electricity a household is using at half hourly intervals, and sends the data daily to the retailer (source: Electricity Authority).

^[2] The modem is the communications device in an advanced meter that sends data from the meter to the retailer.

Analogue meter replaced with an advanced meter, instead of recertifying the original meter, as requested

53271

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2015	Advanced meter - installation	Recommendation - not upheld

THE COMPLAINT

Mr E complained his electricity retailer would only supply him with electricity if he allowed them to install an advanced meter^[1] at his property. Mr E said the Electricity Authority only wanted his retailer to recertify his meter, not to install advanced meters. Mr E said this was outside the scope of the requirements set down by the Electricity Authority.

Mr E said he wanted his retailer to recertify the existing analogue meter at his property.

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.

The Commissioner found:

- The retailer's terms and conditions and New Zealand law allowed the retailer to replace Mr E's meter with an advanced meter
- The Electricity Authority's requirement to recertify meters did not prevent the retailer from installing an advanced meter to meet this requirement
- The retailer could choose to deal with particular metering equipment providers

When the Commissioner makes a recommendation, the parties are invited to respond. In this case, Mr E was still concerned about the retailer's decision to deal with particular meter equipment providers. He said this was illegal under the Commerce Act.


The Commissioner considered Mr E's comments. The Commissioner said she believed the Commerce Commission and the Electricity Authority were more appropriate forums to consider Mr E concerns about the retailer's behaviour being anti-competitive. The Commissioner said she was not aware of the Commerce Act covering the circumstances raised by Mr E.

Mr E did not accept the Commissioner's recommendation and the complaint was closed.

^[1] An advanced meter (or "smart meter") records the amount of electricity a household is using at half hourly intervals, and sends the data daily to the retailer (source: Electricity Authority).

Previously refused advanced meter installed at a property before notice given

50354

TYPE	YEAR	ISSUES	OUTCOME
	2015	Meter – advanced meter Contract – notice requirements	Binding decision

THE COMPLAINT

Mr M complained an electricity retailer installed an advanced meter^[1] at his home and refused to remove it.

Mr M said on 25 March 2014 he received a letter dated 19 March 2014 advising the retailer intended to install an advanced meter at his home. Mr M immediately checked his meter. He discovered the retailer already installed the advanced meter. On 28 March 2015 Mr M phoned the retailer asking it to remove the advanced meter and the retailer refused.

Back in 2011 Mr M refused installation of an advanced meter. At this time the retailer complied with his refusal.

THE OUTCOME

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

The Commissioner investigated Mr M's complaint and recommended the retailer remove the advanced meter and install an analogue meter comparable to Mr M's old meter. She also recommended the company pay Mr M a customer service payment of \$1,000. The retailer did not accept the recommendation, so the Commissioner issued a binding decision.


The Commissioner's investigation found:

- The electricity retailer installed the meter in breach of its terms and conditions because it did not give Mr M the required notice
- The retailer's previous actions gave Mr M a reasonable expectation that he could refuse the meter
- By installing the meter without adequate notice the retailer denied Mr M the opportunity to change retailers

^[1] An advanced meter (or "smart meter") records the amount of electricity a household is using at half hourly intervals, and sends the data daily to the retailer (source: Electricity Authority).

Business affected by planned power outage and noise

49809

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Supply - planned outage - loss of business	Recommendation - upheld

THE COMPLAINT

Mrs H complained the network company's planned outage would negatively affect her accommodation business. The network company planned an outage for three nights and two days to carry out maintenance on equipment next to Mrs H's business. Mrs H told the network company the outage would conflict with the accommodation industry's high season, and asked for the outage to be rescheduled for the off season, two months later. The network company told Mrs H the work was urgent and could not wait.

The network company said it planned to use a large generator during the outage to maintain electricity supply for affected customers including Mrs H. Mrs H believed the noise from the generator would affect her customers.

Mrs H attempted to mitigate the damage to her business by closing bookings for the duration of the outage. The network company managed to reduce the length of the outage by one day and acquired what it believed to be the quietest generator available. The network company did not believe it was reasonable of Mrs H to shut her business during the outage.

During the outage, Mrs H complained to the local council about the noise and noise officers took at least three noise readings at the site over the outage. Two of the noise readings were in excess of the council's noise limits.

Mrs H sought compensation from the network company for shutting her business for two days.

THE OUTCOME

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

The Acting Commissioner gave notice she proposed recommending the network company pay Mrs H \$2,700 in recognition of:

- The council noise limits being breached
- Mrs H having mitigated her loss appropriately
- The network company could have provided better customer service

Both parties made submissions in response to the proposed recommendation. After considering those submissions, the Commissioner noted the network company now said the planned work did not require Mrs H's supply of electricity to be interrupted. In fact, the generator was needed to maintain supply to a commercial plant, adjacent to Mrs H's business.

The Commissioner recommended the network company make a \$2,700 customer service payment. She found there was sufficient evidence from the council noise officers that noise limits had been breached by the generator. The Commissioner believed the breach of the noise limits justified Mrs H's decision to shut her business during the outage. This is because had she not closed her business, customers would have been adversely affected, and there would have been on-going reputational risk for Mrs H's business.

The Commissioner also found the network company's customer service could have been better, saying the network company:

- Did not communicate to Mrs H its decision to reduce the outage in time for her to reopen bookings for the third day
- Only considered the preference of other parties for the timing of the work (which was not urgent), and did not take into account Mrs H's situation
- Was also inflexible about the timing of the outage, when there was evidence to suggest other alternatives could have been considered
- Provided misleading information to Mrs H about the quietness of the generator it would use

In recommending this payment, the Commissioner acknowledged the network company's concern that such a decision would mean network companies were required to compensate customers for keeping the power on. The Commissioner did not agree with this contention, saying:

- Her decisions do not create a precedent
- There were several unique factors in this case, including:
 - There was a breach of the local authority's noise limits
 - The network company had no obligation to provide a generator, and the generator was not for the benefit of Mrs H

Alarm damaged by electrical surge from faulty connection

44622

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2013	Supply - surge - damage	Recommendation - not upheld

THE COMPLAINT

The owners of ABC Ltd complained surges on the electricity network damaged the alarm at their business premises. The owners said they noticed lights flickering and buzzing a few days before the damage occurred. They claimed the cost of replacing the alarm from the network company.

The owners said the network company had an obligation not to exceed voltage requirements of the Electricity (Safety) Regulations 2010 and the network company had not met that obligation. They said this cost their business time and money.

The network company said the fault occurred because a connection within the pedestal supplying ABC Ltd became loose. The network company said it would not pay for the damage because it was not negligent.

The network company said the damage may not have occurred if the owners had contacted the network company when they first noticed the problem. The network company said it recently carried out an advertising campaign to encourage customers to contact it about any problems with electricity.

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.

The Commissioner got advice from a member of her panel of independent experts. The Commissioner asked the expert whether the network company had done enough to prevent the connection becoming loose. The Commissioner accepted the expert's advice the work was done to a reasonable standard when the connection was installed, and it was unlikely an inspection would pick up the fault.


The Commissioner found other factors were likely to have contributed to the damage to the alarm. These factors were:

- The alarm was more sensitive to interruptions in supply due to its age
- The interruptions in supply continued over several days without the owners notifying the network company

The Commissioner said the network company had obligations to ABC Ltd under the Electricity (Safety) Regulations 2010, but these obligations were limited by the retailer's terms and conditions. The terms and conditions excluded liability for damage caused to sensitive appliances arising from interruptions in supply. The terms and conditions also excluded the provisions of the Consumer Guarantees Act 1993 for businesses.

High charge for repairing an underground cable and installing a pillar box outside a property

51498

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Electricity lines – maintenance – ownership Billing – high – disputed	Settled

THE COMPLAINT

Mr R complained the electricity network company charged him too much for repairing an underground cable and installing a pillar box at his property. He also complained about the customer service he had received from the network company.

Mr R had accidentally severed the cable while digging on his property.

He disputed the network company's \$5,000 bill for work at his property because he said:

- He did some of the work (digging) himself
- The network company could not prove there was a foundation box at the property in the first place, and one should have been installed when the property was first connected
- The cost was inflated because the work was done on a public holiday and he had asked for the network company not to do the work on a public holiday

He said he received poor customer service from the network company because:

- He contacted the network company soon after the work was done but was given no information or response to his enquiry
- He got the bill five months after the work was done
- The bill only gave him 14 days to pay in full
- He got no response to his complaint until he followed up with the network company, over 20 days after complaining
- He did not get a good explanation from the network company about the bill

The network company said Mr R did not have a pillar box and needed one for safety reasons. It said it had to do the repair work straight away because the exposed cable on his property was still live and was a safety risk.

THE OUTCOME

The parties settled the complaint after exchanging more information.

The EGCC asked the network company whether the contractor did any excavation on Mr R's property. The network company asked the contractor, who said he only did excavation outside the property. The network company offered to waive the costs of the excavation, installing the pillar box, and the administration fee, reducing the bill to \$1,238.86.

The network company also acknowledged the time frame for sending the invoice to Mr R was longer than it should be. It said it was working on reducing this time frame.

Mr R accepted the offer and said he would work out a payment arrangement with the network company.

Transformer installed on property without consent

50348

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2014	Lines	Recommendation - upheld

THE COMPLAINT

Mrs B complained the network company installed its transformer on her property in the early 1990s without her consent. Mrs B wanted the network company to compensate her for trespassing on her property and wanted the network company to relocate the transformer off her property.

The network company believed it was entitled to leave its transformer on Mrs B's property. The network company said its transformer had been installed with the consent of the owner of the property in the 1980s.

THE OUTCOME

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

The Commissioner found the network company was entitled to have its transformer remain on Mrs B's property. However, the Commissioner recommended the network company pay Mrs B \$500 for customer service issues over several years related to the way the company accessed Mrs B's property to service the transformer.

The Commissioner found the transformer was likely to have been lawfully installed in 1984. There was a provision in the contract between the property owner and the network company at the time, allowing the network company to install the transformer on the property. While the network company did not have an easement for the transformer, the transformer remained protected by the existing works provisions in the Electricity Act 1992^[1].

The Commissioner found the network company:

- Was in breach of its obligations under the Electricity Act 1992^[2] to provide notice to Mrs B before accessing the transformer
- Did not have an implied licence^[3] to come onto Mrs B's property
- Caused Mrs B stress and inconvenience

In recognition of these findings the Commissioner believed a customer service payment of \$500 was fair and reasonable.

^[1] Section 22 of the Electricity Act 1992 says, "Any existing works, lawfully...installed over...any land that is not owned by the person who owns the works, shall continue to be...installed until the owner of the works otherwise decides"

^[2] Sections 23A-23D of the Electricity Act 1992 sets out the notice requirements for a line owner to enter private property

^[3] Unless revoked, a person has an implied licence to enter a property to approach the door. Mrs B had revoked the licence by explicitly telling the network company not to come on to her property

37936

TYPE	YEAR	ISSUES	OUTCOME
 ELECTRICITY	2013	Contract - quantum meruit	Binding decision

THE COMPLAINT

Mr P owned a rental property. Mr P did not re-let the property after a tenant moved out. The following month the electricity company sent Mr P an invoice for electricity charges including metering, control, and network fees as well as demand charges.

Mr P told the electricity company he did not have a contract with it. Mr P said if the company wanted payment for charges incurred by the previous tenant then it should contact the tenant.

Mr P paid the invoice and told the company the payment was for the metering, control and network fees only. Mr P expected what he had paid would cover these fees for about a year. Mr P said he would not pay the remaining charge because there was no electricity used while the property was vacant.

The network company offered to credit Mr P the first invoice and to reduce the remaining charge. Mr P rejected the offer and contacted the EGCC.

THE OUTCOME

The Commissioner upheld Mr P's complaint and recommended the network company set the demand charge at zero.^[1]

The Commissioner's recommendation was based on the following conclusions:

- There was no contract between Mr P and the company
- The company was entitled to recover reasonable costs under quantum meruit for the services it continued to provide to Mr P's property
- It is fair and reasonable for the company to set the demand charge at zero units of demand

No contract

The Commissioner was satisfied there was no contract between Mr P and the company. The company had not given Mr P a copy of the terms and conditions. The Commissioner did not accept the issuing of the first invoice by the company and the subsequent

payment by Mr P formed a contract. The Commissioner found the invoice did not provide Mr P certainty about what was being agreed.

Quantum meruit

The Commissioner found the legal principle of quantum meruit meant the company could recover reasonable costs for the services it was providing to Mr P's property. Quantum meruit allows a party that has supplied goods or services in the absence of a contract to recover reasonable costs for its supply. Quantum meruit applies where the person who received the services:

- requested or freely accepted the services, and benefitted from them, or
- received an incontrovertible benefit from the services.

The Commissioner found Mr P freely accepted the services provided by the network company and Mr P received a benefit by being able to demand electricity once the property was occupied again. The Commissioner was satisfied Mr P knew he could reject the services by asking the network company to remove the electricity installation, but did not do so.

Fair and reasonable

The Commissioner recommended a fair and reasonable settlement of the complaint would be for the company to set the demand charge at zero. The Commissioner believed the correct application of quantum meruit would entitle the company to recover the market price or the recoverable amount under a normal commercial arrangement. The Commissioner believed by applying the pricing methodology applicable at the time, the demand charge would have been set at zero anyway.

Mr P accepted the recommendation but the company did not. The Commissioner's Terms of Reference allow her to issue a binding decision against the company in this situation. This means the company has to abide by the Commissioner's decision.

^[1] The company has changed its pricing methodology since this complaint was closed.

How to use the Electricity and Gas Complaints Commissioner Scheme

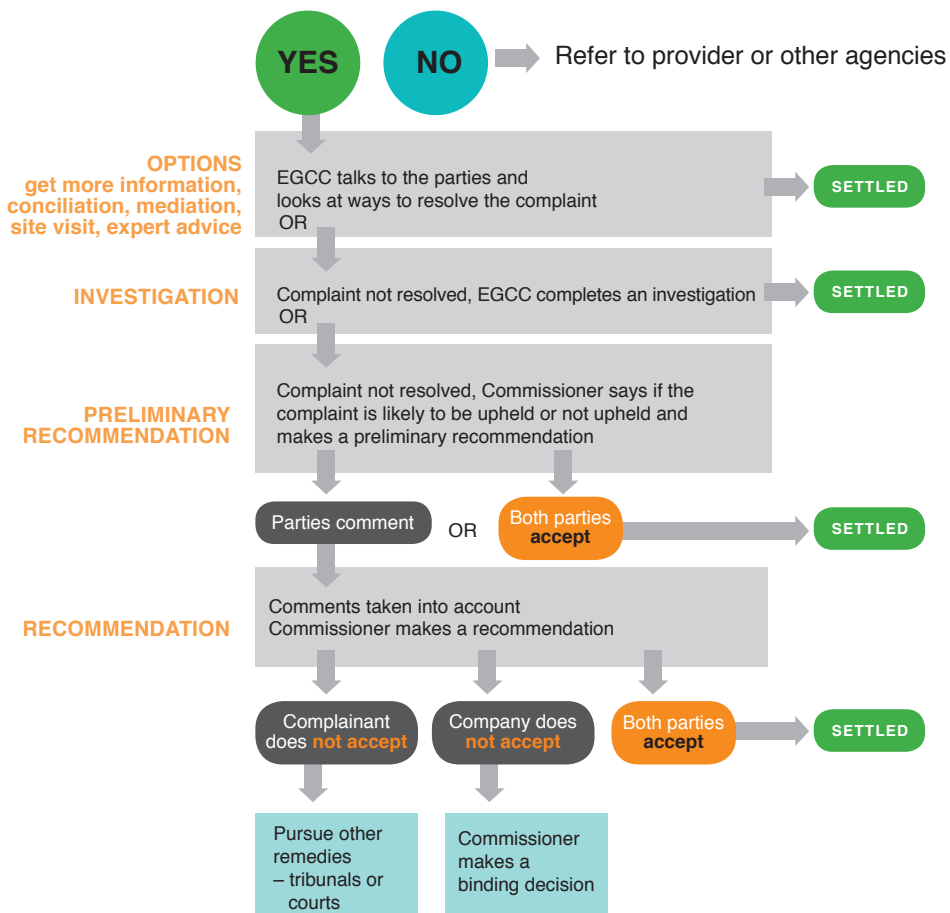
You can contact the Electricity and Gas Complaints Commissioner Scheme (EGCC) for help if you have a complaint about electricity or gas.

We encourage you to resolve the complaint directly with the electricity or gas provider. 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 consider. For example, the EGCC cannot consider complaints about price, but it can consider complaints about the way charges are applied.



- 1 **Has the complaint been made to the provider?**
and
- 2 **Is the complaint about something the Commissioner can look at?**





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