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Powerco Limited

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Submissions
Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

By email: AwarenessOfUDandPS@ea.govt.nz

Powerco submission on *Raising consumer awareness of Utilities Disputes and Powerswitch services*

Powerco appreciates the opportunity to comment on the Electricity Authority's consultation paper *Raising consumer awareness of Utilities Disputes and Powerswitch services* published in January 2020.

We support the valuable role Utilities Disputes plays in the energy sector and believe that an effective and well-known consumer disputes resolution scheme is important to the efficient operation of the electricity market.

The Electricity Price Review found that the uptake of new technologies and the transition to a low-carbon economy will increase the role consumers play in the energy sector, and consequently, it will be vital that consumers have more of a say on the shape of the industry.¹ We agree with this finding and believe that the Authority's proposal will help strengthen the consumer voice by expanding the channels through which the Authority and the industry can capture consumer views.

Our submission focuses on the awareness of Utilities Disputes. We:

- Support the Authority's objective to improve consumer awareness of Utilities Disputes
- Support the proposed Code amendment
- Think the proposed requirements are a cost-effective way to improve awareness of Utilities Disputes

Attachment 1 has our responses to the Authority's questions. If you have any questions on this submission, please contact Nathan Hill (Nathan.Hill@powerco.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to be "AK".

Andrew Kerr
Head of Policy, Regulation, and Markets

¹ Electricity Price Review Final Report, p16

Attachment 1: Powerco's response to questions

Question	Powerco response
Q.1 Do you agree the issues identified by the Authority are worthy of attention?	Yes - We agree that consumer awareness of Utilities Disputes of 4% - 6% is low. We support exploration of cost-effective initiatives to improve awareness of Utilities Disputes because it could improve overall efficiency of the electricity market.
Q2. Do you agree with the objectives of the proposed amendment? If not, why not?	Yes – We agree that consumer awareness of Utilities Disputes needs to be improved.
Q3. Do you agree the benefits of the proposed amendment outweigh its costs?	<p>Yes – We agree that the benefits of the proposed amendments (improved consumer outcomes and increased consumer confidence in the electricity market) will outweigh the costs to the industry.</p> <p>We expect that improving consumer awareness will increase complaints. To prevent this higher workload negatively impacting the complaints process, Utilities Disputes may require extra resourcing.</p> <p>Whilst we think any additional resourcing costs should be factored into the Authority's analysis, we do not expect its inclusion to change the balance of costs and benefits.</p>
Q4. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	Yes – we agree that the proposed amendment is preferable to the other options raised in the consultation paper.
Q5. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Yes – we agree that the proposed amendment complies with section 32(1) of the Act.
Q6. Do you have any comments on the drafting of the proposed amendment?	<p>We think it is sensible to exclude distributors who do not direct bill consumers. The amount of direct interaction these distributors have with consumers is modest so including them would likely have little impact on raising awareness.</p> <p>It is important to note that a distributor already has obligations to promote and advise consumers of Utilities Disputes. These obligations are set out in the terms of membership of the disputes resolution scheme.</p>
Q7. Do you have any comments on the proposed principles?	<p>The proposed amendment (11.30A (2)) specifies that the requirement to provide clear and prominent information about the dispute resolution scheme applies to "invoices or associated documents". However, the guidelines do not mention "invoices or associated documents".</p> <p>To avoid any uncertainty about what communication is in scope, the guidelines should be amended to reflect the specific wording of the proposed Code amendment.</p>

