

6 August 2024

Response to the Everyone Connected Campaign regarding the petition: Electricity disconnection fees: unclear, unkind and unreasonable

To all the signatories of this petition:

Thank you to each and every person who signed their name to the Everyone Connected petition. Airihi Mahuika, General Manager, Legal, Monitoring and Compliance received the petition on behalf of the Authority on 24 July 2024, and over the past two weeks we have taken the time to carefully read through its contents and the accompanying research report into electricity disconnection fees.

The petition has asked that the Electricity Authority:

1. Ban disconnection and reconnection fees in cases of unpaid bills
2. Make prepay no more expensive than a retailer's cheapest plan, and publish prepay disconnection data
3. Make the Consumer Care Guidelines mandatory.

I have heard your concerns and the calls for action from all 8,047 voices who signed the petition. We are considering the issues raised in the petition relating to disconnection and reconnection fees in cases of unpaid bills as part of our future work programme. We understand that these costs can exacerbate financial hardships for those already struggling, and we are dedicated to finding a fair solution.

We note that as of yesterday, Contact Energy [announced](#) their decision to eliminate disconnection and reconnection fees. The Authority welcomes this news for consumers.

We are engaging with some retailers on how they supply pre-pay services to understand the issues you have raised on pricing and fees as well as other key consumer care elements and support of the most vulnerable consumers. Our retail data project will also gather data on fees and prepay prices.

I'm happy to say that we are fully committed to **mandating the Consumer Care Guidelines** (Guidelines) and are making great progress towards this. We have just released a consultation on the proposed Code amendment which will see the Guidelines included as Consumer Care Obligations in the Electricity Industry Participation Code 2010. We welcome your feedback on this consultation.

The proposed Consumer Care Obligations will require retailers to ensure that any fee they charge does not exceed the costs the fee relates to, and is otherwise reasonable. This will support us as we work to explore the broader implications of banning **disconnection and reconnection fees**. This involves evaluating how such a change might impact competition in the

market and its long-term effects on consumers. We aim to ensure that any policy change is sustainable and equitable for all.

Thank you for your advocacy on this matter. As a kaitiaki of electricity in Aotearoa New Zealand, consumers are at the heart of the mahi we do, and I appreciate the time and dedication that has gone into your petition.

Nāku noa, nā,

A handwritten signature in black ink, appearing to read 'SGM', with a long horizontal flourish extending to the right.

Sarah Gillies

CE, Electricity Authority