



10 September 2024

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### Proposed Consumer Care Obligations consultation paper 6 August 2024

1. This is Vector's ("our", "we") response to the Electricity Authority's ("Authority") proposed Consumer Care Obligations consultation paper dated 6 August 2024 ("Consultation"). This submission is not confidential and can be published on the Authority's website.
2. Vector appreciates the constructive engagement we had with the Authority on 28 August 2024 in the ENA facilitated workshop, and again with Vector on 6 September 2024. We reiterate our comments from those discussions below and welcome the opportunity for further dialogue with the Authority at any stage.
3. As noted in our recent discussions, Vector is concerned with the following clauses proposed in the Consumer Care Obligations ("Obligations"):

- a. Clause 69 (Rule 101 of the Consumer Care Guidelines) – the obligation risks setting unrealistic expectations about what a distributor can actually do in an emergency. Vector would never be able to door-knock households prior to emergency electrical disconnections on the network. The health and safety of the public, including our field crew, will almost certainly be driving the need to undertake the emergency electrical disconnection in the first place. Accordingly, it will be impractical and/or there will not be sufficient time to undertake the individual communications contemplated.

Given this reality, we are concerned that clause 69 might create unrealistic expectations that contact will be made with medically dependent consumers explicitly in a minority of outage situations, but not in others. In our view, this would put medically dependent consumers at risk based on these expectations, rather than them having a clear plan of action in any unexpected outage situation. We suggest the clause be removed.

- b. Clause 70 (Rule 88 of the Consumer Care Guidelines) – both the Commerce Commission's Default Price Path (DPP) regime and regulated EIEP5A (set out in the Default Distributor Agreement (DDA)) set out processes to communicate changes to planned interruptions. These are referred to as 'alternate dates' in DPP and the EIEP5A file allows an alternate date/time to be notified. Clause 70(2) is therefore unnecessary and is also inconsistent with these regimes.

Clause 70(3) is also inconsistent and should be amended to reflect the election distributors make under Schedule 5 of their DDAs around notifying planned interruptions. Some EDBs choose to notify retailers who then notify customers (which clause 70(3) caters for). Other EDBs, like Vector, have elected to notify planned interruptions directly to customers. Clause 70(3) does not make clear what the expectations are of this latter group.

Overall, as the DPP regimes and the DDA already govern changes to planned outage notifications, we believe only clause 70(1) should be retained and simply provide that distributors and retailers ought to agree processes around managing planned outage notifications to customers (including medically dependent customers). A high-level principles-based requirement here will ensure that even if EDBs aren't subject to DPP, they will ensure they have agreed processes with retailers around notification of changes.

- c. Clause 58 (Rule 91 of the Consumer Care Guidelines) – the clause requires retailers to provide 'medical dependency status' to distributors using the EIEP4 file. The EIEP4 file is a recognised file exchange protocol to share customer information. It contains a field that retailers can flag to notify medical dependency status ("MDC flag"). The Authority is proposing through clause 58, that this field and therefore presumably EIEP4 itself be made mandatory. We are concerned about the privacy implications of doing so. Firstly, not all distributors receive or are set up to receive the EIEP4 file. This is because, dependent on their DDAs, they may not need or use the file. There is a cost element to making this exchange mandatory for them. Vector, like some other distributors, does receive and uses some of the customer information contained in the EIEP4, for direct communications about planned interruptions. We do not however use the MDC flag because we notify (and remind) all<sup>1</sup> impacted customers about planned interruptions, regardless of medical status. Our notifications contain clear messaging<sup>2</sup> to medically dependent consumers. By notifying all customers, rather than just medically dependent consumers, we overcome any issues with timeliness of this file exchange (generally received monthly) and any concerns around customers not registering their medical status with their retailer in a timely manner. As our processes are more robust, we query the need for the MDC flag which is sensitive personal information that is arguably not

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<sup>1</sup> Vector notifies all impacted customers (for whom we have correct contact details and provided our LV connectivity information is correct – this is increasingly improving as we receive more LV data) about planned interruptions, regardless of medical status through letters and/or emails and sends reminder emails or SMS to all such customers at least 24 hours prior to the outage.

The notifications are also found on our Outage Centre.

<sup>2</sup> A typical message reads "If you use medical equipment that relies on electricity, please make sure you're prepared for power disruption and enact your back-up plan when required. If you have a health concern, contact your health provider – in an emergency contact 111. If you use medical equipment that relies on electricity, we suggest that you register your medically dependent status with your retailer"

needed by EDBs like Vector who undertake direct notification. We suggest the Authority reconsider the need for this clause in light of the privacy concerns it raises. Our view is the clause ought to be deleted on the basis the information is not needed and/or used.

4. When the Consumer Care Guidelines were launched in 2021, the Authority developed and published a number of supporting documents for the wider ecosystem providing support to consumers. One of these is the Electricity Consumer Care Guidelines – Overview for Support Agencies and Health Practitioners<sup>3</sup> (“Guidance”). In particular, this Guidance makes clear what has been well-known to, and well-understood by, those operating in the sector, for several decades, but cannot be guaranteed to be assumed knowledge outside the sector (our emphasis added):

*“Even if a consumer is medically dependent, **a constant electricity supply cannot be guaranteed.** Electricity supply can fail from time to time for reasons such as accidents, emergencies, equipment failures, disaster, storm, or even failure of a premises’ internal wiring. Any one of these could leave a medically dependent person without electricity for a number of hours, or even days. In those situations, **restoration of supply to premises containing MDCs cannot be prioritised.**”*

5. As a result, this Guidance requires health professionals to (a) assess and satisfy themselves that a person can “safely reside in their own home” first, and (b) if so, to ensure the person has “an emergency response plan to minimise harm if their electricity supply fails.”
6. The Authority’s corresponding overview for domestic consumers<sup>4</sup> communicates a similarly clear message to medically dependent consumers, that they must have a plan in place for emergency outages and activate that plan if their power goes out. They should not have an expectation to wait for a door-knock that may or may not come, depending on the nature of the outage:

*“Power cuts happen from time to time in New Zealand, for many reasons. Even if you are medically dependent, a constant electricity supply cannot be guaranteed. Your health practitioner should agree an emergency response plan with you. This provides you with instructions on what to do to stay well if the electricity supply fails for any reason.*

*... [If the power goes out then, as a medically-dependent consumer you should]:*

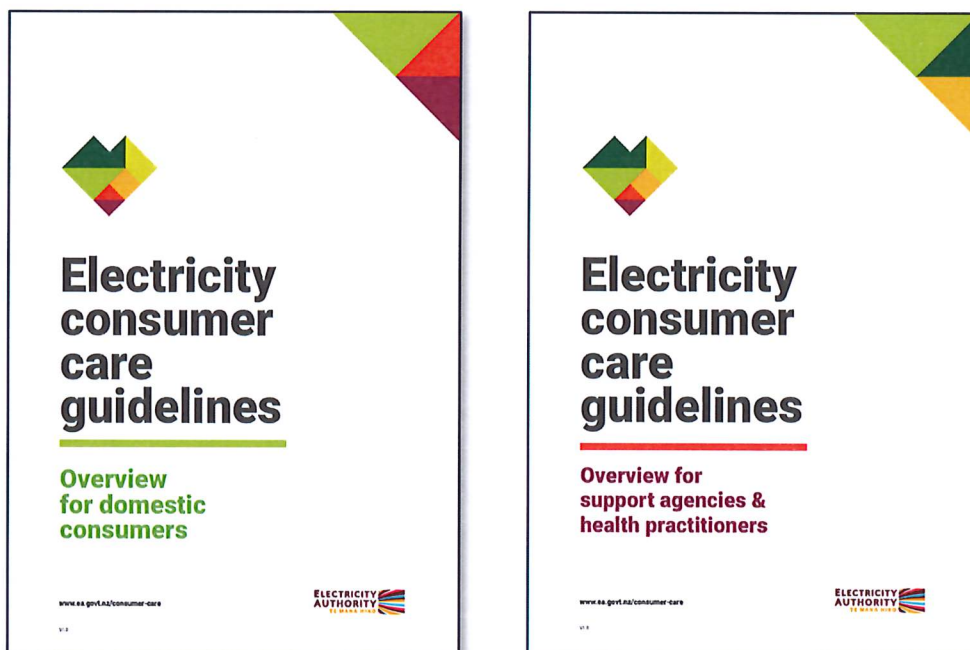
- *Follow your emergency response plan if the outage puts you at risk of harm.*

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<sup>3</sup> [https://www.ea.govt.nz/documents/2020/Consumer\\_care\\_guidelines\\_-\\_for\\_health\\_and\\_support\\_agencies.pdf](https://www.ea.govt.nz/documents/2020/Consumer_care_guidelines_-_for_health_and_support_agencies.pdf)

<sup>4</sup> <https://www.ea.govt.nz/documents/2095/Overview-for-domestic-consumers.pdf>

- *Notify your electricity retailer immediately so they are aware you do not have an electricity supply.*
- *In a medical emergency, call 111.”*



7. As noted above, this guidance reflects decades of industry understanding of obligations and consumer management during power outages. We assume this Guidance still applies and remains highly relevant because it provides a far better means of safeguarding medically dependent consumers during power outages than the Obligations. We believe the Guidance should be referenced as a reminder to the whole sector that we each play a role in keeping medically dependent consumers safe, and of the criticality of individual emergency response plans in outages. As the ERANZ consumer care policy template<sup>5</sup> notes clearly:

**However, despite our best efforts, occasionally the electricity supply is cut because of extreme weather, accidents, or technical problems. In case this happens, you should have an emergency response plan.**

**An emergency response plan, for example, could be having a fully charged battery available, going to a friend or family member’s house with electricity or, in very serious circumstances, calling an ambulance to be taken to hospital.**

**For more information on preparing an emergency response plan for your household:**

**[www.eranz.org.nz/medically-dependant](http://www.eranz.org.nz/medically-dependant)**

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<sup>5</sup> <https://www.eranz.org.nz/assets/documents/Template+consumer+care+policy+-+6Sep2021.docx>

8. Opportunities to remind everyone involved in keeping customers safe bears repeating frequently and we therefore support a requirement to reference the Guidance in consumer care policies. Ultimately the responsibilities in the Obligations on distributors and retailers prior to outages, are only communication responsibilities. The Guidance, on the other hand makes clear the responsibilities for health practitioners and their patients. This is especially so given that communications may not reach the customer for a variety of reasons including inaccurate or incomplete customer information, changed mobile phone numbers, or customers simply not updating their information with their retailers.
9. We turn now to the consultation questions that are relevant to EDBs. We have no particular comments on the other consultation questions.

### Consultation Questions

Q1. Do you have any feedback on our approach to making operational improvements to the Guidelines, to ensure the proposed Consumer Care Obligations are clear and workable?

Although, we recommend the removal of clause 69 entirely for the reasons noted above, including the risk it poses to medically dependent consumers' safety and wellbeing, it is one example of where obligations remain too prescriptive. It is unclear why communications need to be door knocks, as opposed to a practical means of communication based on a distributor's process. Such a level of prescription is unnecessary and does not account for the regional and geographic differences between EDBs in New Zealand. Further, requiring door-knocks can risk the personal safety of an EDB's staff, who may not be able to access information the retailer holds on whether specific addresses can be entered safely (due to, for example, dangerous dogs or occupants).

Overall, however, the clause heightens risks for medically dependent consumers generally by creating unfounded expectations around communication and should therefore be deleted.

Q3. Do you have any feedback on the purpose statement for the proposed Part 11A of the Code?

We agree with the purpose statement for the proposed Part 11A of the Code. Ideally, though, we think there should also be a reference to the Guidance for health practitioners mentioned above, which ultimately protects medically dependent consumers far better than the Obligations, during outages. We suggest a requirement be included to reference this Guidance, at least in the consumer care policies developed by retailers which medically dependent consumers pay regard to.

Q4. Do you have any feedback on the compliance monitoring provisions in the proposed Part 11A of the Code, or on the Authority's new outcomes framework?

Please see our response to question 14 and our overall comments above. Clause 11A.5 requires distributors to provide policies, procedures and processes implemented for the purpose of

complying with one or more of the Obligations. We are concerned about clause 58 and the privacy issues this creates around compliance with clause 11A.5.

Vector already notifies all customers of planned interruptions under its DDA, which negates the need for the 'medical status information' contemplated by clause 58. For EDBs notifying planned outages via the retailers, it may raise even bigger privacy issues as they may not receive the EIEP4 file at all. Clause 58 is effectively mandating their need to receive this personal information, through the EIEP4 file, when it is not clear why they need this information or what they would do with it. The Authority needs to clarify this, please.

As we note below, given timing issues with receipt of the EIEP4 file (generally received monthly) and the inaccuracy of the medical dependency data in this file, Vector considers the better approach is to notify all customers (thus capturing medically dependent customers), as we do, which eliminates the need for the MDC field in EIEP4. As the Authority's Guidance referenced above states clearly, "*restoration of supply to premises containing MDCs cannot be prioritised*". We would support this field being removed given the sensitivity of the information.

On this basis, we consider clause 58 should be deleted as it could cause distributors and/or retailers to breach privacy obligations to customers through the collection of 'personal information' that is unnecessary and/or will not be used. Those EDBs who may need this information can agree processes under clause 70 and their DDAs.

Q12. Do you have any feedback on Part 8 of the proposed Consumer Care Obligations relating to medically dependent consumers?

We disagree with paragraph 9.5(f) of the consultation paper which clearly only contemplates the situation where retailers notify customers of planned interruptions on behalf of EDBs. As discussed at the recent workshop and our follow up discussion, several EDBs (including Vector) notify customers directly of planned interruptions. It is unclear what the Authority's expectations are (if any) with this second group of EDBs. We would appreciate clarification. As noted above, Vector notifies all consumers impacted by planned outages, and thus notifies medically dependent consumers. By doing so, we ensure even those consumers who have not yet registered themselves as medically dependent are notified. As noted above, our notifications contain clear and specific information for medically dependent consumers.

Q14. Do you have any feedback on the proposed Code obligations for distributors?

We repeat our comments at paragraph 5 above and recommend:

- a. Clause 58 – be deleted, on the basis that the requirements compromise the privacy of medically dependent customers for no apparent reason or benefit and is also inconsistent with the privacy obligations of distributors and retailers.

- b. Clause 69 – be deleted, for the reasons noted above. Given that distributors will never be able to door knock prior to undertaking emergency electrical disconnections, it seems pointless to include, especially given the unrealistic or unfounded expectations it may create for medically dependent consumers.
- c. Clause 70 – as noted above, we do not consider clause 70(2) is necessary for the reasons outlined above. Clause 70(3) also needs to be considered given the election made by distributors under their DDAs. We consider clause 70 could be revised to capture the high-level principle that distributors and retailers ought to agree processes to notify customers (including medically dependent consumers) of planned outages, as contemplated by clause 70(1).

Q16. Do you have any comments on the drafting of the proposed amendment?

Please see our comments to question 14 with recommendations for changes.

Vector would welcome the opportunity for further engagement with the Authority on any of these aspects, at any time.

Yours Sincerely  
For and on behalf of Vector Limited,

A handwritten signature in blue ink, appearing to read 'M Choy', written over the printed name and title.

**Monica Choy**  
**Senior Regulatory and Pricing Partner**

