

Guidelines for communicating price changes

31 January 2025

Overview

Consumers' best interests are at the heart of everything we do to achieve a competitive, reliable and efficient electricity market for the long-term benefit of everyone in New Zealand.

We expect retailers and distributors to provide timely, transparent, and trustworthy communication regarding price changes. In 2015, the Authority published guidelines for Communicating Price Changes (the guidelines) to support effective communication and improve consumers' understanding of changes to their electricity charges.

Electricity prices are expected to increase from 2025, primarily as a result of increases in the revenue limits for Transpower and local lines companies, which apply from 1 April. In the first year, these are forecast to see:

- average household electricity bills increase by around \$10 month, on average
- large regional variances, urban regions with smaller increases, and some rural regions seeing up to around \$25 month increases.

We have now updated the guidelines, last updated in 2015, to reset expectations around how retailers and distributors communicate these changes to their customers and the public.

Retailers should support consumers to understand and prepare for potential impacts in practical ways. This includes retailers clearly articulating price changes and the impact on bills.

From 1 April 2025, the Consumer Care Obligations will come into full effect, requiring retailers to provide meaningful and actionable support to their customers, particularly those experiencing difficulty paying their bills. Retailers must have processes in place to assist customers in managing payment challenges and avoid disconnection wherever possible.

The Authority will monitor alignment to these guidelines to protect consumer interests and ensure fairness in the electricity market. Should significant non-alignment occur, the Authority may consider further regulatory measures to ensure fairness and protect consumer interests. We will also be actively monitoring compliance with the Consumer Care Obligations to ensure retailers are meeting their obligations under the Electricity Industry Participation Code 2010.

*Note: These guidelines do not apply to arrangements between distributors and traders. Such arrangements are governed by the **Default Distributor Agreement**.*

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1. Introduction

- 1.1. The Authority is dedicated to protecting consumer interests, fostering fairness and trust within the electricity sector and supporting retailers and distributors to achieve these goals.
- 1.2. These guidelines for Communicating Price Changes (the guidelines) outline our expectations for retailers and distributors when informing their customers and the public about price changes.
- 1.3. Originally published in 2015, these guidelines have been updated to improve support for retailers and distributors to effectively communicate the anticipated price changes in 2025 and beyond.
- 1.4. The Authority encourages and supports retailers and distributors to adopt effective communication practices that:
 - a. **help** consumers understand their electricity pricing
 - b. **empowers** consumers to make informed decisions
 - c. **ensures** consumers are made aware of price changes early enough to explore options and support, including the protections available under the Consumer Care Obligations.
- 1.5. These guidelines support retailers and distributors to contribute to increased consumer confidence and engagement, foster retail competition, and achieve a fairer, more sustainable electricity market.

2. Guidelines for communicating price changes

Who the guidelines apply to

- 2.1. The guidelines apply to all retailers and distributors in relation to communicating price changes to consumers, and any public statements they make about price changes¹.
- 2.2. The guidelines do not apply to arrangements between distributors and traders, as those are governed by the Default Distributor Agreement (DDA). Distributors are required to comply with the rules set out in the DDA.

The three guidelines

- 2.3. The Authority expects retailers and distributors to align their public communication about price changes to the following three, principle-based guidelines:
 - **Guideline 1: Provide timely, transparent and reliable information**

¹ On 1 January 2025, two key Consumer Care Obligations came into effect, with the remaining obligations coming into force on 1 April 2025. One of the obligations that came into force on 1 January, is that fees must be reasonable and cost reflective. These guidelines do not cover fee settings or increases. For further guidance on fee setting or increases visit [Consumer Care Obligations – Retailer Guidance](#)

- **Guideline 2: Demonstrate empathy and proactive support in communications**
- **Guideline 3: Be accurate and consistent in public statements.**

2.4. Table 1 below, outlines each guideline and the associated actions the Authority expects retailers and distributors to take when designing and implementing their price change communication plans. These actions are indicative, and retailers and distributors may identify alternative actions to achieve the same outcomes.

Table 1: Guidelines, communications, outcomes, and actions

Guideline 1: Provide timely, transparent and reliable information

Action 1

Retailers should notify customers in writing (for example by letter, email or text) at least 30 days² before the price change comes into effect, explaining:

- a) the estimated impact on monthly or annual bills, and the tools available to calculate individual price impacts, such as calculators for customers to compare before and after changes and impacts of price increases. If a retailer is unable to provide an estimate or tools, retailers should invite customers to contact them for more information.
- b) the reasons for the price changes, including:
 - i. tariff breakdowns³ for each consumer group.⁴
 - ii. disaggregated tariffs (such as transmission, distribution, and retail charges).

Action 2

Retailers should explain how transmission and distribution charges affect tariffs, including:

- a) any cost changes from the distributor, what proportion of this they have passed on to customers, and any other costs that have changed (whether energy or retail related costs).
- b) a detailed breakdown whenever these charges change, even when there is no change to the customer's total tariff.

Distributors should provide retailers with timely, reliable and clear information to enable retailers to deliver the above action.

² Retailers, regardless of their type, should provide their customers with at least 30 days' notice of any price increase in accordance with these guidelines.

³ A tariff breakdown would show the components of each of the following tariffs: energy and retail charges, transmissions charges, and distribution network charges.

⁴ 'Consumer group' means the category of consumer determined by the distributor for the purposes of setting prices.

Action 3

Retailers should make information accessible to their customers, by:

- a) publishing tariff breakdowns and pricing plans on their websites when practicable and telling customers where this information can be found
- b) updating websites and documents regularly to avoid confusion with outdated material
- c) adding links to the relevant tariff on the distributors' website when applicable.

Guideline 2: Demonstrate empathy and proactive support in direct communications

Action 1

Retailers⁵ should demonstrate a customer-centred approach when communicating price changes, by:

- a) using plain language and avoiding technical jargon
- b) encouraging customers to contact them if they wish to receive further information on available product offerings and/or pricing plans relevant for their circumstances
- c) highlighting support measures available to the customer, such as:
 - i. Support available when customers may be experiencing payment difficulties, and in accordance with retailers' obligations under Part 6 of the Consumer Care Obligations (effective 1 April 2025)
 - ii. partnerships with organisations offering financial mentoring and support.
 - iii. information on the retailer's consumer care policy and the Consumer Care Obligations.

Guideline 3: Be accurate and consistent in public statements

Action 1

Retailers and distributors should ensure their public statements are accurate and consistent, in consideration of the following points:

- a) if a retailer intends to refer to changes in transmission and distribution charges (or any aspect of transmission and distribution) in their customer communications or public comments, they should notify all relevant distributors of their intended comments at least three days before publication

⁵ While guideline 2 primarily applies to retailers given their direct interactions with customers, distributors who communicate price changes to customers are also expected to follow Guideline 2.

(or as soon as possible for parties subject to NZX continuous disclosure obligations).

- b) any retailer or distributor commenting publicly on another retailer's or distributor's pricing announcements should endeavour to understand each other's positions before commenting publicly and where possible, exchange information about the calculations that underpin the figures stated.⁶
 - c) retailers and distributors should not encourage or support third parties to make comments that would be likely to mislead consumers.
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⁶ Public comments include any written or spoken material in the public domain, such as media statements, advertisements and notices placed in newspapers, websites, presentations in industry forums, press conferences, media interviews, social media and ad hoc responses to media enquiries.