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## Media release

# Electricity Commission releases revised disconnection guideline

The Electricity Commission has released a revised "Guideline on arrangements to assist low income and vulnerable consumers".

Commissioner David Close, who chaired the review discussions with electricity retailers and social agencies, said the revised guideline was an improvement on the old version published by the Electricity Commission in November 2005 as it enhanced the identification of vulnerable consumers.

"Retailers and a range of government and community social agencies provided valuable feedback during the review period, much of which has been incorporated into the revised guideline," said Commissioner Close. "The Commission appreciates their efforts at such short notice."

The guideline puts in place an enhanced process around disconnections for non payment, including a range of requirements that retailers must meet before a disconnection can take place.

The requirements include:

- regular communication to all consumers on their payment options
- arranging debt recovery in a time-frame that avoids an adverse credit situation for the retailer and minimises hardship for the consumer
- ensuring consumers enter into the most appropriate contracts for their needs
- providing consumers the opportunity to identify themselves as potentially vulnerable
- consultation with the Ministry of Social Development to assist vulnerable consumers unable to pay
- a visit to a consumer's home before the final disconnection takes place.

Consumers who require electricity for critical medical support will not be disconnected for non-payment of their bills.

“A critical element in the success of the guideline will be communication,” Commissioner Close said. “Retailers will be required to take greater measures to educate consumers about their options. Consumers will need to play their part by alerting a social agency or their electricity retailer to changes in circumstances that makes electricity supply even more critical, such as ill health, or if they are finding it difficult to pay their bills.

“The guideline is not a guarantee of supply, or that disconnection will not take place for non payment, except for those who require electricity for critical medical support – retailers have a right to be paid for electricity they have supplied. However, it does ensure that disconnection is a final resort, and only after a range of other options has been explored.”

“Retailers have indicated their willingness to comply with the revised guideline and the Commission will monitor their compliance and the rate of disconnections,” Commissioner Close said.

The guideline and other documents relating to the review have been published on the Commission website at:

<http://www.electricitycommission.govt.nz/opdev/retail/lowincome>.

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**For more information and comments, please contact:**

Commissioner David Close  
027 306 7697  
03 388 0151  
david.close@xtra.co.nz

**For other information, please contact:**

Peter Thornbury  
**Senior Communications Adviser**  
Electricity Commission  
Tel: 04 460 8860