

## Appendix 3 – Draft Principles and Minimum Terms and Conditions for Domestic Contracts for Delivered Electricity (Interposed) – Presented with Relevant Source Material and Reasons

### DEFINITIONS

**Company** means a Retailer

**Consumer** means a person who is supplied, or who applies to be supplied, with:

- (a) electricity by a Retailer in accordance with a Consumer Contract ; or
- (b) Line Function Services in accordance with a Consumer Contract, and who also consumes electricity.

**Consumer Contract** means an agreement with a Consumer providing for the supply of electricity and Line Function Services to the Consumer.

**Line Function Services** has the meaning set out in section 2 of the Electricity Act 1992 and as further provided for in a Consumer Contract.

**Lines Company** means a Company that operates a local network for conveying electricity and provides Line Function Services to Retailers or directly to Consumers.

**Retailer** means a supplier of electricity to Consumers.

**Rules** means the Electricity Governance Rules 2003.

### A. MEANINGFUL CHOICE

**RCE 1. Companies offer a range of pricing plans, products and services for consumers to consider and make informed decisions**

**RCE 2. There is ready access to good quality, comprehensive and easy to understand information on electricity options, electricity suppliers and alternatives to electricity**

**RCE 3. From the options available in the market, consumers are readily able to choose between electricity suppliers, products and services, and pricing plans, and to change their choice**

**RCE 4. Consumers can be assured of finding an electricity supplier to provide them with service**

EGCC Code of Practice	EC Guidelines <sup>1</sup>	GIC Draft Guidelines <sup>2</sup>	Recommended approach	Reasons
<p><b>Statement of principles</b></p> <p>All information given to Consumers should be accurate, up to date and easy to understand.</p>		<p><b>How to stop being a customer</b></p> <p>The Consumer Contract must provide that, subject only to any initial term that may be agreed in the Contract, the Consumer shall have the right to terminate the Contract with, and cease gas supply and charges, the existing Retailer, for any reason including to obtain supply from a new Retailer and irrespective of any offer that the existing Retailer makes in respect of price or any other aspect of continued supply; on no more than one months notice and any shorter period allowed by the Retailer.</p> <p>The Contract must provide that:</p> <p>(a) if the Consumer is switching retailers,</p>	<p><b>PRE-CONTRACTUAL PERIOD</b></p> <p><b>Principles</b></p> <p>1.1 A Company should make information readily available to Consumers and potential Consumers to help them make an informed choice about their supplier, products and services, and pricing plan. That information could include:</p> <p>(a) information about the energy choices offered by the Company (eg electricity, gas);</p> <p>(b) information about the specific products, services, and pricing</p>	<p><b>PRE-CONTRACTUAL PERIOD</b></p> <p>1.6 RCEs 1 to 4 largely relate to the pre-contractual period when a Consumer is choosing an electricity supplier and its products and services. It is the Commission's expectation that a Company will make information available to potential Consumers to enable them to make informed choices about those things.</p> <p>1.7 As this is the pre-contractual period RCEs 1 to 4 do not give rise to minimum terms and conditions that can be included in contracts. Nonetheless, the Commission has developed a set of principles relating to the availability</p>

termination will be effected in

<sup>1</sup> The Electricity Commission Guidelines for Model Domestic Contracts for Delivered Electricity (Interposed), released for consultation in April 2008, incorporate relevant provisions of the EGCC Code of Practice. Only the non-EGCC code language is included here.

<sup>2</sup> For the purposes of this document, the language in the GIC's draft guidelines has been adapted to use the definitions above. Those definitions apply as if any reference to the supply or consumption of electricity and/or Line Function Services is to the supply and consumption of gas.

		<p>accordance with the rules governing switching;</p> <p>(b) if the Consumer is ceasing gas supply altogether, termination will be effected as soon as reasonably practicable following the Consumer's notice of termination.</p>	<p>plans offered by the Company;</p> <p>(c) information about how a Consumer can become a customer of the Company; and</p> <p>(d) information about how Consumers who are customers of the Company can change the products or services they purchase from the Company or the pricing plans they are on.</p>	<p>of information that it expects Companies to follow during the pre-contractual period. These principles are set out in paragraph 1.1.</p> <p>1.8 The Commission considers that these principles are important because the provision of the information described in paragraph 1.1 will enable Consumers to make informed decisions about the kinds of Contracts into which they enter.</p> <p>1.9 However, while it is the Commission's expectation that sufficient information will be provided to Consumers and potential Consumers to allow them to make informed choices, that does not mean that Companies must provide any information a Consumer requests at no charge.</p>
			<p><b>SWITCHING/TERMINATION BY THE CONSUMER</b></p> <p><b>Principles</b></p> <p>1.2 A Consumer Contract offered to Consumers should not unreasonably prevent Consumers from switching to another Company.</p> <p>1.3 Any conditions in a Consumer Contract that restrict a Consumer's ability to switch to another Company or terminate their Contract with the Company (such as a minimum term period or a termination fee) should relate to a comparable benefit that is otherwise conferred on the Consumer under the Contract.</p> <p>1.4 A Company should take reasonable steps to ensure that a Consumer understands any restrictions on the Consumer's ability to terminate their Contract with the Company before the Consumer enters into a Consumer</p>	<p><b>SWITCHING/TERMINATION BY THE CONSUMER</b></p> <p>1.10 The Commission considers it appropriate to develop a set of principles and minimum contractual terms in relation to RCE 3, which provides that Consumers should be able to change their pricing plan or product, or the Company that supplies them with electricity. Having such choices is a key Consumer expectation.</p> <p>1.11 Accordingly, the Commission has proposed that a Consumer Contract should provide, as a minimum, that Consumers may (subject to any reasonable restrictions) change their pricing plan or products and services, switch Companies, or cease electricity supply altogether, upon reasonable notice.</p> <p>1.12 The Commission recognises that it is</p>

			<p>Contract.</p> <p><b>Minimum terms and conditions</b></p> <p>1.5 A Consumer Contract should provide that:</p> <ul style="list-style-type: none"> <li>(a) subject only to any reasonable restrictions set out in the Consumer Contract, the Consumer may change their pricing plan, and the products or services they receive from the Company, within a reasonable timeframe;</li> <li>(b) subject only to any reasonable restrictions on termination set out in the Consumer Contract, if the Consumer wishes to switch to another company, the Consumer may terminate the Consumer Contract at any time by providing the Company with notice consistent with agreed industry arrangements relating to switching; and</li> <li>(c) if the Consumer is switching to another Company, the termination of the Consumer's Contract will be effected in accordance with agreed industry arrangements for switching, and the Company will facilitate the switch; and</li> <li>(d) if the Consumer is ceasing electricity supply altogether (ie. a permanent disconnection), the Company will cease supply as soon as reasonably practicable following the Consumer's notice of termination (while always ensuring that disconnection occurs safely).</li> </ul>	<p>the role of other entities to provide detailed information about switching, and so does not expect Companies to provide information to Consumers about how they can switch suppliers. Accordingly, this has not been included as a principle or minimum term.</p> <p>1.13 Where the Consumer is switching Companies, it is sufficient, in the Commission's view, that switching occurs in compliance with mandatory rules or agreed industry arrangements relating to switching (such as the requirements set out in part E of the Rules and the Electronic Information Exchange Protocols). For that reason, the Commission has not made detailed recommendations relating to switching. However, the principles and minimum terms reflect the Commission's expectation that a Company should facilitate switches to another Company by effecting termination of the Consumer Contract as soon as possible. This approach closely matches the GIC's suggested approach.</p> <p>1.14 The inclusion of minimum terms that allow a Consumer to change their pricing plan or product, switch Companies, or terminate their Consumer Contract, does not preclude fixed-term contracts. However, the Commission's expectation is that any restrictions on switching and termination are reasonable, relate to a comparable benefit conferred on the Consumer under the Contract, and are fully understood by the Consumer at the time they enter into the Contract.</p> <p>1.15 For example, Consumers should be informed when signing up to a fixed term contract if there is a fee charged</p>
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				<p>to the Consumer for terminating the Contract (e.g. by switching to another company) before the end of the fixed term fee.</p> <p>1.16 The minimum term in paragraph 1.5(d) concerns the situation where a Consumer is permanently disconnecting their electricity supply. Paragraph 1.5(d) states that Consumer Contracts should provide that Companies will cease supply as soon as reasonably practicable after receiving the Consumer's notification that they wish to terminate their contract and cease supply permanently. The Commission is aware that permanent disconnections are of interest to both Retailers and Lines Companies. It is therefore interested to hear any views about whether a Consumer should be required to notify both the Retailer and the Lines Company when wishing to permanently disconnect their electricity supply, or whether notification to the Retailer only is sufficient.</p> <p>1.17 Termination of Consumer Contracts by Companies is addressed in the supply connections and disconnections section of this document (RCEs 5 and 6).</p>
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**B. SUPPLY CONNECTIONS AND DISCONNECTIONS, AND CONTRACT TERMINATION**

**RCE 5. The connection process is timely and well managed**

**RCE 6. Arrangements for supply disconnections and terminations of the consumer contracts are reasonable, and disconnections are undertaken safely and in a timely and well-managed way**

EGCC Code of Practice	EC Guidelines <sup>3</sup>	GIC Draft Guidelines <sup>4</sup>	Recommended approach	Reasons
<p><b>Disconnection and reconnection</b></p> <p>Consumer Contracts must set out the conditions under which Consumers can be disconnected.</p> <p>Consumer Contracts must state that a Company may only disconnect a Consumer for non-payment where the non-payment relates to bills (including a bond) associated with the supply of Retail Services, Line Function Services, and/or electrical energy.</p> <p>Where a Company intends to disconnect a Consumer because the Company considers that the Consumer has not paid a bill (including a bond), disconnection should be the Company's last course of action.</p> <p>If a Consumer has started using and is pursuing the dispute resolution processes set out in the Consumer Contract (including the Electricity and Gas Complaints Commissioner Scheme) in relation to that Consumer not paying the bill, the Company must not disconnect that Consumer or commence credit recovery action until the processes are exhausted.</p> <p>This means that a Consumer should not be disconnected for non-payment of part of an account that is the subject of a dispute resolution process. However, a Consumer may be disconnected for non-payment of that part of an account which is not in dispute.</p> <p>A Consumer should not be disconnected on the basis of an estimated account unless it is</p>	<p><b>Formation of contract</b></p> <p>Any statement in a Consumer Contract about the point at which a contract is formed with the Consumer must be accurate and not misleading. In particular, the Electricity Commission's view of the law is that the taking of electricity prior to receiving notice of the terms of the Consumer Contract cannot create a Contract on the terms of the Consumer Contract.</p> <p>Consumer Contracts may provide that, once formed, the contract applies retrospectively from when the Consumer first used electricity supplied by the Retailer to the relevant property.</p> <p><b>Disconnection and reconnection</b></p> <p>(Same as EGCC Code.)</p> <p>If the Consumer's electricity supply is disconnected, once the Consumer has satisfied the requirements for reconnection the Retailer must restore the Consumer's electricity supply as soon as reasonably practicable.</p> <p>Consumer Contracts must not include any provisions allowing the Retailer to terminate the contract other than:</p> <p>(a) for material breach of the contract by the Consumer; and</p> <p>(b) if the Retailer ceases to have an agreement with the Lines Company for the provision of Line Function Services</p>	<p><b>Disconnection and reconnection</b></p> <p>The Consumer Contract must:</p> <p>(a) set out the conditions under which Consumers can be disconnected other than as set out below;</p> <p>(b) provide that any notice of such disconnection will describe the actions that the Consumer can take to avoid disconnection.</p> <p>A Retailer may only disconnect a Consumer for non-payment where the non-payment relates to validly invoiced charges for the supply of gas, gas retail services, line function services, and/or gas related bonds.</p> <p>Except for emergency disconnection or in the case of disconnections under the Gas Act or Gas Regulations for safety reasons, or where a Consumer requests disconnection, the Consumer Contract must provide:</p> <p>(a) for at least 7 days written notice of warning of disconnection and allow an additional 3 days for the delivery of the notice; and</p> <p>(b) for a final warning no less than 24 hours or more than 7 days before disconnection.</p> <p>If a dispute resolution under the Consumer Contract has been initiated by the Consumer in regard to the cause of any proposed disconnection, then disconnection action must be delayed until after the conclusion of the</p>	<p><b>CONNECTIONS</b></p> <p><b>Principles</b></p> <p>2.1 A Company should not treat a Consumer as being bound by the terms and conditions of a Consumer Contract, unless the Consumer has agreed to the terms and conditions, even if the Company has begun supplying electricity to the Consumer.</p> <p>2.2 However, where a Consumer agrees to the terms and conditions of a Consumer Contract after the Company has begun supplying electricity to the consumer, the Consumer Contract may commence from the date that the consumer first consumed electricity.</p> <p>2.3 If a Consumer consumes electricity before a Consumer Contract has been agreed:</p> <p>(a) the Company should take all steps necessary to ensure that the Contract is agreed as soon as possible after the Consumer has begun consuming electricity; and</p> <p>(b) if the Consumer decides to enter into a Consumer Contract with another Company, the Company may require the Consumer to pay a fair rate for any electricity the Consumer consumed before the Consumer switched to the other</p>	<p><b>CONNECTIONS</b></p> <p>2.19 RCE 5 relates to supply connections. In the Commission's view, a Company will meet RCE 5 if:</p> <p>(a) supply commences as soon as possible after a Consumer Contract is agreed;</p> <p>(b) in the situation where a Consumer begins consuming electricity before a Consumer Contract is agreed, the Company takes all reasonable steps to ensure the Consumer Contract is agreed as soon as possible;</p> <p>(c) the Company clearly communicates when the Consumer Contract commences to the Consumer; and</p> <p>(d) the Company does not try to enforce a Consumer Contract that the Consumer has not agreed to (although the Company may still require the Consumer to pay a fair rate for any electricity consumed by the Consumer).</p> <p>2.20 RCE 5 concerns processes that will often occur in the pre-contractual period, in the time between a Consumer contacting a Company, and the Company agreeing to supply the Consumer. Issues arising during that period cannot be addressed in the</p>

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<p>fair and reasonable in the circumstances to do so.</p> <p>Except in the case of agreed or emergency disconnections, Consumer Contracts <b>must</b>:</p> <p>(a) provide for at least seven days notice of warning of disconnection and allow an additional three days for the delivery of the notice; and</p> <p>(b) provide a final warning no less than 24 hours nor more than seven days before disconnection. The final warning must specify these timeframes. If the disconnection is not prevented by the Consumer and not completed within these timeframes, the Company must issue another final warning.</p> <p>Consumer Contracts must explain when charges for temporary disconnection and/or reconnection apply. When warnings are delivered as per the provisions of C18.7, they must include and make explicit what additional charges over and above the recovery of billing arrears will apply.</p> <p>Temporary disconnection and/or reconnection charges should not be more than the level required to meet the overall costs of the disconnection and/or reconnection service.</p> <p>Disconnection notices should include:</p> <p>(a) information about the Company's dispute resolution processes;</p> <p>(b) contact details of the Company's credit department so that the Consumer can contact that credit department to arrange payment of a bill that has not been paid; and</p> <p>(c) the cost of reconnection.</p>	<p>in relation to the network.</p> <p><b>Vulnerable Consumers</b></p> <p>The Retailer must comply with the Commission's July 2007 <i>"Guideline on arrangements to assist low income and vulnerable consumers"</i>. Nothing in these guidelines or the Model Interposed Domestic Contract limits this obligation and this obligation shall prevail in the event of any inconsistency with these guidelines or the Model Interposed Domestic Contract.</p>	<p>dispute resolution process.</p> <p>The Consumer Contract must set out the charges that will apply to disconnection and/or reconnection, and the circumstances under which the charges will apply.</p>	<p>Company.</p> <p><b>Minimum terms and conditions</b></p> <p>2.4 The Consumer Contract should state from when the Contract commences.</p> <p>2.5 A Consumer Contract should provide that if the Company is not supplying electricity at the commencement of the Contract, the Company will endeavour to commence supply as soon as possible after commencement.</p> <p><b>CONNECTIONS FOR NEW PROPERTIES</b></p> <p><b>Principles</b></p> <p>2.6 Consumer Contracts, and the Company's obligation to connect and supply electricity to the Consumer, may be conditional upon a property meeting all the necessary regulatory requirements for connection and supply to occur and the reasonable technical requirements of the Lines Company.</p> <p>2.7 The Company should make information available to Consumers setting out all the regulatory and technical requirements necessary to enable connection and supply to occur, or otherwise refer Consumers to where they can obtain information about those requirements.</p> <p><b>SUPPLY DISCONNECTIONS FOR NON-</b></p>	<p>Consumer Contract.</p> <p>2.21 Nonetheless, the Commission has developed a set of principles concerning the period before which contracts are entered into, and minimum terms concerning commencement and supply. These reflect to a degree the current EC Guidelines. These principles, which are set out in paragraphs 2.1 to 2.3, are to help ensure that connections are timely and well managed.</p> <p>2.22 The Commission also considers that it is a Consumer's right to know when a Consumer Contract commences, and to have supply commence as soon as possible after a Contract has been agreed. The Commission has decided to include these principles and minimum terms in order to provide clear guidance on the Commission's expectation in this regard.</p> <p><b>CONNECTIONS FOR NEW PROPERTIES</b></p> <p>2.23 A Company will only be able to supply a Consumer with electricity if the property has all the components installed that are necessary to enable connection to occur. This can be a problem where new properties have not had all the necessary components installed.</p> <p>2.24 Where this is the case, it is normally a matter for the Consumer/property owner to resolve with the property developer or builder, and not the Retailer or Lines Company. It is not therefore a matter for Consumer Contracts, except insofar as Consumer Contracts are conditional upon the necessary components being installed. The Commission suggests a principle to this effect.</p> <p><b>SUPPLY DISCONNECTIONS FOR NON-</b></p>
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**Planned shutdowns**

A Consumer Contract must clearly state a minimum notice period before a planned shutdown, which should be no less than four days unless agreed otherwise in the Consumer Contract.

Companies must notify Consumers of planned shutdowns within the notice period.

**PAYMENT**

**Principles**

2.8 When disconnecting or considering the disconnection of a Consumer's supply for non-payment, a Company should comply with any relevant accepted industry guidelines and protocols.

**Minimum terms and conditions**

2.9 A Consumer Contract should provide that the Company will only disconnect supply for non-payment where non-payment relates to an invoiced amount (including non-payment of a bond that the Consumer is required to pay); and not where:

- (a) the reason for non-payment is the subject of dispute resolution proceedings; or
- (b) the disconnection is for non-payment of an estimated amount, unless the Company reasonably believes that it is fair and reasonable in the circumstances to do so.

2.10 The Consumer Contract should set out any charges that will apply to disconnections and reconnections, and the circumstances under which the charges will apply.

2.11 The Consumer Contract should provide that where a Company intends to disconnect a Consumer for non-payment the Company will:

- (a) ensure that the Consumer receives notice of the disconnection at least 7 working days prior to disconnection;
- (b) provide a further notice at least 24 hours before the

**PAYMENT**

2.25 RCE 6 relates to supply disconnections for non-payment of an amount owed to a Company by a Consumer.

2.26 The Commission's *Guideline on arrangements to assist vulnerable consumers*, and *Guideline on arrangements to assist medically dependent consumers* set out the Commission's expectations with regard to disconnecting the supply of vulnerable and medically dependent consumers for non-payment. However, those guidelines do not apply to all Consumers.

2.27 Accordingly, the Commission has developed a set of principles and minimum terms relating to supply disconnections for non-payment that apply to all Consumers. These are set out in paragraphs 2.7 to 2.11. Although the principles apply to all Consumers, they also include provide that any accepted industry standards or guidelines should be followed at all times. This currently includes the vulnerable consumer and medically dependant consumer guidelines.

2.28 In the Commission's view, a Company will meet RCE 6 if:

- (a) at the time a Consumer Contract is entered into, the Company provides information to the Consumer about the circumstances in which supply may be disconnected for non-payment of an amount owing;
- (b) any relevant accepted industry guidelines and protocols, such as the *Guideline on arrangements to assist vulnerable consumers*, and

			<p>disconnection; and</p> <p>(c) ensure that each notice of disconnection specifies when the disconnection will take place, and includes information that the Consumer needs to prevent disconnection; and</p> <p>(d) only disconnect a Consumer on a working day that is not a Friday or the day before a public holiday.</p> <p>2.12 The Consumer Contract should provide that if a Consumer whose supply has been disconnected for non payment satisfies the requirements for reconnection (which should be reasonable), the Company will restore the Consumer's electricity supply as soon as reasonably practicable.</p>	<p>the <i>Guideline on arrangements to assist medically dependent consumers</i> are complied with;</p> <p>(c) Consumers are not disconnected for failing to pay estimated invoices, or if there is a dispute about an amount owed;</p> <p>(d) adequate notice of disconnection is given, and the Consumer has an opportunity to prevent disconnection from occurring;</p> <p>(e) the disconnection process is completed safely and in a accordance with the timing specified in the notices issued by the Company;</p> <p>(f) the costs to the Consumer of disconnecting and reconnecting supply are made clear; and</p> <p>(g) Consumers are reconnected when it is appropriate to do so and as soon as possible.</p> <p>2.29 The set of principles and minimum terms reflect the Commission's expectations in this regard.</p> <p>2.30 A particularly important component of RCE 6 is that Companies should provide adequate notice before disconnection. It is recommended in paragraph 2.10(b) that at least one final warning of disconnection is given at least 24 hours before supply is disconnected. A Company may, of course, give further warnings of a disconnection. For example, a Company could:</p> <p>(a) make telephone calls (including outside normal working hours if necessary) to try to contact a Consumer who is about to be</p>
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				<p>disconnected;</p> <ul style="list-style-type: none"> <li>(b) make use of other contact options where practicable, such as a mobile telephone call, text message, facsimile and visiting the Consumer's premise (which may be the disconnection visit); or</li> <li>(c) contact any alternative contacts provided by the Consumer.</li> </ul> <p>2.31 The notice provisions in paragraph 2.10 are part of ensuring that all disconnections are reasonable and well-managed. Of particular importance is paragraph 2.10(c), which provides that a Consumer should be given information about how to prevent a disconnection from happening. That information could include:</p> <ul style="list-style-type: none"> <li>(a) the Company's contact details, so that the Consumer can arrange payment of an invoice that has not been paid;</li> <li>(b) that payment options are available through the Company (this is reinforced by the minimum terms that the Commission has developed in relation to RCE15, which provides that Companies should provide payment options to Consumers);</li> <li>(c) details about the Company's dispute resolution processes; and</li> <li>(d) that there is a vulnerable Consumer process, and where the Consumer can get information about that process.</li> </ul> <p>2.32 The Commission has deliberately not specified any of these possibilities as minimum terms. Rather, the Commission considers that it is</p>
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				<p>sufficient that some form of notice be given to Consumers, and to allow Companies to determine how notice is provided. Nonetheless, the Commission is interested to hear any views about whether any additional steps should be included as minimum terms.</p>
			<p><b>SUPPLY DISCONNECTIONS AND TERMINATION OF CONSUMER CONTRACTS FOR REASONS OTHER THAN NON-PAYMENT</b></p> <p><b>Principles</b></p> <p>2.13 When disconnecting supply and/or terminating a Consumer Contract for a reason other than non-payment of an invoice, a Company should comply with any relevant accepted industry guidelines and protocols.</p> <p><b>Minimum terms and conditions</b></p> <p>2.14 A Consumer Contract should provide that the Company will only disconnect supply for a reason other than non-payment of an invoice and/or terminate the Consumer Contract if:</p> <ul style="list-style-type: none"> <li>(a) there has been a material breach of the Consumer Contract by the Consumer, and that breach has been clearly established and is not the subject of a dispute resolution proceeding; or</li> <li>(b) the Company ceases to have an agreement with the Lines Company for the provision of Line Function Services on the Consumer's network.</li> </ul> <p>2.15 Where a Consumer has committed a material breach of a Consumer Contract that is capable of being remedied, the Consumer Contract</p>	<p><b>SUPPLY DISCONNECTIONS AND TERMINATION OF CONSUMER CONTRACTS FOR REASONS OTHER THAN NON PAYMENT</b></p> <p>2.33 The Commission has developed recommended minimum terms relating to Companies' rights to disconnect a Consumer's supply and/or terminate the Consumer Contract for a reason other than non-payment of an invoice. It is the Commission's expectations that supply would be disconnected and/or the Consumer Contract would be terminated only for material breach of the Contract (for example, for repeated non-payment or meter tampering). That expectation is reflected in paragraphs 2.12 to 2.14.</p> <p>2.34 RCE 6 deals only with supply disconnections and termination of a Consumer Contract by a Company. Termination of a Consumer Contract by a Customer is dealt with under RCEs 1 to 4. Terms and conditions relating to planned and unplanned supply interruptions are dealt with under RCE 8.</p>

			<p>should provide that the Company will give the Consumer reasonable notice of the need to remedy the breach in order to avoid supply disconnection and/or termination of the Consumer Contract.</p>	
			<p><b>TRANSFER OF CONSUMER CONTRACTS</b></p> <p><b>Principles</b></p> <p>2.16 A Consumer Contract may allow the Company to transfer the Consumer Contract to another Company. Where it does so, the Contract should also specify the steps the Company will take where it intends to transfer the Contract.</p> <p><b>Minimum terms and conditions</b></p> <p>2.17 If a Consumer Contract provides that the Company may transfer the Consumer Contract to another Company, the Consumer Contract should also provide that in such case, the Company will advise the Consumer:</p> <ul style="list-style-type: none"> <li>(a) that the Consumer Contract is being transferred to another Company;</li> <li>(b) where the Consumer can access the information the Consumer needs to contact the Company it is being transferred to; and</li> <li>(c) when the transfer will take effect.</li> </ul> <p>2.18 A Consumer Contract should provide that if a Company has or is likely to have a receiver, liquidator, administrator, or other similar officer appointed, the Company will take all reasonable steps to ensure that the</p>	<p><b>TRANSFER OF CONSUMER CONTRACTS</b></p> <p>2.35 The Commission acknowledges that a Company may wish to transfer its Consumer Contracts to another Company. A Company might want to transfer its Contracts because it wishes to manage its risks, to exit the retail market, or because of solvency issues.</p> <p>2.36 It is the Commission's expectation that where a Company intends to transfer a Consumer to another Company, the Company should provide the Consumer with useful information about the transfer, such as when the transfer will take place, and the name and contact details of the Company the Consumer is being transferred to.</p> <p>2.37 If a transfer needs to occur because of a Company's solvency issues, it is the Commission's expectation that the Company will take all reasonable steps to ensure continuity of supply throughout that process.</p> <p>2.38 The Commission has developed a set of principles and minimum terms to convey its expectations in this regard, which are set out in paragraphs 2.15 to 2.17.</p>

			Consumer receives continuity of electricity supply.	
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**C. ELECTRICITY SUPPLY AND RELATED SERVICES**

**RCE 7. The supply of electricity is safe, reliable and ‘fit for purpose’**

**RCE 8. The consumer has access to a good standard of information in a supply interruption situation, and supply is restored within a reasonable timeframe**

**RCE 9. Other services reasonably required as part of receiving electricity supply, such as call centre and metering services, are readily available and ‘fit for purpose’**

EGCC Code of Practice	EC Guidelines <sup>5</sup>	GIC Draft Guidelines <sup>6</sup>	Recommended approach	Reasons
<p><b>Services provided</b></p> <p>The Consumer Contract must describe the services provided to the Consumer. This includes any quality standards that the Consumer should expect from the Company in providing these services.</p> <p>A Consumer Contract must set out how the Company will respond to the Consumer where quality of service standards are not met, including any compensation that would be paid to the Consumer if the Company does not meet its obligations.</p> <p>The quality of service standards <b>must</b>:</p> <p>(a) comply with the Electricity Act 1992 and the technical regulations and technical electrical codes of practice;</p> <p>(b) be no less than good industry practice prevailing in New Zealand; and</p> <p>(c) require that equipment used in the provision of Line Function Services will be monitored and maintained in line with good industry practice prevailing in New Zealand.</p> <p>The Consumer Contract must include a warning to Consumers to protect sensitive appliances from voltage spikes.</p>	<p><b>Performance commitments</b></p> <p>[Performance commitments are made with reference to the model contract.]</p> <p><b>Supply of electricity</b></p> <p>The Retailer must notify the Consumer of the time and expected duration of unplanned outages as soon as reasonably practicable.</p> <p>If the Consumer's electricity supply is interrupted for any reason, the Retailer must restore the Consumer's electricity supply as soon as reasonably practicable.</p>	<p><b>Service standards</b></p> <p>The Consumer Contract must describe the services and quality of service standards provided to the Consumer.</p> <p>The Consumer Contract must provide that the services and quality of service standards will at all times be:</p> <p>(a) consistent with all legal obligations relating to the supply of gas;</p> <p>(b) no less than good industry practice then prevailing in New Zealand.</p> <p>The Consumer Contract must be set out how the Retailer will respond to the Consumer where quality of service standards are not met, including any compensation that would be paid to the Consumer if the Retailer does not meet its obligations.</p> <p><b>Faults and planned shutdowns</b></p> <p>The Consumer Contract must clearly:</p> <p>(a) describe the circumstances under which the Retailer may interrupt supply without prior warning;</p> <p>(b) provide a minimum notice period before a planned shutdown, which should be no less than four days unless agreed</p>	<p><b>SERVICES AND SERVICE STANDARDS GENERALLY</b></p> <p><b>Principles</b></p> <p>3.1 A Company should provide a Consumer with information about the products and services being provided to the Consumer, including information about the service standards that apply to its products and services.</p> <p>3.2 A Company should notify a Consumer:</p> <p>(a) if the services being provided by the Company do not comply with the Company's service standards at any time;</p> <p>(b) what steps the Company will take if the Company's services do not comply with the Company's service standards including, if applicable, whether the Consumer is entitled to service level payments.</p> <p>3.3 The Consumer Contract should clearly convey to Consumers that any redress offered by the Company in relation to unmet service standards are in addition to, and do not detract from, the Consumer's rights under the Consumer</p>	<p><b>SERVICES AND SERVICE STANDARDS GENERALLY</b></p> <p>3.16 RCE 7 provides that the supply of electricity should be safe, reliable, and fit for purpose. RCE 9 provides that other services required as part of receiving electricity, such as metering and call centre services, are available and fit for purpose.</p> <p>3.17 The Commission considers that an important part of the ‘fit for purpose’ expectation in relation to both electricity supply and related products and services is that Consumers are given information about the products and services they are consuming. That should include information about the service standards that, so that Consumers know what the quality of their products and services should be. This is reflected in the principle in paragraph 3.1.</p> <p>3.18 Another important aspect of the ‘fit for purpose’ expectation is that Consumers will be informed when services do not meet a Company's standards, and what steps the Company will take when this occurs. The Commission's expectation in this</p>

<sup>5</sup> The Electricity Commission Guidelines for Model Domestic Contracts for Delivered Electricity (Interposed), released for consultation in April 2008, incorporate relevant provisions of the EGCC Code of Practice. Only the non-EGCC code language is included here.

<sup>6</sup> For the purposes of this document, the language in the GIC's draft guidelines has been adapted to use the definitions above. Those definitions apply as if any reference to the supply or consumption of electricity and/or Line Function Services is to the supply and consumption of gas.

<p><b>Faults</b></p> <p>Information about 24-hour telephone numbers to call for faults must be provided on every bill to a Consumer.</p> <p><b>Metering</b></p> <p>Meter readings used by a Company for billing a Consumer must comply with electricity industry standards and codes of practice for meter reading. Meter readings should take place a minimum of four times a year unless the Consumer agrees individually otherwise or does not provide the Company with reasonable access to the meter.</p> <p>On request the Company must inform the Consumer of the results of any meter test, and, if it is not clear in the Consumer Contract, inform the Consumer of any extra charge the Consumer may incur as a result of the Company testing the Consumer's meter prior to undertaking the work.</p> <p>The Company must inform the Consumer prior to taking any action on the Consumer's meter which may impact on the Consumer's bill or result in an extra charge.</p> <p>The obligations on Companies to inform Consumers under clause 15.2 and clause 15.3 do not apply where the Company has reasonable cause to suspect that fraud, theft or meter tampering has taken place.</p>		<p>otherwise with the Consumer;</p> <p>(c) describe the Retailer's rights and obligations under special or emergency operating situations; and</p> <p>(d) describe where information of emergency procedures is located, including information on how the Consumer can turn off their gas supply in an emergency; and how under emergency conditions information and procedures for reconnection will be achieved.</p> <p>The Consumer Contract will give details on where information of the time and duration of unplanned outages can be obtained.</p> <p><b>Metering</b></p> <p>In relation to the metering of gas supply to the Consumer, the Consumer Contract must clearly describe:</p> <p>(a) the requirements for metering relevant to the pricing option selected by the Consumer, including frequency of meter readings, which shall not be less than four times per year;</p> <p>(b) the obligation to ensure metering is in accordance with relevant industry standards and codes of practice;</p> <p>(c) any additional costs associated with providing or changing metering equipment which may be listed in a separate pricing schedule;</p> <p>(d) the Consumer's responsibility for protecting, not tampering with and providing access to meter(s) for maintenance and reading purposes; and</p> <p>(e) the process to be followed in the event that either the Retailer or the Consumer suspects that a meter is reading</p>	<p>Guarantees Act.</p> <p><b>ELECTRICITY SUPPLY</b></p> <p><b>Minimum terms and conditions</b></p> <p>3.4 The Consumer Contract should provide that electricity supplied by the Company will meet the following service standards:</p> <p>(a) the electricity supplied will comply with the Company's obligations under the Consumer Guarantees</p>	<p>regard is set out in paragraph 3.2, and is consistent with the approach in the EGCC Code and GIC Guidelines.</p> <p>3.19 In addition to these principles, the Commission has recommended a set of minimum terms relating to the supply of electricity (paragraphs 3.4-3.7).</p> <p>3.20 In relation to RCE 9 and the other services reasonably required as part of receiving electricity supply, the Commission considers that a Company will meet RCE 9 if it provides a sufficient range of such services, and those services are fit for purpose. The Commission has not specified exactly what those services must be. That is for each Company to determine. Nonetheless, as noted in paragraph 3.17 above, the Commission's expectation is that sufficient information about those services, and the Company's service standards, will be provided to Consumers, so that Consumers can make an informed choice about which services to use and what level of services to expect.</p> <p>3.21 Although the Commission has not specified what the range of services offered by a Company should be, some principles and minimum terms and conditions relating to metering and load management services are set out in paragraphs 3.8 to 3.10 below.</p> <p><b>ELECTRICITY SUPPLY</b></p> <p>3.21 Paragraph 3.4 sets out minimum terms and conditions relating to a Company's services and service standards that apply to the supply of electricity. Those minimum terms and conditions provide that RCE 7 will be met if the supply of electricity:</p>
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		<p>incorrectly and that the method for correcting previous readings if found to be incorrect.</p>	<p>Act;</p> <p>(b) electricity will be supplied in a manner consistent with all other legal obligations relating to the supply of electricity; and</p> <p>(c) electricity will be supplied in accordance with good industry practice in New Zealand, and in accordance with any relevant industry protocols and codes of practice.</p> <p>3.5 A Consumer Contract should set out any other service standards that apply to the supply of electricity by the Company.</p> <p>3.6 The Consumer Contract should set out:</p> <p>(a) that the Company will notify the Consumer if the Consumer is entitled to receive a service level payment from the Company where the service standards for supplied electricity are not met; and</p> <p>(b) that if the Company receives compensation from a third party (such as a Lines Company or Transpower) for losses resulting from the interruption of supply, the Company will pass on an appropriate portion of that compensation to the Consumer whose supply was interrupted, and if requested to do so by the Consumer, will provide the Consumer with an explanation of how the amount passed on to the Consumer was determined.</p> <p>3.7 A Consumer Contract should inform the Consumer of steps that the Consumer can take to protect themselves against situations and risks that the Company cannot reasonably</p>	<p>(a) complies with the Company's obligations under the Consumer Guarantees Act (i.e supply is 'fit for purpose');</p> <p>(b) is consistent with all legal obligations relating to the supply of electricity; and</p> <p>(c) is delivered in accordance with good industry practice in New Zealand, and in accordance with any relevant industry protocols, codes of practice (such as the arrangements currently reflected in the Rules).</p> <p>3.22 Paragraph 3.4 sets out only the minimum standards that the Commission expects to apply and be included in Consumer Contracts. A Company may choose to apply additional service standards, which should also be included in the Consumer Contract.</p> <p>3.23 The Commission expects Companies to pass onto Consumers an appropriate portion of any compensation the Company receives from a third party, and to notify Consumers who are entitled to that (or any other) compensation because the Company has not met its service standards. This expectation is reflected in paragraph 3.6(a), although the term "service level payment" rather than "compensation" is used.</p> <p>3.24 The Commission also recommends that Consumer Contracts inform Consumers of the steps that Consumers can take to minimise damage that may result from electricity surges. That is reflected in paragraph 3.7. Companies should be aware of the implications of providing that</p>
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			<p>control. For example, a Company should inform Consumers of steps they can take to protect sensitive appliances from voltage spikes. Alternatively, the Contract may inform the Consumer of where to find information about the steps they can take.</p>	<p>information to Consumers, given the recent High Court judgment <i>Contact Energy Limited &amp; Ors v Jones</i> [April 2009].</p>
			<p><b>METERING SERVICES</b></p> <p><b>Minimum terms and conditions</b></p> <p>3.8 A Consumer Contract should:</p> <ul style="list-style-type: none"> <li>(a) set out under what circumstances the Company will take a reading from the Consumer's meter, which must be in accordance with any mandatory rules or agreed industry arrangements;</li> <li>(b) comply with any mandatory rules, agreed industry arrangements, or codes of practice in relation to metering;</li> <li>(c) set out any costs associated with providing or changing metering equipment;</li> <li>(d) set out the Consumer's obligations in relation to their metering equipment, and the consequences of not complying with those obligations; and</li> <li>(e) set out the process that will be followed if the Company or Consumer believes the quantity of electricity consumed that has been recorded by a meter or meter reader is not truly reflective of the Consumer's actual consumption. The process followed must be in accordance with any mandatory rules or agreed industry arrangements.</li> </ul>	<p><b>METERING SERVICES</b></p> <p>3.25 The Commission has decided to recommend minimum terms that relate to meters and metering services, because metering is a source of many complaints from Consumers.</p> <p>3.26 Paragraph 3.8 sets out the minimum terms and conditions the Commission considers should be included in a Consumer Contract in order for RCE 9 to be met in relation to metering.</p> <p>3.27 The Commission recognises that Companies have expectations of Consumers, and that Consumers will have obligations under a Consumer Contract in relation to meters. Accordingly, paragraph 3.8(d) states that a Consumer Contract should set out a Consumer's obligations in relation to their meter. Those obligations could include an obligation to provide the Company (or the owner of the metering equipment) with access to the meter for maintenance and meter reading purposes, protect the meter, and not tamper with the meter.</p> <p>3.28 The Commission considers that those obligations should be included in a Consumer Contract because of the importance of Consumers understanding their obligations, and the consequences of not complying with them. Those consequences might include police or other legal action in</p>

				extreme cases.
			<p><b>LOAD MANAGEMENT</b></p> <p><b>Principles</b></p> <p>3.9 A Company should provide information to its Consumers about the right of the Company or any other entity to manage the Consumer's load, and under what circumstances the Consumer's supply may be interrupted for load management purposes.</p> <p><b>Minimum terms and conditions</b></p> <p>3.10 A Consumer Contract should:</p> <ul style="list-style-type: none"> <li>(a) set out under what circumstances the Company or other entity may load manage a Consumer's electricity supply;</li> <li>(b) state whether the Consumer is on a tariff that reflects the Company's or other entity's right to manage load, or whether the Consumer is entitled to receive payments if their electricity supply is interrupted in order to manage load; and</li> <li>(c) set out the Consumer's obligations in relation to load management, and the consequences of not complying with those obligations.</li> </ul>	<p><b>LOAD MANAGEMENT</b></p> <p>3.29 Load management services may be provided by Companies to Consumers as part of the provision of electricity supply. The Commission recognises that some Consumer Contracts provide that Consumers' load may be managed through, for example, ripple control systems. Load management may be carried out by the Company or another entity.</p> <p>3.30The Commission's approach to load management is focused on ensuring that Consumers have information about load management and how it may affect their supply. That information includes details such as when and how often a Consumer's supply may be interrupted. The Commission's expectation in that regard is reflected in paragraphs 3.9 and 3.10.</p> <p>3.31 The Commission considers it is also important that Consumers are made aware if they are on a tariff that is lower than the tariffs of other Consumers because of the Company's or other entity's right to manage the Consumer's load. Alternatively, if a Consumer is entitled to receive payments because their supply has been interrupted for load management purposes, the Company should make sure Consumers are aware of that entitlement.</p> <p>3.32 This section relates to supply interruption for load management purposes, which will generally involve some reduction with supply to the Consumer, but not a total loss of supply. Unplanned supply</p>

				<p>interruptions, which typically involve a total loss of supply, and faults otherwise affecting supply, are dealt with below.</p>
			<p><b>UNPLANNED SUPPLY INTERRUPTIONS</b></p> <p><b>Minimum terms and conditions</b></p> <p>3.11 The Consumer Contract should:</p> <ul style="list-style-type: none"> <li>(a) describe the circumstances under which supply may be interrupted without prior warning;</li> <li>(b) give details of where the Consumer may access information about supply interruptions, which should be available on a 24-hour basis and updated regularly in accordance with good industry practice in New Zealand;</li> <li>(c) set out the Company's rights and obligations in an unplanned supply interruption; and</li> <li>(d) provide that the Company will, restore the Consumer's electricity supply as soon as reasonably practicable following an unplanned interruption.</li> </ul>	<p><b>UNPLANNED SUPPLY INTERRUPTIONS</b></p> <p>3.33 The Commission considers that a Company will meet RCE 8 if:</p> <ul style="list-style-type: none"> <li>(a) Consumers have access to information about unplanned supply interruptions. This information should include the nature of the fault that caused the interruption, and the expected duration of the interruption;</li> <li>(b) the information is updated regularly, particularly if the expected duration of the interruption materially changes; and</li> <li>(c) the Company restores Consumers' supply as soon as reasonably practicable.</li> </ul> <p>3.34 Paragraph 3.11 addresses RCE 8. It provides that a Consumer Contract should specify the situations when an unplanned supply interruption may occur, and where the Consumer can access information about that interruption. It also places an obligation on the Company to restore the supply as soon as practicable.</p> <p>3.35 Paragraph 3.11(d) provides that a Consumer Contract should set out the Company's rights and obligations in an unplanned supply interruption. For example, a Contract could provide that in the case of an unplanned supply interruption, the Company may access a Consumer's property if necessary.</p>

			<p><b>OTHER FAULTS</b></p> <p><b>Principles</b></p> <p>3.12 A Company should use its best endeavours to rectify any faults with the supply of electricity to a Consumer.</p> <p>3.13 A Company should provide a Consumer with a 24-hour telephone number that the Consumer can call if there is a fault in order to find out information about the nature and expected duration of the fault.</p>	<p><b>OTHER FAULTS</b></p> <p>3.37 There can be faults in the supply of electricity that do not involve a total loss of supply of electricity, but need to be dealt with by the Company. Faults can include, for example, voltage flicker or sags.</p> <p>3.38 It is the Commission's expectation that a Company will make all efforts to rectify any faults with the supply of electricity to a Consumer. It is also expected that a Company will tell its Consumers how faults can be reported, including by having a 24-hour telephone line available to Consumers.</p>
			<p><b>PLANNED SUPPLY INTERRUPTIONS</b></p> <p><b>Principles</b></p> <p>3.14 If a Company is planning a supply interruption, the Company should ensure that all its Consumers receive adequate notice that their supply will be interrupted, and the likely duration of the interruption.</p> <p><b>Minimum terms and conditions</b></p> <p>3.15 A Consumer Contract should set out:</p> <ul style="list-style-type: none"> <li>(a) that the Company will give notice of a planned interruption, which should be no less than 4 working days unless agreed otherwise with the Consumer;</li> <li>(b) where the Consumer can access information about a planned interruption, which should be available on a 24 hour basis; and</li> <li>(c) that the Company will reconnect the Consumer's supply as soon as reasonably practicable following a planned interruption.</li> </ul>	<p><b>PLANNED SUPPLY INTERRUPTIONS</b></p> <p>3.39 Paragraphs 3.14 and 3.15 deal with planned supply interruptions. The Commission considers that by complying with these principles and minimum terms, Companies can help to ensure that any planned interruptions are reasonable, and are undertaken in a timely and well-managed way.</p> <p>3.40 It is also important that where a Company is planning to interrupt Consumers' supply, proper notice of that interruption is given to all of the Company's affected Consumers. That expectation is reflected in the principle in paragraph 3.14, and the minimum term in paragraph 3.15(a).</p> <p>3.41 Planned disconnections for non-payment are dealt with under RCEs 5 and 8.</p>

**D. CONTRACTUAL TERMS AND CONDITIONS**

**RCE 10. The contractual terms and conditions of supply of electricity to the consumer are lawful, fair and reasonable, while accurately reflecting any reasonable upstream conditions or constraints**

**RCE 11. The contractual terms and conditions are complete, easy to understand, and clearly set out the respective obligations of the company and the consumer**

EGCC Code of Practice	EC Guidelines <sup>7</sup>	GIC Draft Guidelines <sup>8</sup>	Recommended approach	Reasons
<p><b>Changes to a Consumer Contract</b></p> <p>If a Retailer changes the terms and conditions of its Consumer Contract, the Retailer must:</p> <p>(a) give no less than 30 days notice before making any change to the terms and conditions of the Consumer Contract; and</p> <p>(b) explain the reasons for the change to the Consumer Contract's terms and conditions when it gives the Consumer notice of the change.</p> <p>The Consumer Contract must describe how the Company will communicate any changes to the terms and conditions of the Consumer Contract.</p> <p><b>Privacy</b></p> <p>Consumer Contracts must comply with the provisions of the Privacy Act 1993 and accordingly:</p> <p>(a) set out the purposes for which the Retailer collects information from individuals; and</p> <p>(b) confirm that the Consumer will have ready access to information held about them and the opportunity to correct this information.</p> <p><b>Force Majeure clauses</b></p> <p>Consumer Contracts must define the situations covered under force majeure clauses and explain how a Retailer will respond in such circumstances.</p>	<p><b>Changes to a Consumer Contract</b></p> <p>(Same as EGCC Code).</p> <p><b>Liability and compensation</b></p> <p>Notwithstanding the provisions of these guidelines and in particular paragraph 61, the Consumer has access to any remedies that arise under the Consumer Guarantees Act 1993. Where these guidelines conflict with the Consumer Guarantees Act, the Consumer Guarantees Act will take precedence.</p> <p><b>Force Majeure</b></p> <p>(Same as EGCC Code).</p> <p><b>Privacy</b></p> <p>(Same as EGCC Code).</p> <p><b>Assignment</b></p> <p>The Retailer must notify the Consumer of a transfer or assignment of the Retailer's rights and obligations under a Consumer Contract.</p>	<p><b>Changes to a Consumer Contract</b></p> <p>The Consumer Contract may permit the Retailer to change the non-price terms and conditions of the contract upon giving the Consumer no less than 30 days notice of the changes.</p> <p>The Consumer Contract must provide that if changes so notified by the Retailer or subsequently negotiated are, together, materially less favourable to the Consumer than under the existing Contract, then the Consumer may, regardless of whether the Contract has a fixed term, terminate the Contract on no more than one month's notice, or any shorter period allowed by the Retailer, given before the date on which the charges were to become effective.</p> <p>The contract must provide a reasonable opportunity for the Consumer to agree to the terms and conditions offered or terminate the contract and supply without charge.</p> <p><b>Privacy</b></p> <p>The Consumer Contract must provide that the Retailer will comply with the provisions of the Privacy Act 1993, and accordingly the Contract must:</p> <p>(a) set out the purpose for which the Retailer may collect personal information from the Consumer; and</p> <p>(b) confirm that individuals will be able to access personal information held about them and have the opportunity</p>	<p><b>GENERAL CONTRACTING REQUIREMENTS</b></p> <p><b>Principles</b></p> <p>4.1 A Consumer Contract should:</p> <p>(a) be easy to understand;</p> <p>(b) contain all material terms;</p> <p>(c) clearly set out the rights and obligations of both the Company and the Consumer, including the Consumer's obligation to pay for products and services used;</p> <p>(d) refer to any other information that is part of the terms and conditions of the Consumer Contract;</p> <p>(e) be easy for Consumers to obtain;</p> <p>(f) comply with all laws;</p> <p>(g) be fair and reasonable; and</p> <p>(h) reflect any material upstream conditions or constraints, subject to those conditions or constraints always meeting the requirements of lawfulness, fairness and reasonableness.</p> <p><b>Minimum terms and conditions</b></p> <p>4.2 In addition to terms and conditions about matters referred to elsewhere in this document, a Consumer Contract should clearly set out:</p> <p>(a) the Company's right to vary the terms and conditions of the</p>	<p><b>GENERAL CONTRACTING REQUIREMENTS</b></p> <p>4.7 RCEs 10 and 11 are relevant to all the terms of a Consumer Contract. Accordingly, the Commission has developed a set of principles in line with these expectations that apply to Consumer Contracts generally. Those principles are set out in paragraph 4.1.</p> <p>4.8 The principle that the terms be complete means that a Consumer Contract should set out all the material terms that govern the contractual relationship. In particular, the Commission expects that a Consumer Contract will set out in full the terms and conditions relating to privacy, force majeure events, liability, and variation. That expectation is reflected in the recommended minimum term set out in paragraph 4.2.</p> <p>4.9 Again, the Commission's focus is on ensuring that clear information about the terms and conditions of a Consumer Contract is provided to Consumers, and that those terms are reasonable.</p> <p>4.10 However, while the Commission expects that all the terms of a Consumer Contract should be contained in the Contract, in some cases it may be appropriate for a Contract to set out certain, important information in external documents. For example, a Company's privacy policy may be set out in a separate document, rather than incorporated in all Consumer Contracts. Where that is the case, the Contract should clearly set out where the Consumer can access the additional</p>

<sup>7</sup> The Electricity Commission Guidelines for Model Domestic Contracts for Delivered Electricity (Interposed), released for consultation in April 2008, incorporate relevant provisions of the EGCC Code of Practice. Only the non-EGCC code language is included here.

<sup>8</sup> For the purposes of this document, the language in the GIC's draft guidelines has been adapted to use the definitions above. Those definitions apply as if any reference to the supply or consumption of electricity and/or Line Function Services is to the supply and consumption of gas.

<p><b>Liability</b></p> <p>Except as permitted under clauses C24.2 and C24.3, a Consumer Contract must not limit the scope of liability, in contract or tort, of a Company to a Consumer to less than liability for physical damage to property where it can be shown that the Company has been negligent and the amount and nature of the Consumer's loss was reasonably foreseeable.</p> <p>A Consumer Contract must not limit the monetary amount of liability, whether in contract or tort, of a Company to a Consumer for an event or a series of closely related events occurring on a network system to any amount less than \$10,000. This clause does not prevent or limit any provision in a Consumer Contract stating that liability subject to any monetary cap contained in the Consumer Contract for an event or series of closely related events in relation to more than one Consumer on a network system.</p> <p>A Consumer Contract must not fix a per annum cap on liability in respect of one or more Consumers on a network system or for events or a series of closely related events occurring on a network system.</p> <p>Notwithstanding the provisions of the Code, and in particular clause C24, Consumers have access to any remedies that arise under the Consumer Guarantees Act 1993. Where the Code conflicts with the Consumer Guarantees Act, the Consumer Guarantees Act will take precedence.</p> <p><b>What can the Consumer expect from a Consumer Contract?</b></p> <p>A Consumer Contract must:</p> <ul style="list-style-type: none"> <li>• be easy to understand;</li> <li>• clearly set out the rights and obligations of both the Company and</li> </ul>		<p>to correct this information.</p> <p>Except to the extent that the retailer is legally entitled to exclude the provisions of the Consumer Guarantees Act, the Consumer Contract must provide that nothing in the contract will limit the Consumer's rights under the Consumer Guarantees Act.</p> <p>Any exclusion of liability in the Consumer Contract must be clearly specified and reasonable.</p>	<p>Consumer Contract, including the minimum notice of variation that the Company will give to the Consumer;</p> <p>(b) where the Consumer can get information about how the Company collects, uses, discloses, and stores personal information about the Consumer, and how the Company complies with its obligations under the Privacy Act 1993;</p> <p>(c) force majeure events, including what events constitute force majeure events and what will happen in the case of a force majeure event; and</p> <p>(d) the Company's liability to the Consumer for damages and losses, and any liability caps that apply.</p> <p>4.3 Except to the extent that the Company is legally entitled to exclude the provisions of the Consumer Guarantees Act, the Consumer Contract must provide that nothing in the contract will limit the Consumer's rights under the Consumer Guarantees Act.</p>	<p>information.</p> <p>4.11 Paragraph 4.3 reflects the Commission's expectation that any limitations on liability specified in a Consumer Contract must not limit a Consumer's rights under the Consumer Guarantees Act.</p>
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<p>the Consumer;</p> <ul style="list-style-type: none"> <li>• refer to any other information that is part of the terms and conditions of the Consumer Contract; and</li> <li>• be easy for Consumers to obtain</li> <li>• comply with all laws, and be fair and reasonable; and</li> <li>• reflect any material upstream conditions of the Company, subject to those conditions always meet the requirements of lawfulness, fairness and reasonableness.</li> </ul>				
<p><b>Obligations from point of supply</b></p> <p>A Company must supply information (on request) to a Consumer about a Consumer's electricity supply that explains where the Lines Company's ownership and responsibilities end in relation to the network.</p> <p>A Consumer Contract must set out the responsibilities of the Consumer, the Electricity Retailer and the Lines Company in relation to ownership of equipment. For example, a Consumer Contract must clearly set out the extent to which the Consumer is responsible for the maintenance of trees and/or other structures on the property where these could affect the supply.</p> <ul style="list-style-type: none"> <li>• A Consumer Contract must explain the Consumer's responsibilities for compliance with all Line Function Services safety and technical requirements under regulations and codes of practice.</li> </ul>	<p><b>Obligations from point of connection to network</b></p> <p>The Retailer must supply information (on request) to the Consumer about the Consumer's electricity supply that explains where the Lines Company's ownership and responsibilities end in relation to the network.</p>		<p><b>OTHER IMPORTANT CONTRACT TERMS</b></p> <p><b>Minimum Terms and Conditions</b></p> <p>4.4 A Consumer Contract should:</p> <ul style="list-style-type: none"> <li>(a) specify where the point of connection is likely to be in most circumstances; and</li> <li>(b) provide that the Company will assist the Consumer to find out where their actual point of connection is, if the Consumer needs to know.</li> </ul> <p>4.5 A Consumer Contract should set out the responsibilities and obligations of the Consumer in relation to the network, equipment and the supply of electricity, including the extent to which the Consumer is responsible for the maintenance of trees and/or other structures on the property that could affect supply.</p> <p>4.6 A Consumer Contract must specify the Consumer's obligation to comply with all Line Function Services safety and technical requirements provided for under regulations codes of practice, and the reasonable technical requirements of the Lines Company (if relevant), and specify</p>	<p><b>OTHER IMPORTANT CONTRACT TERMS</b></p> <p>4.12 In addition to the general contracting principles and terms described in paragraphs 4.1 to 4.3, the Commission expects that Consumer Contracts should contain information about the point of connection, and the network and equipment used to supply Consumers with electricity.</p> <p>4.13 The point of connection for this purpose is the point at which a Lines Company ceases to be responsible for the network, and the Consumer becomes responsible for the network.</p> <p>4.14 The Commission has recommended minimum terms relating to the point of connection, since this is a common source of Consumer complaints. Those terms are set out in paragraphs 4.4 to 4.6. The key expectation is that a Company should undertake to make information about the point of connection known to the Consumer (if the Company has that information), or help the Consumer to get that information if the Consumer needs it.</p> <p>4.15 The Commission acknowledges that a Retailer has no control over where points</p>

			<p>where the Consumer can access those requirements.</p>	<p>of connection are located, and that it is between the Consumer and the relevant Lines Company to determine their location. That is why the recommended minimum term only requires the Consumer Contract to specify where the point of connection is most likely to be.</p> <p>4.16 In addition, however, since the Retailer is the interface between a Consumer and the relevant Lines Company in an interposed contract situation, it is the Commission's expectation that the Retailer will assist a Consumer to determine where the point of connection is if the Consumer needs to find out. This expectation is contained in paragraph 4.4(b).</p> <p>4.15 It is also important that a Consumer Contract clearly sets out the Consumer's obligations in relation to the point of connection. Those obligations could relate to equipment such as the Consumer's meter, or the maintenance of trees and other structures that may affect the supply of electricity.</p> <p>4.16 The Commission considers it is important for this information to be included in a Consumer Contract so that Consumers are made aware of, and understand, their obligations, and the consequences of not complying with their obligations.</p>
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**E. COSTS**

**RCE 12. The delivered price for electricity supply is fair and reasonable, and is reflective of the cost of supply**

**RCE 13. The company does not impose additional or unexpected costs on the consumer**

EGCC Code of Practice	EC Guidelines <sup>9</sup>	GIC Draft Guidelines <sup>10</sup>	Recommended approach	Reasons
<p><b>Price information</b></p> <p>The Consumer Contract must refer to the relevant prices or pricing schedule (as may be produced by the company from time to time) of products and services available to the Consumer).</p> <p><b>Billing</b></p> <p>Consumer Contracts must set out:</p> <ul style="list-style-type: none"> <li>(a) that the Consumer is liable for the charges for all the services included in the Consumer Contract and is responsible for making sure that the contractual requirements are met; and</li> <li>(b) that the Consumer will only be liable for charges from the date of occupancy or responsibility unless another date has been agreed between the Consumer and the Company.</li> </ul> <p><b>Changes to price</b></p> <p>If a Company increases the price of electricity supplied under a Consumer Contract, including for example any increase in variable electricity prices and/or daily fixed charge prices, the company must:</p> <ul style="list-style-type: none"> <li>(a) give no less than 30 days notice before increasing the price of electricity; and</li> <li>(b) explain the reasons for the increase in price when it gives the Consumer notice about the change.</li> </ul>	<p><b>Price information</b></p> <p>(Same as EGCC Code).</p> <p>Where the Consumer chooses a price plan which requires an additional meter, or which requires changes to any meter or other equipment, the Retailer must advise the Consumer of any additional costs involved when the Consumer chooses the price plan.</p> <p><b>Invoices and Payment</b></p> <p>The Retailer must make details of service fees easily available to the Consumer.</p> <p>If a meter is faulty and measures more or less electricity than the Consumer used, then the Consumer should only be liable for the amount based on the quantity measured by the meter. If it is apparent that the meter has measured more electricity than the Consumer actually used and the Consumer has overpaid the Retailer, then the Retailer should refund the Consumer an amount that it reasonably believes is a realistic estimate of the overpayment.</p> <p><b>Bonds</b></p> <p>If a Retailer requires a bond:</p> <ul style="list-style-type: none"> <li>(a) the Retailer must give the Consumer the reason for that decision;</li> <li>(b) the bond (together with any other bond the Retailer requires from the Consumer) must not be more than \$150 in total;</li> <li>(c) the Consumer Contract must state if interest is payable on the bond; and</li> </ul>	<p><b>Price, bills and payment</b></p> <p>The Consumer Contract must:</p> <ul style="list-style-type: none"> <li>(a) refer to the relevant prices or pricing schedule (as may be produced by the Company from time to time) of product and services available to the Consumer; and</li> <li>(b) state that the Consumer is liable for the charges for all the services provided under the Consumer Contract; and</li> <li>(c) state the time from which the Consumer will be liable for charges.</li> </ul> <p>In order to increase the price of gas supplied under the Consumer Contract, the Contract must state:</p> <ul style="list-style-type: none"> <li>(a) the length of notice that shall be given before the price increase takes effect, which shall not be less than 30 days from the giving of notice; and</li> <li>(b) the method in which notice will be given provided that if the increase in price is more than 5% then a separate notice of the increase will be individually communicated to the Consumer in writing as soon as possible; and</li> <li>(c) that the notice will include an explanation of the reasons for the increase.</li> </ul>	<p><b>Principles</b></p> <p>5.1 If a Consumer does not have any payment history with a Company, the Company may require the Consumer to provide reasonable security for payment.</p> <p>5.2 Where a Company requires a Consumer to pay a bond, the Company should comply with any relevant accepted industry guidelines or protocols (e.g. the guidelines on vulnerable and medically dependant customers).</p> <p><b>Minimum terms and conditions</b></p> <p>5.3 A Consumer Contract should:</p> <ul style="list-style-type: none"> <li>(a) refer to the Company's prices or pricing schedule of products and services available to the Consumer;</li> <li>(b) provide details of, or refer to where the Consumer may access details of, any fees the Company may charge and the circumstances in which the Consumer may incur these fees (such as, for example, late payment fees, disconnection and/or reconnection fees);</li> <li>(c) provide that the Consumer is liable for the charges for all the products and services provided to the Consumer under the Consumer Contract;</li> <li>(d) provide that the Consumer will only be liable for the charges once the Company and Consumer have</li> </ul>	<p>5.7 The Commission considers that a Company will meet RCE 13 if the Company:</p> <ul style="list-style-type: none"> <li>(a) provides Consumers with information about the Company's products and services, the prices of its products and services, and the fees the Company may charge, when Consumers sign-up to receive the Company's products and services;</li> <li>(b) communicates any changes in price clearly to Consumers well in advance of the price changes taking effect; and</li> <li>(c) notify Consumers if they are about to incur a fee, and give Consumers the opportunity to avoid incurring the fee.</li> </ul> <p>5.8 Given this, and that this area is an area that generates a large number of complaints from Consumers, the Commission considers that it is appropriate to have fairly detailed recommended minimum terms as to the information that Companies should provide to Consumers upfront, as well as the notice requirements when prices change or when fees may be incurred.</p> <p>5.9 The Commission's recommended approach, which is reflected in paragraphs 5.1 to 5.5, includes more detail than the GIC's draft guidelines. That additional detail primarily reflects the Commission's expectations as to the fees that Companies may charge</p>

<sup>9</sup> The Electricity Commission Guidelines for Model Domestic Contracts for Delivered Electricity (Interposed), released for consultation in April 2008, incorporate relevant provisions of the EGCC Code of Practice. Only the non-EGCC code language is included here.

<sup>10</sup> For the purposes of this document, the language in the GIC's draft guidelines has been adapted to use the definitions above. Those definitions apply as if any reference to the supply or consumption of electricity and/or Line Function Services is to the supply and consumption of gas.

<p>The Consumer Contract must describe how the Company will communicate any increases in the price of electricity. If the increase in price is more than 5%, then a separate notice of the increase must be individually communicated to the Consumer in writing as soon as practicable.</p> <p>For the avoidance of doubt, a Company is not required to give a Consumer advanced notification of a decrease in the price of electricity supplied.</p> <p><b>Bonds</b></p> <p>If a Company requires a bond:</p> <ul style="list-style-type: none"> <li>a) the Company must give to the Consumer the reason for that decision;</li> <li>b) the bond must not be more than the expected loss if a Consumer doesn't pay;</li> <li>c) the Consumer Contract should state if interest is payable on the bond;</li> <li>d) the bond must be held on trust in a separate account; and</li> <li>e) the Consumer Contract must state: <ul style="list-style-type: none"> <li>(i) the period of time within which the bond must be paid to the Company; and</li> <li>(ii) how long the Company will keep the bond and that if the Company keeps the bond for longer than 12 months, it must provide its reasons for doing so to the Consumer; and</li> <li>(iii) how the bond will be refunded.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>(d) the bond must be held on trust in a separate account.</li> </ul> <p>Consumer Contracts must state how the bond will be refunded.</p>	<p><b>Bonds</b></p> <p>Where the Company requires a bond from the Consumer, the Consumer Contract must state:</p> <ul style="list-style-type: none"> <li>(a) a requirement for the Company to provide to the Consumer the reasons requiring a bond;</li> <li>(b) the period of time within which the bond must be paid to the Company;</li> <li>(c) how long the Company will keep the bond. If the Company keeps the bond for longer than 12 months, it must provide its reasons for doing so to the Consumer;</li> <li>(d) how the bond will be refunded; and</li> <li>(e) whether or not interest is payable on the bond.</li> </ul>	<p>agreed a Consumer Contract (although the Company may still require the Consumer to pay a fair rate for any electricity consumed by the Consumer prior to agreeing a Consumer Contract), and that the Consumer should only be liable to pay for electricity consumed from the date of occupancy unless another date has been agreed between the Consumer and the Company; and</p> <ul style="list-style-type: none"> <li>(e) provide that where a Consumer requests a product or service that involves an additional cost, the Company will advise the Consumer of any additional cost at the time the Consumer requests the product or service.</li> </ul> <p>5.4 In relation to any increase in the price of any product or service supplied under the Consumer Contract, the Consumer Contract should set out:</p> <ul style="list-style-type: none"> <li>(a) the length of notice that will be given before the price increase takes effect, which shall not be less than 30 days from the giving of the notice unless otherwise agreed with the Consumer; and</li> <li>(b) the method by which notice will be given, provided that if the increase in price is more than 5% then a separate notice of the increase will be individually communicated to the Consumer in writing as soon as possible; and</li> <li>(c) that the notice will include an explanation of the reasons for the increase.</li> </ul> <p>5.5 The Consumer Contract should state that the Company will notify the Consumer if circumstances arise, or are likely to arise, where a Consumer may incur a fee (for example, a late payment fee or a disconnection and/or reconnection fee). That notice should</p>	<p>Consumers (as opposed to the prices for products and services supplied under the Consumer Contract). The Commission considers that it important that Consumer Contracts address fees, since Consumers expect good information about fees, as well as the prices of products and services.</p> <p>5.10 The Commission recognises that Companies may seek security from Consumers without any payment history (paragraph 5.1). In respect to bonds, the Commission's recommended approach incorporates the bond recommendations in the vulnerable consumer guidelines and the common elements of the EGCC Code, the EC guidelines and the GIC draft guidelines. The focus in RCE 13 on "unexpected" costs means that Consumers should know in advance when a bond might be required.</p> <p>5.11 The principle that Companies comply with accepted standards or protocols arguably imports the requirement that bonds not exceed \$150.00, which reflects the Commission's view that bond should not exceed the value of one month's electricity consumption by an average household. The Commission is aware that the \$150.00 estimate of one month's electricity consumption is based on data from 2005, and will consider revising that figure when it is appropriate to do so.</p> <p>5.12 Strictly speaking, RCE 13 may be met if the Consumer Contract only stated when a bond might be required. The other components are nonetheless included in paragraph 5.5 because they further clarify the Commission's expectations as to bond requests. Together, these components will help ensure that Consumers know when they may be requested to pay a bond request, and what the parameters of that request will be.</p>
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			<p>involve (at a minimum):</p> <ul style="list-style-type: none"> <li>(a) giving the Consumer reasonable notice of the circumstances before the Consumer incurs the fee; and</li> <li>(b) explaining how the Consumer can avoid incurring the fee.</li> </ul> <p>5.6 Where a Company requires a Consumer to pay a bond, the Consumer Contract should:</p> <ul style="list-style-type: none"> <li>(a) provide that the Company will provide the Consumer with the reason(s) why a bond is required;</li> <li>(b) set out the amount of the bond, which in each case should comply with any accepted industry standards or protocols;</li> <li>(c) set out the period of time within which the bond must be paid to the Company;</li> <li>(d) state whether interest is payable on the bond;</li> <li>(e) set out how long the Company will keep the bond for, and that if the Company keeps the bond for more than 12 months, that it will provide its reasons for doing so to the Consumer; and</li> <li>(f) set out how the bond will be refunded.</li> </ul>	
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**F. BILLING AND PAYMENT**

**RCE 14. Consumers receive timely and accurate bills for electricity and associated services, and the bills are easy to understand and check**

**RCE 15. Consumers have access to appropriate mechanisms for making payment that take account of consumer circumstances**

EGCC Code of Practice	EC Guidelines <sup>11</sup>	GIC Draft Guidelines <sup>12</sup>	Recommended approach	Reasons
<p><b>Billing</b></p> <p>Consumer Contracts must set out:</p> <p>a) that, except in the case of bills based on estimates, if the Company makes an error and charges an incorrect amount, the Consumer:</p> <ul style="list-style-type: none"> <li>• is entitled to a refund of the difference of the incorrect and correct amounts where the Consumer has paid too much; or</li> <li>• is only liable to the Company for the correct amount;</li> </ul> <p>b) the billing period and/or reconciliation period.</p> <p>Where a Consumer has chosen a price option offered by a Retailer that includes fixed charges for electricity and Line Function Services, the Company's bill must identify the fixed charge component of the bill separately from the variable charge.</p> <p>If a Company's bill includes charges for goods and services other than the supply of electricity or Line Function Services, these should be itemised separately unless the Consumer has agreed otherwise under the Consumer Contract.</p> <p>If a Company's bill to a Consumer is based on a method of estimating electricity and/or Line Function Services usage:</p> <p>a) the Consumer should be given the opportunity of reading their own meters and giving the readings to the Company until the Company arranges for the meter to be read;</p>	<p>The Retailer must send the Consumer an invoice for the Consumer's actual or estimated electricity use at least every month unless the Consumer's price plan provides otherwise.</p> <p>If the Consumer's price plan includes fixed charges, the Retailer's invoice must itemise these fixed charges separately.</p> <p>The Retailer's invoice must include the name of the Lines Company.</p> <p>The Retailer must show details of any prompt payment discount in each invoice to the customer.</p> <p>If an invoice is sent more than two months after the end of the period to which it relates, the Consumer will have at least the length of time covered by the invoice to pay it, in regular instalments or as otherwise agreed. If an invoice is more than 3 months late, the Retailer must negotiate an appropriate discount with the Consumer. This provision does not apply to the extent the Consumer causes the late invoicing.</p> <p>No interest is due on any amounts overpaid or underpaid in relation to incorrect or late invoices.</p> <p><b>Payment options</b></p> <p>If alternative payment options are to offered to the Consumer, these should be supported by a simple explanation of how the options operate, either in the Consumer Contract, or in a separate publication or notice.</p> <p>Where currently offered payment options are to change, reasonable notice must be given and adequate information provided to explain</p>	<p><b>Billing</b></p> <p>The Consumer Contract must:</p> <p>a) in the case of bills based on estimates, include a simple explanation of how the estimate will be calculated, and of the process that will be used for correcting any estimates; and</p> <p>b) provide that if the Company makes an error and charges an incorrect amount to the Consumer, then upon becoming aware of the error the Company:</p> <ul style="list-style-type: none"> <li>• will promptly refund or credit to the Consumer any amount that has been overcharged; or</li> <li>• may invoice the Consumer for any underpayments, subject to any term limitations that apply to the recovery of underpayments.</li> </ul> <p><b>Payment options</b></p> <p>If the Company offers alternative payment options to Consumers, a simple explanation of how those options operate must be set out in the Contract or in a separate publication identified in the Contract.</p>	<p><b>BILLING</b></p> <p><b>Principles</b></p> <p>6.1 Companies should comply with any relevant accepted industry guidelines or protocols in relation to their billing practices and the payment options they offer to Consumers (e.g. guidelines on vulnerable and medically dependant consumers).</p> <p><b>Minimum terms and conditions</b></p> <p>6.2 The Consumer Contract should:</p> <p>(a) provide that the Company will send the Consumer an invoice for the Consumer's actual or estimated use of electricity at least once a month unless the Consumer has otherwise agreed;</p> <p>(b) provide that the Company's invoice will include sufficient information to enable the Consumer to check the invoiced amount(s), including separately itemising:</p> <ul style="list-style-type: none"> <li>(i) the quantity and cost of the electricity supplied (or estimated to have been supplied);</li> <li>(ii) any relevant fees and charges; and</li> <li>(iii) products and services other than the supply of electricity; and</li> </ul> <p>(c) provide that if the Company makes an error and charges an incorrect</p>	<p><b>BILLING AND PAYMENT OPTIONS</b></p> <p>6.4 The Commission considers that a Company will meet RCEs 14 and 15 if it:</p> <p>(a) provides Consumers with regular bills containing all the information that a Consumer requires to assess what they have been charged, in a form that enables the Consumer to verify the charges; and</p> <p>(b) offers flexible billing and payment options, and actively facilitates Consumers' choice of billing procedures that suit their circumstances.</p> <p>6.5 This section is therefore organised into two parts: one concerning billing requirements and one concerning payment options.</p> <p>6.6 Billing and payment issues are the largest source of Consumer complaints. It is therefore appropriate to have fairly detailed requirements to ensure that RCE 14 and 15 are met by Companies.</p> <p><b>BILLING</b></p> <p>6.7 Paragraph 6.2 contains the recommended minimum terms in relation to billing.</p> <p>6.8 The Commission acknowledges in paragraph 6.2(c)(ii) that Companies are entitled to invoice Consumers for</p>

<sup>11</sup> The Electricity Commission Guidelines for Model Domestic Contracts for Delivered Electricity (Interposed), released for consultation in April 2008, incorporate relevant provisions of the EGCC Code of Practice. Only the non-EGCC code language is included here.

<sup>12</sup> For the purposes of this document, the language in the GIC's draft guidelines has been adapted use the definitions above. Those definitions apply as if any reference to the supply or consumption of electricity and/or Line Function Services is to the supply and consumption of gas.

<p>b) the Company must provide, on request, a simple explanation of how estimates are calculated and amend an estimated bill when the Consumer provides a valid meter reading;</p> <p>c) the Company must make sure that its bills state clearly if an estimate has been used; and</p> <p>d) the Company must state in the Consumer Contract whether the Consumer is required to pay estimated amounts.</p> <p><b>Payment options</b></p> <p>A Company with a Consumer Contract (or the person who does that Company's billing on its behalf) must have policies in place that assist a Consumer who is having difficulty paying a bill.</p> <p>The currently offered payment options are to change, reasonable notice must be given and adequate information provided to explain the changes to Consumers before the change takes affect (no less than 30 days notice before the changes take affect).</p> <p>If alternative payment options are offered to Consumers, these should be supported by a simple explanation of how the options operate, either in the Consumer Contract or in a separate publication or notice.</p>	<p>the change to the Consumer before the change takes effect.</p> <p>The Retailer must offer the Consumer a pre-payment option. For the avoidance of doubt, this does not require the Retailer to offer the Consumer a pre-payment meter.</p> <p>If the prepayment option involves a prepayment meter and, as a result, the electricity supplied to the Consumer will cost more than under other payment options, the Retailer must inform the Consumer when it offers the prepayment option.</p> <p>The Retailer must inform the Consumer when it offers the prepayment option of any costs involved in installing a prepayment meter.</p>		<p>amount to the Consumer, then upon becoming aware of the error the Company:</p> <p>(i) will promptly refund or credit to the Consumer any amount that has been overcharged; or</p> <p>(ii) may invoice the Consumer for any underpayments, but only to the extent reasonable taking into account whether the Consumer contributed to the error or could reasonably have been expected to know of the error;</p> <p>(d) advise the Consumer of the billing and/reconciliation period;</p> <p>(e) advise whether the Consumer is required to pay estimated amounts;</p> <p>(f) provide that if a Consumer is required to pay estimated amounts, that:</p> <p>(i) the Company's bills will state clearly that an estimate has been used;</p> <p>(ii) the Company will provide, on request, a simple explanation of how estimates are calculated;</p> <p>(iii) the Consumer will be given the opportunity of reading their own meter and giving the readings to the Company until the Company arranges for the meter to be read; and</p> <p>(iv) the Company will amend an estimated bill if the Consumer provides a valid meter reading; and</p> <p>(g) provide that the Company's bill will include the identifier number of the Consumer's installation control point (and, where the Company's bill includes charges for both electricity and Line Function</p>	<p>underpayments, even where the underpayment is due to Company error. Even so, it is Commission's expectation that Companies will act reasonably in this regard, and so paragraph 6.2(c)(ii) contains a reasonableness requirement.</p> <p>6.9 Specifying a reasonableness requirement allows each Company to determine what is reasonable in each situation. An alternative approach would be to specify a maximum period for which Companies can recover underpayments when the underpayment is due to Company error. For example, the current Model Domestic Contract for Delivered Electricity (Interposed) specifies that a Company will only recover underpayments for 2 months unless the Consumer contributed to the error or could have reasonably been expected to have known about it.</p> <p>6.10 The Commission has decided not to specify a maximum period for which Companies can recover underpayments, preferring a reasonableness standard. The minimum term also recognises that what is reasonable will depend on whether the Consumer contributed to the error or could have reasonably been expected to know about it.</p> <p>6.11 The Commission is interested to hear any views about whether a maximum period should be included in the minimum term, what the period should be, and whether any maximum period should not apply if the Consumer contributed to the error or could reasonably have been expected to know about it.</p>
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			<p>Services, the name of the Lines Company); and</p> <p>(h) provide that, where the Consumer is not responsible for the lateness of a bill:</p> <p>(i) if the bill is sent more than two months after the end of the period to which it relates, the Consumer has at least the length of time covered by the bill to pay it;</p> <p>(ii) if a bill is more than three months late, the Company will negotiate an appropriate discount with the Consumer; and</p> <p>(iii) no interest will be payable on any incorrect or late bills.</p> <p><b>PAYMENT OPTIONS</b></p> <p><b>Minimum terms and conditions</b></p> <p>6.3 In relation to the alternative payment mechanisms offered by the Company, the Consumer Contract must:</p> <p>(a) provide a list of the alternative mechanisms offered, or refer the Consumer to where they can access a list of the alternative mechanisms offered;</p> <p>(b) provide a simple explanation of how the alternative payment mechanisms offered operate, or refer to where Consumer can access those explanations;</p> <p>(c) provide that if any currently offered alternative payment mechanism is to change, the Company will give reasonable notice and adequate information to explain the changes to Consumers before the change takes affect (no less than 30 days notice before the change takes affect); and</p> <p>(d) provide that if the Company does</p>	<p><b>PAYMENT OPTIONS</b></p> <p>6.12 The Commission's guidelines on low income and vulnerable Consumers set out the Commission's expectations of Companies in their dealings with those Consumers, which include that Companies should offer flexible payment options to those Consumers, and facilitate Consumers' choice of the most suitable option.</p> <p>6.13 The Commission has stopped short of requiring Companies to state in their Contracts that they will offer payment options in accordance with the guidelines. This is primarily because Consumer Contracts need to refer to payment options for all a Company's Consumers, not just low income or vulnerable Consumers. Contracts therefore need to be more generic than simply incorporating the guidelines. This expectation is carried over into a general principle that Consumer Contracts should be consistent with the Guidelines with respect to payment</p>
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			<p>not offer a pre-payment option, then, if requested by the Consumer to do so, the Company will provide the Consumer with information about other Companies that do offer a pre-payment option.</p>	<p>options.</p> <p>6.14 Accordingly, the minimum terms assume that a Company is offering alternative options (including, if relevant, options that comply with the guidelines), and focus on the Commission's expectation that Companies make Consumers aware of their options, explain how they operate, explain any changes before they take effect, and facilitate Consumers to switch to Companies that offer pre-pay options if the Company does not offer such an option.</p> <p>6.15 Paragraph 6.3(d) focuses on prepay options because this is an effective mechanism available to protect Consumers from incurring unmanageable debts. Therefore while the Commission does not consider it appropriate to recommend that all Companies offer pre-pay options, the Commission considers it appropriate that Companies facilitate Consumers switching to Companies that offer a pre-pay option.</p>
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**G. TREATMENT BY THE COMPANY**

**RCE 16. The company is honest and open, and acts with integrity in all its dealings with the consumer.**

**RCE 17. The company will either directly answer where possible, or otherwise assist in obtaining an answer, to consumers' enquiries about all aspects of their supply, billing and contracting arrangements in a timely, courteous and accurate manner.**

**RCE 18. Apart from safety, maintenance and similar actions under the electricity regulations 1997, the company does not take any action to alter or terminate the supply of electricity without providing reasonable notice to the consumer and an opportunity for the consumer to remedy any failing on their part which may have triggered that action.**

EGCC Code of Practice	EC Guidelines <sup>13</sup>	GIC Draft Guidelines <sup>14</sup>	Recommended approach	Reasons
		<p><b>How the Consumer communicates with the Retailer</b></p> <p>The Consumer Contract must provide advice to the Consumer on a practicable and effective means for the Consumer to communicate with the Retailer on any issues which they have concerns or need information.</p> <p>The Consumer Contract must specify how notices from the Retailer will be delivered to the Consumer.</p>	<p><b>Principles</b></p> <p>7.1 Companies and their employees, agents and contractors should be honest, open and act with integrity in all their dealings with Consumers.</p> <p>7.2 The Consumer Contract should set out the timeframes within which the Company will respond to Consumers' enquiries, and what the Consumers' recourse is in the event that the Company does not respond within those timeframes.</p>	<p>7.3 RCEs 16 and 17 are framed in very wide terms, and are really principles about how Companies will deal with Consumers on a day-to-day basis. It is, of course, the Commission's expectation that Companies (including their employees, agents, and contractors) will be honest, open and act with integrity in their dealings with Consumer. Accordingly, the Commission has included a principle based on RCE 16.</p> <p>7.4 The Commission has decided not to include this as a minimum contractual term, although companies could choose to articulate how they will meet RCEs 16 and 17 in their Consumer Contracts if they wish.</p> <p>7.5 In line with RCE 17, however, the Commission considers that a Consumer Contract should also set out the timeframes within which a Company will respond to a Consumer's enquiries, as reflected in the principle in paragraph 7.2.</p> <p>7.6 That reflects the GIC's approach, which is that a Contract should provide "advice" about Consumer communication, but does not express a requirement for a particular minimum term.</p> <p>7.7 The requirement in RCE 18 regarding supply interruptions is dealt with under</p>

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**H. ACCESS TO PREMISES**

**RCE 19. The company will act courteously, considerately and professionally at all times when requiring access to consumers' premises**

**RCE 20. The company will give the consumer reasonable notice of its requirement to access the consumer's premises, including the intended timing, nature and purpose**

EGCC Code of Practice	EC Guidelines <sup>15</sup>	GIC Draft Guidelines <sup>16</sup>	Recommended approach	Reasons
<p>Consumer Contracts must include provisions permitting reasonable access to a Consumer's premises for the direct purposes of the Retailer or Lines Company and any agent or subcontractor of that Company. The consequences of not granting access should also be set out in the Consumer Contract. Other conditions of access should be in line with the provisions of the Electricity Act 1992.</p> <p>Where a Company is in the possession of keys and/or security information for a Consumer's premises, the Company should have formal procedures for the secure storage and use of and return of these keys and/or security information.</p>	<p>(Same as EGCC Code.)</p>	<p>The Consumer Contract must state the rights of the Company and/or their agents to gain access to gas lines and equipment located on the Consumer's premises and the consequences the Consumer will face for not granting access.</p>	<p><b>Minimum terms and conditions</b></p> <p>8.1 A Consumer Contract should state:</p> <ul style="list-style-type: none"> <li>(a) the rights of the Company and its employees and agents to gain access to a Consumer's premises;</li> <li>(b) the consequences to the Consumer of not granting access;</li> <li>(c) that, except in emergency situations, before accessing the Consumer's premises, the Company will provide written notice to the Consumer of: <ul style="list-style-type: none"> <li>(i) when the Company will be accessing the Consumer's premises; and</li> <li>(ii) the purpose of the Company accessing the Consumer's premises,</li> </ul>                     which notice must be given: <ul style="list-style-type: none"> <li>(iii) at least 10 working days prior to entry if the Company intends to enter the Consumer's land to undertake construction, upgrade, repair or maintenance work; or</li> <li>(iv) within a reasonable timeframe where the Company intends to inspect or operate any equipment used in, or in connection with, the generation, conversion, transformation or conveyance of electricity; and</li> </ul> </li> <li>(d) that when accessing the Consumer's</li> </ul>	<p>8.2 The Commission considers that a Company will meet RCE 20 if:</p> <ul style="list-style-type: none"> <li>(a) each time the Company intends to access a Consumer's premises, the Company notifies the Consumer of the intended timing, nature and purpose of it obtaining access; and</li> <li>(b) in each case, the notice given is reasonable.</li> </ul> <p>8.3 A component of reasonable notice is that a Consumer is made aware of the Company's right to enter the Consumer's premises at the time the Consumer Contract is entered into, and of the consequences of refusing access. Accordingly, paragraphs 8.1(a) and (b) recommend that Consumer Contracts contain clauses setting out those rights and obligations. In all cases, these rights should be reasonable and consistent with the law.</p> <p>8.4 The Commission considers that the requirement in RCE 20 to give reasonable notice could be met by:</p> <ul style="list-style-type: none"> <li>(a) placing a general obligation on Companies to provide Consumers with reasonable notice and leaving it to the discretion of companies to determine what is reasonable in each situation; or</li> <li>(b) specifying a minimum notice period</li> </ul>

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			<p>premises, the Company and its employees and agents will:</p> <ul style="list-style-type: none"> <li>(i) take reasonable steps to minimise any direct impacts on the Consumer's premises and any inconvenience to the Consumer; and</li> <li>(ii) comply with any reasonable requirements of the Consumer (such as, for example, the time of entry, leaving gates as found, driving in a safe manner and taking reasonable steps not to disturb stock, avoiding access through specific areas); and</li> </ul> <p>(e) that the Company will require its agents and employees, when accessing the Consumer's premises, to:</p> <ul style="list-style-type: none"> <li>(i) carry identification that shows they are authorised representatives of the Company and present this identification on request; and</li> <li>(ii) identify themselves to the Consumer before entering the Consumer's premises; and</li> <li>(iii) act courteously, considerately, and professionally at all times; and</li> </ul> <p>(f) the Company's procedures for ensuring the secure storage, use of and return of any keys and/or other security information for a Consumer's premises that is in the Company's possession, or refer to where the Consumer can access information containing those procedures.</p>	<p>that applies in every circumstance.</p> <p>8.5 The Commission has chosen the second approach (recommending a minimum notice period) because it accords with the current EGCC Land Code, and provides a clear standard in line with RCE20.</p> <p>8.6 RCE 19 relates to Consumer expectations of Companies' agents and employees when accessing the Consumer's premises. Those expectations, among others, are reflected in the EGCC Land Code. Paragraphs 8.1(a)-(f) replicate key aspects of the Land Code.</p>
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**I. ACCESS TO REMEDIES**

**RCE 21. Consumers have access to suitable arrangements for dealing with any complaints in a timely manner, and for obtaining appropriate remedies**

**RCE 22. Consumers have access to the information necessary to help resolve complaints**

EGCC Code of Practice	EC Guidelines <sup>17</sup>	GIC Draft Guidelines <sup>18</sup>	Recommended approach	Reasons
<p><b>Consumer complaint resolution</b></p> <p>Companies must have a free, accessible, fair and effective, Internal Consumer complaints handling process.</p> <p>Companies must accept Consumer complaints in any reasonable form from a Consumer, including written and oral, and via a variety of delivery mechanisms, including face-to-face, posted, hand-delivered, facsimile or electronic.</p> <p>Companies must:</p> <ul style="list-style-type: none"> <li>(a) provide information to Consumers about how their complaint will be dealt with, and by when;</li> <li>(b) provide written information about their Consumer complaints handling processes; and</li> <li>(c) treat Consumers courteously and with respect.</li> </ul> <p>Companies must also:</p> <ul style="list-style-type: none"> <li>(a) train their staff about their Consumer complaints handling processes;</li> <li>(b) use processes that are easy to understand, easy to use and free to Consumers;</li> <li>(c) provide adequate resources for their complaints handling processes;</li> <li>(d) tell Consumers that there is an Electricity and Gas Complaints</li> </ul>	<p><b>Consumer complaint resolution</b></p> <p>(Same as EGCC Code, except for the last two clauses.)</p>	<p><b>Dispute resolution</b></p> <p>The Consumer Contract must advise Consumers of the process that they should follow to bring a complaint to the Retailer for resolution directly between the Retailer and the Consumer, including associated timelines and the resolution options available.</p> <p>The Consumer Contract must:</p> <ul style="list-style-type: none"> <li>(a) nominate the independent dispute resolution scheme to which Consumers may take a complaint if they are not satisfied with the result from the Retailer's own dispute resolution process; and</li> <li>(b) describe how the Consumer may access the scheme.</li> </ul> <p>This independent dispute resolution scheme:</p> <ul style="list-style-type: none"> <li>(a) must be a scheme approved under the Gas Act if such approval has been given;</li> <li>(b) must otherwise provide for an independent determination of a complaint if other options for resolution, within the scheme, are not successful.</li> </ul>	<p><b>Principles</b></p> <p>9.1 The Consumer Contract should reflect the requirements of any complaints resolution system (including any guidelines and rules under the system) approved by the Commission under the Electricity Act 1992. (From 1 April 2010, the approved complaints resolution system will be the EGCC, as notified in the <i>Gazette</i> on 10 December 2009.)</p>	<p>9.2 The focus of RCEs 21 and 22 is on the availability of timely complaints resolution processes, the information required to help resolve complaints, and the provision of appropriate remedies.</p> <p>9.3 The EGCC has been approved by the Commission as a complaints resolution system under the Electricity Act 1992. Accordingly, all Companies will, from 1 April 2010, be required to comply with the EGCC Constitution.</p> <p>9.4 The EGCC Constitution will include requirements for complaint handling and resolution by Companies, the terms of which are consistent with RCEs 21 to 22. Therefore, Companies complying with the EGCC complaint handling and resolution requirements will also meet RCEs 21 and 22.</p> <p>9.5 Accordingly, the Commission does not consider it necessary to set out detailed principles or terms for Consumer Contracts in this area. Rather, it is sufficient to specify as a principle that Consumer Contracts should reflect the complaint handling and resolution requirements of the EGCC Constitution.</p>

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<p>Commissioner to whom they can go if their complaint is not resolved; and</p> <p>(e) review their Consumer complaints handling processes regularly.</p> <p>Companies must provide for appropriate remedies to Consumers.</p> <p>Companies must collect and analyse information about complaints, and use that information to adjust business practices as required.</p>				
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