

Consultation Paper

Guideline on arrangements to assist vulnerable consumers and Guideline on arrangements to assist medically dependent consumers

Prepared by the Electricity Commission

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Executive summary

1. Since 2005, a guideline covering electricity retailers' treatment of vulnerable customers who are having difficulty paying their electricity bills has existed in a number of forms. The '*Guideline on arrangements to assist low income and vulnerable consumers*' (Guideline) was issued in 2005, revised in July 2007 following the death of Mrs Muliaga, and updated in January 2008 to address human rights issues relating to prepayment meters.
2. The Commission has worked closely with a wide range of stakeholders over the last year and now proposes the '*Guideline on arrangements to assist vulnerable consumers*' (VC Guideline) and '*Guideline on arrangements to assist medically dependent consumers*' (MDC Guideline) for consultation (Proposed Guidelines).
3. The Proposed Guidelines articulate the Commission's expectations of electricity retailers in dealing with vulnerable consumers and medically dependent consumers. They suggest actions designed to assist retailers, vulnerable consumers, and medically dependent consumers in avoiding or at least minimising:
 - incidences of non-payment by vulnerable and medically dependent consumers;
 - the accumulation of debt by vulnerable and medically dependent consumers; and
 - the accumulation of credit risk by retailers.
4. The VC Guideline also:
 - defines standards for the disconnection of vulnerable consumers for reasons of non-payment;
 - is intended to assist retailers in ensuring that no vulnerable consumers are disconnected inappropriately for non-payment;
 - is intended to assist retailers and vulnerable consumers to minimise disconnections for non-payment; and
 - is complemented by a protocol that facilitates the sharing of information between retailers and social agencies, and has objectives which support this Guideline.
5. The MDC Guideline is also designed to:
 - assist retailers in ensuring that no MDCs are disconnected for non-payment;
 - ensure that all MDCs receive the most appropriate consideration of their needs and any support that they are legally entitled to; and
 - outline the process for a consumer to become registered with his or her retailer as a MDC.
6. These Proposed Guidelines are not intended to protect those consumers:
 - who through bad faith do not intend to pay their electricity bill; and/or

- who could be considered fraudulent consumers of domestic electricity.
7. Note: The MDC Guideline does not imply a guaranteed supply of electricity to MDCs. From time to time temporary electricity outages may occur and the Commission is careful to stress that MDCs should ensure backup plans are in place to handle such temporary outages.
 8. Given the substantive discussion with a wide range of stakeholders over the past year, the Commission does not anticipate receiving a large amount of new information or views in submissions. For this reason, although the Commission welcomes submissions on the Proposed Guidelines, it has not set out any specific questions.

Glossary of abbreviations and terms

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| Commission | Electricity Commission |
| Minister | Minister of Energy and Resources |
| Act | Electricity Act 1992 |
| Rules | Electricity Governance Rules 2003 |
| Regulations | Electricity Governance Regulations 2003 |
| Act | Electricity Act 1992 |
| Commission | Electricity Commission |
| GPS | <i>Government Policy Statement on Electricity Governance</i> |
| Guideline | <i>Guideline on arrangements to assist low income and vulnerable consumers</i> |
| MDC Guideline | <i>Guideline on arrangements to assist medically dependent consumers</i> |
| Minister | Minister of Energy and Resources |
| Proposed Guidelines | VC Guideline and MDC Guideline |
| Regulations | Electricity Governance Regulations 2003 |
| Rules | Electricity Governance Rules 2003 |
| VC Guideline | <i>Guideline on arrangements to assist vulnerable consumers</i> |

Contents

| | |
|--|-----|
| Executive summary | A |
| Glossary of abbreviations and terms | CB |
| 1. Introduction and purpose of this paper | 12 |
| 1.1 Introduction | 12 |
| 1.2 Purpose of this paper | 12 |
| 1.3 Submissions | 12 |
| 2. Background | 32 |
| 2.1 Government Policy Statement on Electricity Governance (GPS) | 32 |
| 2.2 Supporting elements | 32 |
| 3. Analysis | 42 |
| 3.1 Discussions with stakeholders since February 2009 | 42 |
| 3.2 Issues raised by stakeholders | 62 |
| General issues | 72 |
| Vulnerable consumers should not be disconnected | 82 |
| All consumers should be vulnerable consumers | 82 |
| Costs to retailers | 92 |
| 3.3 Rationale behind two guidelines | 102 |
| 3.4 Conclusion | 112 |
| Appendix 1 Format for submissions | 142 |
| Appendix 2 Government Policy Statement on Electricity Governance (GPS) | 152 |
| Appendix 3 Guideline on arrangements to assist vulnerable consumers | 162 |
| Appendix 4 Guideline on arrangements to assist medically dependent consumers | 172 |

