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April 23, 2009

The Electricity Commission

Submission on Approval of a Complaints Resolution Scheme

This submission is made on behalf of the Grey Power Federation of New Zealand and is a supplement to our earlier submission made on 7 May 2008. The Grey Power Federation currently has over 90,000 members and is supported in its endeavors on behalf of domestic energy consumers by Age Concern, and The Royal New Zealand Returned Services Association. In this regard it is estimated that this group represents over 300,000 domestic consumers directly and also indirectly the views of many others.

We have been very disappointed in the recent failure of the recent consideration of approval for the proposed revised scheme. It is of the utmost urgency that the proposed scheme is approved and put in place for the protection of consumers. We consider that there cannot be any justification for more than one scheme for a scheme in New Zealand which would involve a lot of unnecessary expense. The cost of this would be just another burden loaded onto consumers.

If there were to be competitive complaints schemes there would not be a single adjudicating body to speak out publicly. In other industries such as banking and insurance it has been shown how important it is that the Ombudsman can speak out on issues that desperately need to be resolved.

In our earlier submission we commented on the problems that arise with the present system of voting in regard to amendments to the constitution of the complaints scheme. This has been clearly demonstrated by the failure to get approval of the revised scheme. Industry members have again used their ability to dominate the procedure in blocking acceptance of the amendment proposals. This has always been the case when changes are proposed that would be in the interest of consumers.

Another factor that must be included in the final scheme is the requirement for it to be compulsory for any retailer to be a member in order to be licensed to be a Retailer of electricity or gas. We are of the understanding that this is a requirement the Government had included in its GPS for the scheme.

We again stress the need for there to be an advocacy service available to domestic consumers support on technical matters in regard to any dispute. Most domestic consumers are not aware of the technicalities involved in electricity supply and can be easily bluffed by industry experts.

We are also concerned about the change to make the EGCC codes of practice voluntary. We believe it is important the Electricity Commission and Gas Industry Co move quickly to regulate minimum terms and conditions for electricity and gas consumer contracts.

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