



meridian

20 April 2009

Bronwyn Christie
Electricity Commission
PO Box 10041
Wellington

by email

Dear Bronwyn

Proposal to Approve a Joint Electricity and Gas Complaints Resolution Scheme

Thank you for the opportunity to make a submission on the proposed joint electricity and gas complaints resolution scheme.

On the basis of the existing Government Policy Statement, and the achievement standards set by the Electricity Commission and the Gas Industry Company, Meridian supports the proposal to approve the Electricity and Gas Complaints Commission (EGCC) as a joint electricity and gas complaints resolution scheme.

Meridian has been a member of the EGCC since it was established, and has been satisfied with the service it provides. Meridian has only a small number of complaints lodged with the EGCC each year, and a very small number of those proceed beyond the initial complaint stage.

The current system with two complaints schemes is confusing for consumers, who do not know where to take a complaint that has reached deadlock. This is exacerbated where complaints involve several companies who are members of separate schemes.

In principle, government should avoid regulating in favour of a monopoly provider. However, in rare cases, practical considerations may outweigh the principle. In this case, the advantages of a competitive market for a complaints scheme are small, and are outweighed by the confusion for consumers. Additionally, the volume of electricity and gas complaints in New Zealand does not warrant multiple complaints schemes. Finally, if consumers are dissatisfied with the single scheme, they are able to pursue an alternative resolution process through the Disputes Tribunal.

The costs of the alternative options considered by the Commission are high, and would represent a considerable increase on current costs. This would be inconsistent with maintaining a downward pressure of retail electricity and gas prices. The cost of transition of the vast majority of industry participants from the EGCC to the Electricity and Gas Disputes Resolution Service would also be significant, and inconsistent with maintaining a downward pressure on electricity and gas prices.

We are aware that a number parties have commented on the costs implied by the achievement standards. It is appropriate that there is a continuing focus and downward pressure on the costs of the Electricity and Gas Complaints Commission. The achievement standards provides mechanisms for this. The achievement standards also provide a mechanism for members to make recommendations that will improve the effectiveness and efficiency of the scheme.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Gillian Blythe', written in a cursive style.

Gillian Blythe
Regulatory Affairs Manager