

20 April 2008

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## **SUBMISSION ON PROPOSAL TO APPROVE A JOINT ELECTRICITY AND GAS COMPLAINTS RESOLUTION SCHEME**

- 1 Orion New Zealand Limited (**Orion**) welcomes the opportunity to comment on the 'Proposal to approve a joint electricity and gas complaints resolutions scheme' consultation paper (the **paper**) released by the Electricity Commission and Gas industry Company Limited (the **Commission**) in March 2009.

### **The proposals in the paper**

- 2 The paper proposes two routes to a single joint scheme:
  - 2.1 approve an existing scheme;
  - 2.2 establish a scheme through regulation.
- 3 The Commission and the Gas industry Co have selected the EGCC Scheme as their preferred applicant for approval as a single nationwide scheme to cover gas and electricity related complaints.

### **The EGCC scheme**

- 4 Orion supports the adoption of the EGCC scheme as an appropriate basis for a single nationwide complaints resolution scheme.

### **Outcome of current consultation paper**

- 5 The paper appears to provide only two possible outcomes:
  - 5.1 approve the EGCC scheme; or
  - 5.2 establish a scheme through regulation.
- 6 Orion considers that should the Commission and the Gas industry company decide that the failure to amend the EGCC scheme will require the introduction of a regulated scheme then the Commission and the Gas industry company must consult fully on any proposed regulated scheme.
- 7 We note the paper proposes releasing such a consultation paper in November 2009 which allowing for an appropriate consultation period means that such a scheme could not be introduced until Q1 2010.
- 8 We consider that this places considerable doubt on the viability of the existing EGCC scheme to continue functioning during this period, and the Commission should at the earliest opportunity outline how it intends to deal with a transition to a regulated scheme, should it be required.

### **Concluding remarks**

- 9 Thank you for the opportunity to make this submission. Orion does not consider that any part of this submission is confidential. If you have any questions please contact Dennis Jones (Industry Developments Manager), DDI 03 363 9526, email [dennis.jones@oriongroup.co.nz](mailto:dennis.jones@oriongroup.co.nz).

Yours sincerely



Dennis Jones  
**Industry Developments Manager**

Question	Comment
<p>Q1: Do you agree that the EGCC Scheme arrangements represent an appropriate basis for a single nationwide complaints resolution scheme for electricity and gas?</p>	<p>Yes</p>
<p>Q2: Do you have particular areas of concern that would lead you to making suggestions for changes to the EGCC Scheme?</p>	<p>We consider that Transpower should be a full participant in the scheme (rather than just land issues) in the same way that Electricity Distribution Businesses are.</p>
<p>Q3: Do you agree that approval should be on the basis of an indefinite term, while encouraging cost-effective performance through the independent review process? If not, do you have any additional observations on the merits of a fixed-term?</p>	<p>Yes</p>
<p>Q4: Do you agree that the transition to an approved EGCC Scheme should be relatively straight-forward? Do you have any views on how the transition should be managed?</p>	<p>We consider that the transition to an approved EGCC Scheme should be relatively straight-forward. We consider that transition to a regulated scheme as opposed to regulatory approval of the EGCC scheme will be more problematic and such transitional arrangements must form part of the consultation process outlined in paragraph 9.3 of the paper.</p>
<p>Q5: Do you agree that the Service Provider Regulated Scheme and the Fully Specified Regulated Scheme are the only reasonably practicable options to approving an applicant scheme, which meet the proposed regulatory objective? If not, what other reasonably practicable options exist in your view?</p>	<p>Yes. We also consider that the EGCC scheme is the only viable service provider scheme.</p>
<p>Q6: Do you agree that the costs and benefits set out in the table are the main costs and benefits that need to</p>	<p>No Comment</p>

be considered? If not, what other costs and benefits would you suggest?	
Q7: Do you agree that the simple scoring system set out in the table is a reasonable way of comparing costs and benefits across the options?	No comment
Q8: Do you agree that the range of weighting of costs and benefits in the table are reasonable? If not what alternative weightings would you suggest?	No comment
Q9: Do you agree that the Approved Scheme option (approving the EGCC Scheme) is the best of the reasonably practicable options?	Yes
Q10: Do you agree that the Approved Scheme option (approving the EGCC Scheme) would yield overall benefits that are reasonably material and that these benefits would outweigh the slight increase in overall costs that could be expected relative to the Status Quo?	No comment