

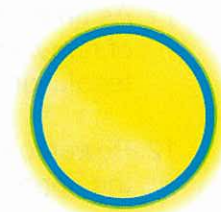
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POWERCO



Submission on Approval of a Complaints Resolution Scheme

1. Powerco thanks the Electricity Commission and the Gas Industry Company for the opportunity to make a submission on the consultation paper *Approval of a Joint Electricity and Gas Complaints Resolution Scheme*.
2. Powerco has not answered each of the questions raised in the consultation paper but has instead concentrated on what we see are the key components of the proposal.

Support for a joint scheme

3. Powerco supports the approval of a single, independent complaints resolution scheme that covers both electricity and gas.
4. Powerco agrees that the approval of an existing scheme (with any necessary modifications) would be more efficient than the establishment of a new scheme through rules or regulation.

Procedure requirements

5. Powerco does not believe that face to face hearings and the right to legal representation are consistent with the Government Policy Statement objective of a scheme that *resolves disputes quickly and cheaply without unduly protracted or costly processes*.
6. Face to face hearings have the potential to add significantly to the costs of the scheme in time and travel expenses. The involvement of legal representatives also risks changing the focus of the scheme from finding practical solutions and compromises to a focus on legal arguments and could impact on the way that member companies deal with complaints from the time they are first made.


Decision making

7. The Government Policy Statement states that the Government expects any approved scheme to provide for compensation for consumers where appropriate. The proposed scheme requirements have a wider scope of determination, including the award of reimbursement of expenses in favour of a complainant.
8. Powerco believes that awards of compensation should be made where appropriate. However, Powerco is concerned that awards be limited to expenses directly related to the event and not general expenses or expenses and time related to the making of the complaint. Member companies are unable to recover their expenses even when complaints are not upheld. It would be unduly burdensome to require member companies to pay for expenses involved in making complaints. Powerco suggests that each party to a complaint is responsible for their own costs.

Member compliance requirements

9. Powerco is concerned that the member compliance requirements set out in part 6 of Appendix C (particularly the self-monitoring and annual reporting of compliance with the scheme member rules) will significantly increase compliance costs for members of the scheme.
10. Powerco is unaware of the costs and benefits associated with additional monitoring and reporting. In absence of any identified problem Powerco believes that the extra expense (which will ultimately be borne by consumers) is unnecessary.
11. As an alternative to the proposed reporting requirements Powerco believes that instances of non-compliance with the scheme rules are able to be identified as part of the complaint resolution process.
12. Powerco looks forward to working with the Electricity Commission and Gas Industry Co in the approval of a dual-energy disputes resolution scheme.

Yours sincerely



Paul Goodeve

Regulatory & Business Manager (acting)