



93 The Terrace
PO Box 10568
The Terrace
Wellington 6143
New Zealand

Genesis Power Limited
trading as Genesis Energy

Telephone: 04 495 3348

Fax: 04 495 6363

4 November 2009

Kate Hudson
Electricity Commission
Level 7, ASB Bank Tower
2 Hunter Street
WELLINGTON

By email: submissions@electricitycommission.govt.nz

Dear Kate

Guidelines on Vulnerable Consumers and Medically Dependent Consumers

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Electricity Commission on the consultation paper "Guideline on arrangements to assist vulnerable consumers and Guideline on arrangements to assist medically dependent consumers" dated 7 October 2009.

Genesis Energy welcomes the proposed amendments to the guidelines, and the decision to publish separate guidelines for vulnerable consumers and medically dependent consumers. Separating the guidelines in this way helps to reinforce a clear distinction between two distinct policy problems. It should also be helpful at an operational level provided consistency between the guidelines is maintained where appropriate.

Genesis Energy considers that the Electricity Commission has done a good job of making the guidelines work in a way that balances the interests of vulnerable and medically dependent consumers and the interests of other electricity consumers to whom the costs of implementing the guidelines ultimately fall.

Genesis Energy accepts that the Electricity Commission is working within the constraints of policy decisions made at government level with respect to where the burden of debt costs should lie for medically dependent consumers who are not in hospital care, but are unable to pay their utility bills. The consultation paper

acknowledges this, provides some analysis of the magnitude of unrecoverable debt, and notes that the Electricity Commission is providing a stream of advice to the Ministry of Economic Development on this issue. Genesis Energy considers that this is a prudent approach for the Electricity Commission to adopt, but suggests that it would be useful for the Electricity Commission to develop more thorough analysis of the impact that government policy for medically dependent consumers has on electricity market dynamics. This would be consistent with the Electricity Commission's statutory functions and would help to inform policy decisions made at Cabinet level on a cross-portfolio basis.

In addition to the above over-arching comments, Appendix A provides some comments on specific sections of the proposed guidelines.

If you would like to discuss any of these matters further, please contact me on 04 495 3348.

Yours sincerely

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

Ross Parry
Regulatory Affairs Manager
Genesis Energy

Appendix A: Comments on Guideline Clauses

SECTION	COMMENT
MEDICALLY DEPENDENT CONSUMERS	
15	<p>Genesis Energy had understood from the July workshop that there was general agreement that a health practitioner with an appropriate scope of practice (HP) would be able to provide a notice of potential medical dependency but that general practitioners (GPs) would not. This reflects that GPs do not prescribe critical electrical medical equipment (CEME).</p> <p>Genesis Energy had also understood that GPs would be able to provide verification of medical dependency for consumers with a notice of potential medical dependency. This reflects that GPs are more accessible for consumers needing to verify actual medical dependency than specialist HPs or hospitals.</p>
38	<p>Genesis Energy does not agree that consumers using redirection of income should be able to access prompt payment discounts if they do not pay their invoices on time and in full. Prompt payment discounts are a commercial tool intended to incentivise prompt payment and to reflect avoided debt costs. They are not an entitlement.</p>
Appendix 1	<p>Genesis Energy recommends that the guideline should provide a timeframe within which a consumer should provide their retailer with the paperwork from Appendix 1 of the guideline, and should set out that a retailer is free to treat a consumer that does not provide the paperwork as a non-MDC (as per section 30 of the guideline).</p> <p>Including a timeframe in the guideline would mean that there is neither an open-ended opportunity for a consumer to delay, nor an opportunity for a retailer to impose unreasonable timeframes or consequences.</p>

SECTION	COMMENT
VULNERABLE CONSUMERS	
15 - 17	<p>Genesis Energy recommends that an additional section should be added as follows:</p> <p>Retailers should offer any customer that has accumulated significant debt on their electricity account a repayment arrangement that gives the customer a reasonable timeframe within which to repay their debt while continuing to receive electricity supply. Retailers are not obliged to repeat the offer of repayment arrangements to any customer that has previously reneged on such an arrangement.</p>
21	<p>Genesis Energy does not agree that consumers using redirection of income should be able to access prompt payment discounts if they do not pay their invoices on time and in full. Prompt payment discounts are a commercial tool intended to incentivise prompt payment and to reflect avoided debt costs. They are not an entitlement.</p>