



MAJOR ELECTRICITY USERS' GROUP

9 March 2007

Jenny Walton
Electricity Commission
By email to info@electricitycommission.govt.nz

Dear Jenny

Submission on approval method for consumer complaints resolution schemes

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Commission (the "Commission") consultation paper, *Approval method for consumer complaints resolution schemes*, published 8th December 2006.
2. Competition spurs innovation and a focus on the needs of customers. Similarly competition between consumer complaints resolution schemes, or at least the risk of new entrants, is also likely to be beneficial for consumers and the economy. Therefore MEUG support the Commission developing policies to approve more than one scheme¹ and the option for applicants to suggest alternative ways to meet the benchmark criteria², ie to be innovative.
3. Benchmark criteria # 4.2 under the benchmark principle of accountability states that "written reports of determinations do not name the parties involved." The Commission's proposed achievement standards # 4.2 allow parties to be named if the scheme has a policy stating when publication of names is permitted. Benchmark criteria and the proposed Commission's achievement standard # 4.3 discusses aggregate industry reporting but is silent on whether statistics on individual companies should be reported.
4. In our experience the policies of these types of consumer complaints schemes are developed by the supply side, with consumers only having the power of veto. Suppliers individually do not wish to be named and as only they can make policy proposals, name-and-shame type policies never get traction. MEUG believe publication of the names of non-scheme compliant parties creates strong incentives to ensure compliance.
5. For individual determinations MEUG agree with the Commission's proposed achievement standard # 4.2, ie if parties can be named provided there is a policy. However MEUG suggest there is merit in benchmark and standard # 4.3 stating that schemes must have policies allowing publication of compliance statistics for participating member companies.

Yours sincerely

Ralph Matthes
Executive Director

¹ This is in response to question 4 of the consultation paper.

² This is in response to question 6 of the consultation paper.