

# Questions & response

## Extending the Electricity Price Review's Final Recommendations to the Gas Market – New Gas Market Guidelines

Submission prepared by: Nova Energy Limited – Paul Baker

Question		Comment
Gas Consumer Care Guidelines	Do you agree with the proposed content of the Gas Consumer Care Guidelines? Are there items that should be added or deleted, and why?	<p>Nova supports the Gas Consumer Care Guidelines aligning with the Electricity Consumer Care Guidelines to create consistent standards for vulnerable consumers.</p> <p>However, Nova believes that to implement (8 iv d) would require a significant level of investment in systems, and as such would be uneconomic to implement. Usage fluctuations need to be measured with historic seasonal consumption spikes taken into account to avoid unnecessary contact with consumers, and the risk of consumers feeling that their behaviours are being monitored by their retailer.</p> <p>Nova does not support adopting the electricity approach to (9 b ii 1). Retailers need to be allowed to disconnect uncontracted premises where consumption is recorded and the residents in the property prove to be intractable when it comes to signing up with the retailer. Disconnection is the only practicable option in instances where the occupier is not willing to sign with a retailer.</p> <p>We do not support (9 iv): it is not possible to separate debt for individual services provided. Retailers need the option to disconnect gas supply or other non-essential services when there is an overdue balance on an account.</p>

Question		Comment
Gas Consumer Care Guidelines	Do you agree with the proposed timeframe for Gas Retailers to align their processes to ensure voluntary compliance with the Gas Consumer Care Guidelines?	Yes, Nova supports the proposed time frames.
Gas Consumer Care Guidelines	Do you agree with the Gas Consumer Care Guidelines applying also to Stand-alone Gas Retailers?	Yes. Customers of Stand-alone Gas Retailers are equally deserving of due consideration when encountering difficulties in meeting their payment obligations. Furthermore, it is important to maintain competitive neutrality between industry participants. The definition of Stand-alone Gas Retailers could potentially become an issue if the differentiation becomes a source of lower costs or competitive advantage, e.g. an electricity and gas supplier could create a separate trading subsidiary to be defined as a 'Stand-alone Gas Retailer', albeit that would be an extreme reaction.
Gas Consumer Care Guidelines	Are any modifications required to the Gas Consumer Care Guidelines to take account of the unique characteristics of the bottled LPG market?	n.a.
Utilities Disputes and Powerswitch Guidelines	Do you agree with the proposed content of the Guidelines? Are there items that should be added or deleted, and why?	Yes
Utilities Disputes and Powerswitch Guidelines	Do you agree with Gas Industry Company's proposed narrower approach than that implemented for the electricity market in relation to the provision of Utilities Disputes information (focussing on "complaints" rather than "queries")?	Yes
Utilities Disputes and Powerswitch Guidelines	Do you agree with the proposed Alignment Timing for Gas Retailer voluntary compliance with the Gas Consumer Care Guidelines?	Yes, Nova supports the proposed time frames.

Question		Comment
Utilities Disputes and Powerswitch Guidelines	Do you agree with the proposed timeframe for Gas Retailers and Gas Distributors to align their processes to ensure voluntary compliance with the Utilities Disputes and Powerswitch Guidelines?	<p>Nova expects that all gas retailers excepting LPG distribution can easily meet the guidelines within 12 months of publishing.</p> <p>The GIC should confirm with Consumer NZ to confirm its lead time for incorporating LPG, plus any enhancements required for natural gas before confirming the appropriate timeline.</p>
Utilities Disputes and Powerswitch Guidelines	Do you agree with the Utilities Disputes and Powerswitch Guidelines applying also to Stand-alone Gas Retailers?	Yes, the same requirements should apply to all gas retailers selling into the residential and non-TOU markets.
Saves and Winbacks Guidelines	Do you agree with the proposed content of the Guidelines? Are there items that should be added or deleted, and why?	<p>Nova does not believe that a voluntary restriction on saves &amp; win-backs is in the interest of consumers. The likely net result of a voluntary restriction will potentially have retailers restrict their saves &amp; win-backs activity to just their most valuable customers, i.e. it may have little overall impact of increasing competition between retailers.</p> <p>The requirements should either be compulsory, or non-existent.</p> <p>Nova suggests that the GIC should wait until the Electricity Authority completes its evaluation of the ban of saves &amp; win-backs in the electricity sector before implementing it for gas.</p>