



28 March 2022

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Tim Kerr
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Uploaded via website: www.gasindustry.co.nz

Dear Tim

Final Gas Consumer Care Guidelines

Firstgas Group welcomes the opportunity to comment on the Gas Industry Company's (GIC) consultation document "*Extending the Electricity Price Review's Final Recommendations to the Gas Market – Final Gas Consumer Care Guidelines*" dated 28 February 2022.

We remain supportive of the development of the Gas Consumer Care Guidelines (GCCG) to support consumers who rely on bottled liquid petroleum gas (LPG) or reticulated LPG or natural gas. We have commissioned several changes to our business systems and processes for our Rockgas business, at a substantial cost, in order to align with these GCCG.

We remain concerned with aspects of the GCCG, as currently drafted:

- We are concerned that clause 9 of the GCCG is overly complex and contains duplication, therefore making it difficult for retailers to consistently apply.
- We have found several instances where the GCCG is not suitable for the retailing of LPG. Given this issue, we have suggested several amendments to provide clarity. We also recommend that the GIC consider whether a separate guideline specifically for LPG would be a more effective method to ensure adoption and alignment.
- We remain sceptical that the GIC has gathered sufficient New Zealand-based evidence to demonstrate and clarify the exact gas equipment that medically dependent customers rely on.¹ We recommend that the GIC gather and provide greater information on this to retailers, as the guidelines are rolled out to the gas sector.

Our detailed responses to the GIC's specific questions are set out in **Attachment 1**.

¹ Bullet points 3, 4 and 5 on page 5 of GIC's [consultation paper](#)



Contact details

Firstgas Group would welcome the opportunity to meet with GIC staff to discuss our submission. To arrange this meeting or if you have any questions, please contact me on 027 201 6600 or via email at callum.mclean@firstgasgroup.co.nz.

Yours sincerely

Callum McLean

Senior Policy and Government Affairs Advisor



Attachment 1: Response to consultation questions

Question		Comment
Q1:	Do you agree with the final changes made to the Gas Consumer Care Guidelines?	We do not agree with all the changes. The separate table below details our concerns and recommended solutions.
Q2:	Do you have any comments on the draft Notice of Potential MDC Status?	No.
Q3:	Do you have any comments on the draft Gas Consumer Care Policy for Retailers?	No.

Detailed concerns with Gas Consumer Care Guidelines

GCCG ref	Concern	Recommended solution
Definitions	<p>The definitions of “alternate contact person” and “support person” both state the person in question “must be independent of the Retailer.”</p> <p>Our main concern is that if a customer nominates a person that is not independent of the Retailer, that is their choice (presumably in their best interest) and should not be prevented by the GCCG.</p> <p>Our secondary concern is that a nominated person might be considered not to be independent just because they are also a customer of the same retailer.</p>	<p>The sentences should be deleted. In a new clause, separate from the definitions, the GCCG should obligate retailers to:</p> <ul style="list-style-type: none"> Record all instances where a customer nominates a person that is not independent of the retailer Have and follow a plan to manage any conflict of interest (such as prohibiting a staff member from conducting any business of the retailer in relation to the nominating customer). <p>The GIC should state whether it is its opinion that being a customer of a retailer constitutes, by itself, grounds to consider the person is not independent of the retailer. Ideally this clarification would be included in the GCCG.</p>
Definitions	<p>The definition of “uncontracted premises” means “a residential premise that a Retailer...”</p> <p>The word ‘premises’ is both singular and plural. ‘Premise’ has a different meaning.</p>	Replace “a residential premise” with “residential premises”.
Clause 3(a)(ii)(3)	Use of North American “minimize”	Replace “minimize” with “minimise”
Clause 6(i)(i)	Incorrect use of “differential”	Replace “differential” with “difference”
Clause 8(e)	<p>This clause includes “...offer to review the repayment plan to align with what the customer can afford...”</p> <p>Aligning a repayment plan based on what the customer can afford is contrary to both the retailer’s and the customer’s interest. Principle 3(a)(2) of the GCCG better reflects the balance needed between a repayment plan appropriate for that customer and the need to prevent accumulation of debt.</p>	Replace with “offer to review the repayment plan to align with principle 3(a)(2)”.



<p>Clause 9, especially clauses 9(b) and 9(c)</p>	<p>Overall, two and a half pages for the entire clause 9 is overly complex. It covers too wide a variety of topics and it should be broken up.</p> <p>Clause 9(a) contains two different requirements that should be drafted separately. The first sentence of 9(a) belongs on a consolidated list of requirements to be met before issuing a disconnection notice</p> <p>The opening words of clauses 9(b) and (c) are:</p> <p>“Subject to clause 9(c), Retailers may only commence the notification process for disconnecting a customer’s premises, or disconnection and repossessing a customer’s LPG bottles, for non-payment of a Gas invoice if:”</p> <p>“Retailers may only commence the notification process for disconnecting a premises, or disconnection and repossessing LPG Bottles:”</p> <p>We are concerned that the drafting of these two clauses (not just the chapeaus) may contain unintended differences and are overly complex. Specifically:</p> <ul style="list-style-type: none"> • There is a lot of overlap between 9(b) and 9(c) and the content should appear in a single list • The requirements of 9(b) are subject to 9(c) but the reverse is not true • The chapeau of 9(b) uses the word customer where 9(c) does not • 9(b)(ii) repeats the requirements of 9(a) and • Use of the words “a customer’s LPG Bottles” and “repossessing” may lead readers to infer those customers own the 45kg LPG Bottles on their premises • Inconsistent use of “disconnecting” and “disconnection” in the same tense • Subclause 9(b)(iii) could unintentionally impede an LPG retailer’s ability to disconnect and reclaim LPG bottles. Contracts for bottled LPG do not (typically) permit the retailer to ‘disconnect the premises’. • 9(c)(iv) does not limit the dispute to needing to relate to gas supply (so a dispute about broadband would 	<p>Add a new clause 8 covering issuing of invoices based on estimated readings.</p> <p>Change clause 9 (now 10, due to the additional earlier clause) to relate to “Disconnection notices” (rather than disconnection) and create a new clause 11 for “Disconnection”. Then allocate the current contents of clause 9 accordingly into those that relate to the estimated invoices, notification process and the actual disconnection. Example drafting:</p> <p>8) Estimated invoices</p> <p>a) Retailers should only issue invoices based on estimated meter readings if:</p> <p>i) [content of 9(c)(i)(1-3)]</p> <p>10) Disconnection notices</p> <p>a) A Retailer’s notice to disconnect a customer’s premises or disconnect and reclaim LPG bottles should:</p> <p>i) aim to engage the customer to resolve the non-payment issue</p> <p>ii) contain at least: [content of list under clause 9(f)]</p> <p>iii) [traceability content of clause 9(d)(i)]</p> <p>iv) [timing content of clauses 9(d)(i) and (ii)]</p> <p>b) In relation to contracted premises, Retailers may only issue a notice to disconnect a customer’s premises or disconnect and reclaim LPG bottles if:</p> <p>i) the Retailer is contractually entitled to disconnect the customer’s premises or disconnect and reclaim LPG bottles (as the case may be)</p> <p>ii) the Retailer’s invoices to the customer are overdue for payment and the debt relates to Gas supply</p> <p>iii) the Retailer has followed the recommendations set out in clause 8 [now renumbered clause 9 under this proposal]</p> <p>iv) [content of clause 9(b)(iv)]</p> <p>v) there is no genuine dispute between the Retailer and the customer about Gas supply (of which the Retailer has been notified)</p> <p>c) In relation to reticulated Gas at uncontracted premises, Retailers may only issue a notice to disconnect a customer’s premises if:</p> <p>i) [content of clause 9(c)(ii)]</p> <p>11) Disconnection</p> <p>a) [content of clauses 9(a) (second sentence only), 9(h) and 9(i)]</p>
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GCCG ref	Concern	Recommended solution
	preclude issuing a valid disconnection notice for gas supply debt)	
Clause 9(c)(ii)(3)	We note that while this subclause applies to reticulated LPG, there is no registry to record switching of LPG customers.	No change required as we will be able to confirm the customer isn't switching because reticulated LPG customers cannot switch.
Clause 9(f)(iii)	This subclause lists "redirection of income" as an example of a payment option available. We are not aware of any retailer offering this as an option, or employers supporting this. As such, it may not be a good example.	Replace "redirection of income" with "a customised repayment plan".
Clause 10(h)	<p>This clause includes a reason for the recommendation: "(on the basis that a bottled LPG service shall automatically be interrupted on the LPG Bottle running out of LPG)"</p> <p>As clause 9(i) notes, LPG Bottles need not be empty for LPG to no longer flow.</p> <p>Most customers have two 45kg bottles onsite, so use of "the" may cause confusion.</p>	Replace "(on the basis that a bottled LPG service shall automatically be interrupted on the LPG Bottle running out of LPG)" with "as LPG Bottle services are not continuous."
Clauses 10(h) and 10(i)	There is considerable overlap between these two clauses.	Redraft as a single clause beginning with "Before agreeing to supply an LPG Bottle services to the premises of an MDC or unverified MDC, the Retailer should:"
Clause 10(j)(i)(2)	This clause refers to electricity, but we think gas was intended.	Replace "electricity" with "gas".
Clause 10(n)	This clause only makes sense in the context of natural gas but applies to LPG as well.	Add "natural gas" between "responsible" and "retailer".
Clause 10(p)	<p>Use of the words "may not" is ambiguous in this context. It could be interpreted as either 'the retailer will not be permitted to treat the person as an MDC' or 'the retailer will not be required to treat the person as an MDC (but would be permitted to)'.</p> <p>Whichever is the GIC's intent should be made clear in the drafting. We think the latter should be the intent.</p>	Replace two instances of "may not treat" with "will not be required to treat".
Clause 10(p)(i)	We cannot see any use in including the second instance of "unverified MDC" in this subclause.	Unless GIC is aware of a relevant way in which the retailer could treat the person as an unverified MDC, delete the second instance of "unverified MDC".
Clause 10(t)	The clause is lengthy and difficult to read. It should be broken into two different clauses (one for unverified MDCs and one for verified MDCs).	<p>Replace the clause with two clauses:</p> <p>"Retailers should explain to an unverified MDC that the unverified MDC and Retailer each pay their own costs associated with the unverified MDC gaining MDC status."</p> <p>"Retailers that request an MDC to confirm they are still an MDC should pay the costs of the MDC if the request confirms they are still an MDC."</p>



GCCG ref	Concern	Recommended solution
Clause 11	Earlier clauses depend on the process laid out in this clause. The GCCG would be more easily read if this clause were earlier in the document.	Relocate clause 11 to be immediately after clause 7 (Account management).