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Submission on Extending the EPR's Final Recommendations to the Gas Market – Final Gas Consumer Care Guidelines

Introduction

1. This is Vector Limited's (Vector) submission on the Gas Industry Company's (Gas Industry Co) consultation paper, *Extending the Electricity Price Review's Final Recommendations to the Gas Market – Final Gas Consumer Care Guidelines* (the Consultation Paper), dated 28 February 2022.
2. Vector has consistently supported the extension of some of the Electricity Price Review's (EPR) final recommendations to the gas market, including the development of the Gas Consumer Care Guidelines (EPR Recommendation B6). This would help promote energy affordability and ensure that small gas consumers are disconnected only as a last resort, among other objectives.
3. We generally agree with Gas Industry Co's approach of aligning the proposed Gas Consumer Care Guidelines with the equivalent guidelines for the electricity market developed over 2020-21 by the Electricity Authority. We believe this promotes consistency and efficiency in addressing consumer issues common to the gas and electricity markets, while allowing flexibility for gas market participants to innovate and better serve consumers.
4. We set out below our responses to Gas Industry Co's consultation questions on the final draft of the Gas Consumer Care Guidelines and associated documents. We seek greater clarity and make a few recommendations around how and when some of these Guidelines would apply in specific circumstances (described below) where an LPG customer is medically dependent (MDC) or a potential MDC.

Responses to the consultation questions

Do you agree with the final changes made to the Gas Consumer Care Guidelines?

5. Vector welcomes the amendment Gas Industry Co made to the Gas Consumer Care Guidelines to more accurately reflect that 45kg bottled LPG services "do not run out all the time",¹ which seemed to have been suggested in the previous draft.
6. We also welcome Gas Industry Co's confirmation that the gas information exchange protocols (GIEP) that are proposed to be developed will not apply to 45kg LPG bottles and reticulated LPG as there is no central registry for LPG customers.²
7. We **recommend** that Gas Industry Co provide clarifications in the Consumer Care Guidelines regarding their application in specific circumstances where the 45kg bottled LPG customer

¹ Pages 5 – 6 of the Consultation Paper

² Page 6 of the Consultation Paper

is an MDC or potential MDC and/or where there are safety and related issues for the retailer. Greater clarity around the requirements in the following circumstances would help us better understand how we can best serve existing and prospective/potential MDCs whilst remaining aligned with the Gas Consumer Care Guidelines:

- a. There are geographic areas that our OnGas LPG business does not currently cover, i.e. areas within which we do not deliver LPG products/services. We **recommend** that Gas Industry Co clarify that when an LPG retailer receives an enquiry or order request from an MDC residing in an area that is not served by the LPG retailer, that retailer is not obligated to accept the request; however, the retailer could suggest any alternative suppliers they are aware of.
- b. There are areas we only service occasionally (once per month or fortnight) as doing more regular runs in those areas is not economic. We **recommend** that Gas Industry Co clarify that, in an area where more frequent delivery of 45kg bottled LPG services than is currently the case would not be economic for the LPG retailer, that retailer is not obligated to deliver these services immediately should an MDC in that area run out of LPG.
- c. There are specific addresses we will not service due to site access and/or safety issues (e.g. steps, slope and anything else deemed to be unsafe) to avoid our delivery drivers being injured while trying to deliver a 45kg cylinder of LPG. In line with our recommendation in “a.” above, we **recommend** that Gas Industry Co clarify that an LPG retailer is not obligated to deliver 45kg bottled LPG services to consumers residing in addresses where the delivery of those services would breach safety and related regulations and/or put the retailer’s personnel at risk.
- d. Furthermore, we **recommend** that Gas Industry Co clarify that an LPG retailer is not obligated to deliver 45kg bottled LPG services to a non-compliant address (e.g. an address that is not compliant with the safety regulations), even if the customer at that site has the appropriate certification as an MDC.

Do you have any comments on the draft Notice of Potential MDC status?

8. Vector does not have any comments on the draft Notice of Potential MDC status.

Do you have any comments on the draft Consumer Care Policy [template] for Retailers?

9. Vector particularly welcomes Gas Industry Co’s decision to adopt a Gas Consumer Care Policy template (the Policy Template) based on the template developed in 2021 for electricity retailers by a working group led by the Electricity Retailers Association of New Zealand.
10. We believe the Policy Template will facilitate early alignment by the relevant market participants and give them confidence that their processes are generally aligned with the Gas Consumer Care Guidelines at the outset. This will help avoid any significant re-work on their part following Gas Industry Co’s first survey of participants’ alignment with these Guidelines.
11. We **recommend** that Gas Industry Co amend the proposed Gas Consumer Care Guidelines and Policy Template in accordance with any changes it will decide to adopt in response to the clarifications we seek above (sections 7a to 7d of this submission). In addition to any such amendments, Gas Industry Co could consider including explanatory statements and/or practical examples of how an LPG business is expected to respond to each of these scenarios, which may have implications for the delivery of 45kg bottled LPG services to MDCs or potential MDCs.

Concluding comments

12. We are happy to discuss any aspects of this submission with Gas Industry Co, if necessary. Please contact Gillian Stannard (Head of Customer and Commercial – OnGas LPG) at Gillian.Stannard@ongas.co.nz or 07 949 7010 in the first instance.
13. No part of this submission is confidential, and we are happy for Gas Industry Co to publish it in its entirety.

Yours sincerely
For and on behalf of Vector Limited



Dr James Tipping
GM Market Strategy/Regulation