

GIC Consumer Forum – 16 October 09

Electricity domestic contracting arrangements

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Several thin, light blue curved lines are positioned in the bottom right corner of the slide, creating a decorative graphic element.

Model contracts

- Work to date involved developing
 - model domestic retail contracts – 2005 draft
 - model use of system agreements – 2005 draft
- New approach – options other than detailed model contracts may be more appropriate
- Electricity Commission and Gas Industry Co liaising closely

Regulatory context

GPS (May09)	<ul style="list-style-type: none">The Commission should ensure that the terms and conditions of contracts between domestic consumers and electricity retailers (and where applicable, contracts between domestic consumers and electricity distributors) reflect the <i>reasonable expectations of consumers</i>. [emphasis added] (<i>Para 38</i>)
Electricity Act	Regulation-making powers for the purpose of: <ul style="list-style-type: none">• providing for minimum terms and conditions in contracts between domestic consumers and electricity retailers or electricity distributors (<i>172D (1) (27)</i>)
Other	<ul style="list-style-type: none">• Consumer Guarantees Act, Commerce Act, Fair Trading Act

Overview of project

- review current status
- research relevant jurisdictions (including NZ gas sector)
- develop options and assessment framework
 - set of reasonable consumer expectations
 - broad spectrum of options to deliver these
 - case for Electricity Commission action
- assess options to determine preferred approach
- prepare issues and options paper for Advisory Group and Board consideration

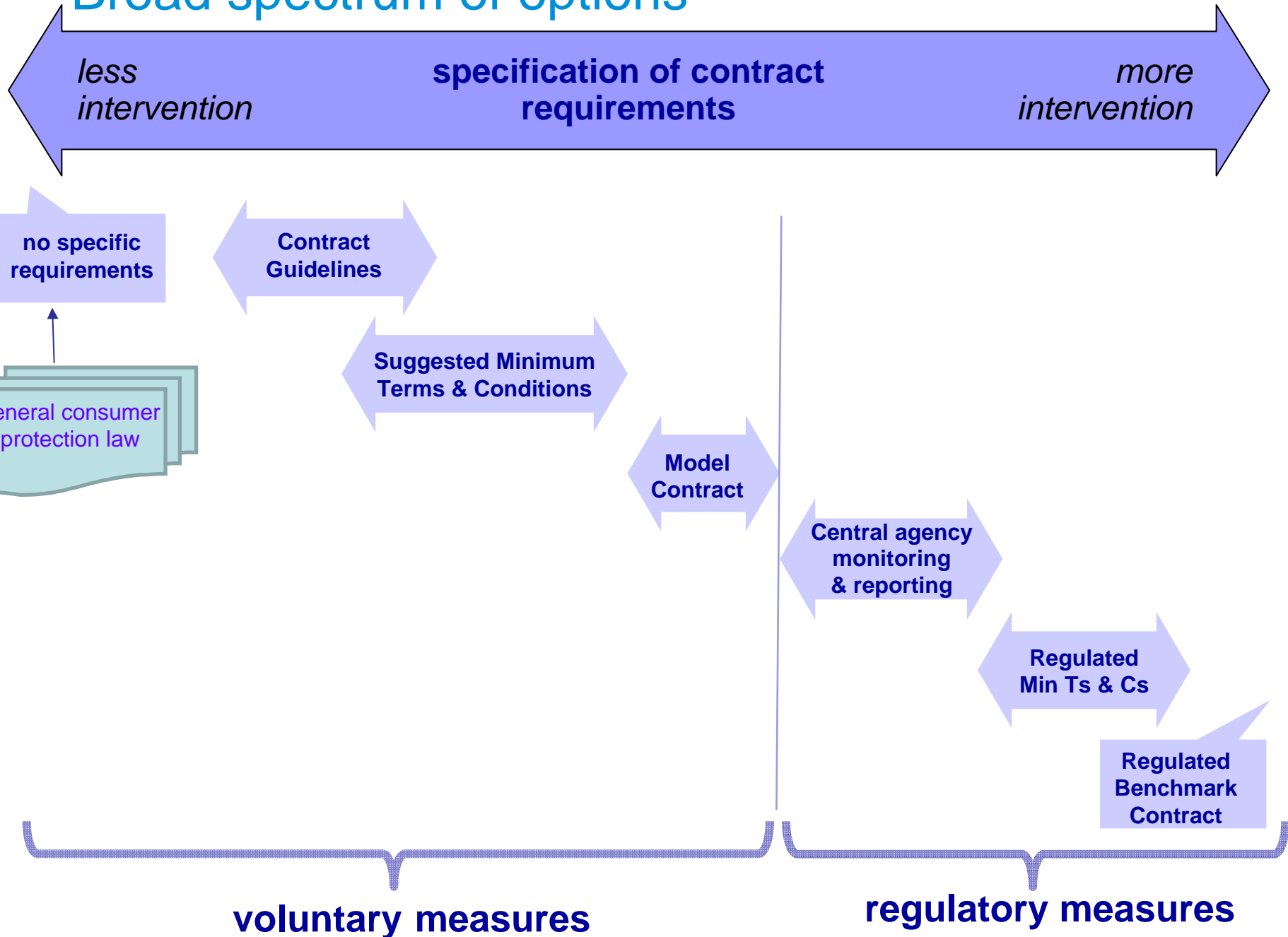
Consultation with stakeholders will follow
Commission Board consideration

Draft set of consumer expectations

Broad area of concern
Meaningful Choice
Connections & Disconnections
Electricity Supply & Related Services
Contractual Terms & Conditions
Costs
Billing & Payment
Treatment by the Supplier
Access to Premises
Access to Remedies

Domestic contracts
not necessarily
appropriate for
addressing all
consumer
expectations

Broad spectrum of options



Summary of current progress

- Set of 22 reasonable consumer expectations developed
 - modelled on GIC set
 - some additions around access to premises
- Options discussed with Retail and Consumer Advisory Group, and with Commission Board
- Preferred approach determined
- Sample minimum terms developed for three expectations – complete set to be developed by December

Working with GIC

- GIC proposals more advanced
- Submissions provide useful source of info
- Close alignment is desirable
- But, different drivers for intervention
- Resulting minimum terms may be different in some areas (more/less prescription etc)
- Regulated approach not preferred by Commission at this stage, but feedback on this issue useful

Questions

