



14 August 2014

To: Members and stakeholders

Consultation on EGCC Scheme document 2014 – LPG in cylinders Open letter to submitters

Thank you for your submission

The Board of the Electricity and Gas Complaints Commissioner Scheme thanks all those who submitted comments on the Board's proposed changes to the EGCC Scheme document.

The Board consulted on proposed amendments to the Scheme document in July 2014 and received 7 submissions. The Board has considered the submissions and agreed on which changes to endorse.

LPG in cylinders – the Board's approach

The Board has approved a 1 October 2014 effective date. The Commissioner's office will work with new and existing members between now and 1 October to make the transition as smooth as possible.

The Board acknowledges the view of some submitters that an effective date of 1 October will allow more time for existing and new members to adjust their processes to align with the Scheme's requirements. The Board has considered this in light of the requirement that all retailers of LPG in cylinders (unless exempt) need to belong to an approved disputes resolution scheme and a failure to do so is in breach of the Gas Act 1992.

On levies, the Board will use the pro-rata arrangement set out in clause D.12 of the Scheme document. This acknowledges the concerns of stakeholders that levies for complaints about LPG in cylinders need to be apportioned fairly. This means retailers of LPG in cylinders joining the Scheme will pay a pro-rata levy for the balance of the financial year.


The Board is satisfied the existing provisions for calculating levies will work effectively for LPG in cylinders. The Scheme already has members whose customers do not have ICPs on either the electricity or gas registries. The Board uses clause D.9.5 to obtain the number of customers at a point of time, which is then used to calculate the proportionate levy. The Board believes this addresses the concerns of some submitters that the existing provisions for calculating levies will not work for LPG in cylinders because there is no applicable ICP-based registry for LPG in cylinders.

What happens next?

The Board has given notice of the proposed changes to the responsible Minister, Consumer Affairs Minister, the Hon Craig Foss, and to EGCC members. The Minister has 45 working days to decline the proposed changes. If no response is received within that time frame, the changes are deemed to have been approved.

Subject to the Minister's approval, the changes to the Scheme document will be effective from 1 October 2014.

Yours sincerely

A handwritten signature in black ink that reads "Heather Roy". The signature is written in a cursive style with a large, prominent 'R' at the end.

Hon Heather Roy
Chair
Board of the Electricity and Gas Complaints Commissioner Scheme