



**Independent 5-year review of Utilities Disputes Limited**

**Recommendations from the review and other proposed changes**

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**Consultation paper for levies and bulk membership option**

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11 December 2018

James Blake-Palmer  
Manager Stakeholder Engagement  
Utilities Disputes Limited  
PO Box 5875  
Wellington 6140

By email: [submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz)

Dear James

**Contact Energy Submission on the Consultation paper for levies and bulk membership option.**

Thank you for the opportunity to comment on the Utilities Disputes Limited's (Utilities Disputes) Consultation paper for levies and bulk membership options. Contact Energy's response to the specific questions are provided in the attached template.

Contact Energy supports Utilities Disputes to provide a high quality, free and independent dispute resolution service to resolve complaints for consumers. Contact Energy pays a considerable amount in levies and recommends they should be easy to apply and continue to support Utilities Disputes commitment to an efficient and transparent business model that provides value for money for all.

Please contact us if you have any questions about our response,

Yours sincerely

A handwritten signature in blue ink, appearing to read "M. Hassall".

Merinda-Lee Hassall  
**Senior Regulatory Advisor**

## Independent 5-year review of Utilities Disputes Limited.

### Appendix 1 – Questions for submitters: Contact Energy response

Principle/Area of document	#	Question	Submitter's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.	<p>Contact disagrees with the Board's view to retain a day count trigger for levies as the current levy does not provide any incentive to resolve cases efficiently and quickly. Contact recommends that the levy structure should be designed to account for the actual time worked on cases. This would provide transparency and ensure clear accountability for the number of hours worked.</p> <p>Contact recommends that the stepped nature of the levy system does not encourage efficiency as the longer a case takes to resolve, the higher the levy. A simple one-level approach would remove member concerns with regards to cost escalation over time.</p>
Fee for jurisdiction challenges	2	Do you agree with the Board's intention not to proceed with a fee for jurisdiction challenges?	Agree
Complainant's engagement delaying the complaints process	3	How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?	N/A

Deadlock fee	4	<p>How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock?</p> <ul style="list-style-type: none"> <li>• Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> <li>• Public reporting of complaints Utilities Disputes received at deadlock.</li> </ul>	<p><u>Charging a fee</u> - Contact considers that the current levy structure is a significant cost on members and that any additional fees for complaints reaching Utilities Disputes at deadlock would result in further costs to consumers. The majority of the levy is calculated through market share rather than through variable costs of time taken for resolving complaints or the number of complaints and therefore Contact would encourage the Utilities Disputes to consider alternative options rather than additional fees.</p> <p>Contact uses the service very little (6 cases as per UDL’s previous annual report) despite paying a considerable amount in levies (\$424k per annum). If the fixed element covers all the costs incurred by Utilities Disputes other than the individual complaints there still needs to be incentives for Utilities Disputes to ensure that it operates an efficient model that provides high quality service for complainants and members.</p> <p><u>Removing the period</u> - Contact advises that the period between a deadlock check and a file being accepted for consideration by Utilities Disputes is a helpful window of opportunity that allows both parties to openly discuss options and potentially resolve issues in a time and cost effective manner. The short time period currently available benefits all parties so we would recommend that this is retained.</p> <p><u>Public reporting</u> – Since 2012 the Utilities Disputes has published the number of complaints reaching deadlock per provider in its ‘Six monthly report on electricity and gas complaints statistics report’ and the Annual Report. Contact supports Utilities Disputes commitment to transparency and considers that the current public reporting of complaints received at deadlock is a reasonable alternative to a fee. The number of publicly reported cases is very small which provides good evidence that the industry is already working well for consumers.</p>
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Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	Yes.
Transpower and First Gas levies	6	<p>Do you agree with Transpower and First Gas' levies being increased:</p> <ul style="list-style-type: none"> <li>• on the same basis as every other network provider going forward?</li> <li>• initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	Yes, we agree with the 2017 Independent Review of Utilities Disputes that the levy arrangements for Transpower and First Gas should be revisited as other members are effectively subsidising their contribution and the voluntary member basis on which they joined the scheme is no longer justified
Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	Yes.



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## 1. Appendix 1 – Questions for submitters<sup>1</sup>

Principle/Area of document	#	Question	Submitter's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.	Yes
Fee for jurisdiction challenges	2	Do you agree with the Board's intention not to proceed with a fee for jurisdiction challenges?	Yes
Complainant's engagement delaying the complaints process	3	How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?	Sufficiently adequate
Deadlock fee	4	<p>How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock?</p> <ul style="list-style-type: none"> <li>Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a</li> </ul>	<p>Adequately</p> <p>Yes – encourages resolution</p>

<sup>1</sup> Submissions are welcome across the range of matters addressed by this consultation paper and the associated background paper and are not limited to these questions specifically.

		<p>certain number of complaints reach Utilities Disputes at deadlock</p> <ul style="list-style-type: none"> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> <li>• Public reporting of complaints Utilities Disputes received at deadlock.</li> </ul>	<p>Yes – sufficient</p> <p>This should be done</p>
Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	No – it should be much higher (to be determine)
Transpower and First Gas levies	6	<p>Do you agree with Transpower and First Gas' levies being increased:</p> <ul style="list-style-type: none"> <li>• on the same basis as every other network provider going forward?</li> <li>• initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	Yes and yes



Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	No
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12 December 2018

Paul Moreno  
Utilities Disputes Limited  
PO Box 5875  
WELLINGTON 6140

Sent via email: [submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz)

Dear Paul

## Utilities Disputes' levies and bulk membership options

First Gas Limited welcomes the opportunity to comment on Utilities Disputes' *Consultation paper for levies and bulk membership option*<sup>1</sup> released on 21 November 2018. Our submission focuses solely on the proposal under 9(f) to increase both First Gas (transmission) and Transpower's levy contributions.

### First Gas supports intent of Utility Disputes scheme

First Gas supports the aims of Utility Disputes Limited and the energy complaints scheme (the Scheme). We consider that it provides a key function for the energy sector, providing a free dispute resolution service independent of the industry participants. The Scheme provides a useful and accessible avenue for customers to seek redress within the jurisdictional boundaries of the Scheme.

In principle, we agree that all participants should fund the Scheme to the extent they, and their customers, benefit. We support the proposal that all participants of the Scheme contribute a minimum of fifty dollars annually.

### Proposal fails to recognise the different role of transmission businesses in the scheme

We are concerned that the consultation paper does not sufficiently recognise the differences between transmission and distribution businesses. Whilst the consultation paper acknowledges differences between transmission and distribution<sup>1</sup>, it then proposes to treat both sectors the same by applying the same percentage increase in levies to each.

There are clear differences between gas transmission and gas distribution businesses in the types of customers served, contractual arrangements, and potentially the types of claims each business will be involved in. Our gas transmission business does not typically receive complaints. If it was to do so, we expect they would be considered in light of the contractual terms of our transmission access codes,<sup>2</sup> and are likely to fall outside of the jurisdictional cap specified in the Scheme.

As our transmission business is unique and our customers (and their complaints) are different from gas distribution businesses, it is unclear how Utility Disputes are linking the costs of service to be the same (i.e. that we should see our costs increase at the same rate as distribution). We note that while the costs of Utility Disputes Limited have increased over time, the level of service provided to transmission customers has not.

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<sup>1</sup> Consultation paper, page 10

<sup>2</sup> Currently the Maui Pipeline Operating Code (Code) and the Vector Transmission Code (VTC).

## **Insufficient information provided to justify the proposal**

We have strong concerns that insufficient information has been provided to justify the proposed change to how the levy is determined for our transmission business and Transpower. We consider that it is unhelpful to refer to the transmission levies as a “sweetheart” deal, without providing background information to prove that assertion. In addition, there is no evidence presented to support the findings in the Queen Margaret University review that transmission is not appropriately funding the Scheme. Given the level of service provided to our consumers we consider that, if anything, we may be cross-subsidising the other participants in the Scheme.

Whilst we agree that the levy funding should be reviewed from time to time, we do not consider that sufficient evidence or rationale has been provided for increasing the transmission levy or changing the basis on which it is determined each year. We recommend that Utilities Disputes review this proposal and present further information to all participants, if they still consider the proposed increase is justified.

If you have any questions regarding this submission, please contact me on 04 979 5368 or via email at [karen.collins@firstgas.co.nz](mailto:karen.collins@firstgas.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Collins', with a long horizontal flourish extending to the right.

**Karen Collins**  
Regulatory Policy Manager



Genesis Energy Limited  
The Genesis Energy Building  
660 Great South Road  
PO Box 17-188  
Greenlane  
Auckland 1051  
New Zealand

T. 09 580 2094

12 December 2018

**Utilities Disputes Limited**

By email: [submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz)

## Recommendations from the independent 5-year review and other proposed changes – levies and bulk membership option

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Genesis Energy Limited (**Genesis**) welcomes the opportunity to provide comments to Utilities Disputes Limited (**UDL**) on the consultation paper *Recommendations from the review and other proposed changes – levies and bulk membership option (consultation paper)*.

We acknowledge UDL for taking time to consult on proposed changes to the levy structure separate to its previous consultations on broader scheme changes. This was something we requested in earlier engagement and appreciate that this feedback was taken on board.

Genesis considers incremental improvements to the levy structure in the near term will increase the effectiveness and efficiency of the scheme overall. This includes support for introducing a minimum fixed levy fee for all providers and development of a fit for purpose bulk membership option as is suggested in the consultation paper.

In our view, it is also crucial that UDL moves to add further graded levy steps as soon as possible, despite stating its intentions not to proceed with this at this time in the consultation paper. We note that adding additional fee levels was recommended in the 2017 independent review (the **review**) and we support the review's findings that this would ensure fees more accurately reflect the actual time spent on cases.

This, we believe, will drive efficiencies for both UDL (to focus on the time spent on cases) and providers (to focus on best practise complaints handling) to the benefit of all consumers served by the scheme. It will also provide the opportunity for increased transparency, which will improve confidence that the scheme is operating efficiently to meet its purpose.

In the longer term, we consider it may be worth reflecting on whether the current split of fixed and variable fees remains fit for purpose. The blunt approach of primarily deriving fees from fixed levies may dull the incentive for providers to continually strive to improve their own processes for timely and appropriate complaints resolution, which, ultimately, is not in the best interests of consumers.

We encourage UDL to take this away for further consideration as we appreciate it is not within the scope of the current consultation paper. We note that it may be worth revisiting, as did the review, as UDL undertakes future activities including driving for systemic improvement, engaging with the public or supporting complaint handling by providers.

We do however urge some caution on the scope of these future activities: at its core, UDL's purpose is to provide free and independent access to a dispute resolution service when complaints about providers have reached deadlock. We are of the view that the scheme must resist being distracted from this core purpose, or risk confusing itself, consumers and providers about the role UDL is intended to perform.

If you would like to discuss anything further, please contact me by email: [margie.mccrone@genesiseenergy.co.nz](mailto:margie.mccrone@genesiseenergy.co.nz) or by phone: 09 951 9272.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. McCrone'.

Margie McCrone  
Senior Advisor – Government Relations and Regulation

## Appendix A: Responses to Consultation Questions

Principle/Area of document	#	Question	Submitter's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps?	<p>No. In our view, a more graduated fee structure is needed so that only time spent on cases counts towards the variable levy. This is in line with the review's recommendations, and we support the review's suggestion of 0-4 hours, 4-8 hours, 8-12 hours, 12-16 hours and 16+ hours tiers.</p> <p>We do not agree that the reasons provided by Board justify ignoring the review's recommendations in this case, and in fact, believe the opposite in respect of focus on the hours spent on each case. We consider that UDL should be accountable for the time it spends on all its cases, and provide transparency of the number of hours spent.</p>
Fee for jurisdiction challenges	2	Do you agree with the Board's intention not to proceed with a fee for jurisdiction challenges?	Yes.
Complainant's engagement delaying the complaints process	3	How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock?	<ul style="list-style-type: none"> <li>• Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> </ul> <p>We support this option to be a fair incentive for providers.</p> <ul style="list-style-type: none"> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> </ul> <p>We do not support this option as it seemingly removes the ability for providers to make jurisdictional challenges. This is an important part of the process, as noted by UDL in the</p>

			<p>consultation paper [jurisdiction challenges are part of natural justice]. If, presumably, the intention is not to remove the right to make jurisdiction challenges, then this option could increase the workload for UDL unnecessarily (if, for example, UDL began working on a complaint that was later successfully challenged), thereby delaying the resolution of complaints for consumers, which would be to their detriment.</p> <ul style="list-style-type: none"> <li>Public reporting of complaints Utilities Disputes received at deadlock</li> </ul> <p>We conditionally support this option, subject to UDL clarifying what it means by ‘public reporting’, and making assurances that appropriate privacy protections would be in place.</p>
Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	Yes. Over time we suggest that the \$50 figure is reviewed to ensure it remains fit for purpose.
Transpower and First Gas levies	6	Do you agree with Transpower and First Gas’ levies being increased as follows?	<ul style="list-style-type: none"> <li>on the same basis as every other network provider going forward?</li> </ul> <p>Yes. We consider this increase should then reflect a decrease across the board for the cost to support the scheme so that there are minimal cost impacts for consumers.</p> <ul style="list-style-type: none"> <li>initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul> <p>Yes.</p>
Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	Yes. We consider this is a reasonable suggestion, provided there are clear parameters as to what providers qualify for bulk membership. In our view, development of a fit for purpose bulk membership option will ensure more consumers have access to independent dispute resolution, which achieves UDL’s core purpose.

12 December 2018  
Utilities Disputes  
Wellington

By email: [submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz);

### Consultation Paper – Independent Review – Round 1

Mercury welcomes the opportunity to comment on the Utilities Disputes Boards consultation relating to the five yearly independent review.

Mercury is an electricity generator and retailer providing energy services to homes, businesses and industrial customers throughout New Zealand. We have a long heritage in renewable energy in New Zealand serving about 1-in-5 homes and businesses under the Mercury brand and other specialty brands. We also have proven capability and technical expertise in smart metering services and solar. Our goal is to be the leading energy brand in New Zealand, inspiring our customers, owners and partners by delivering value, innovation and outstanding experiences.

If you have any questions on the above submission please Andrew Robertson, Regulatory and Compliance Strategist 09 308 8276 or [andrew.robertson@mercury.co.nz](mailto:andrew.robertson@mercury.co.nz)

Yours sincerely

Bruce Coetzee  
Customer Care Manager





## Appendix 1 – Mercury responses to consultation questions

Principle/Area of document	#	Question	Submitter's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.	Currently Mercury supports the proposal not to add any further graded levy steps. Mercury notes that the independent review observed that this is a separate matter to levy setting for cost recovery however without a clear view as to how the complexity of recording the gradients will be dealt with, or how the new levies will be structured Mercury does not support changing the current structure. Mercury would suggest if there was significant interest from other parties for a change that indicative pricing of the graduated steps and any administrative changes outlined be further consulted on.
Fee for jurisdiction challenges	2	Do you agree with the Board's intention not to proceed with a fee for jurisdiction challenges?	Mercury supports this proposal not to proceed with a fee.
Complainant's engagement delaying the complaints process	3	How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?	Mercury does not think they are adequate. Despite UDL advising they have processes in place, Mercury re-iterates other parties' views that participants are unfairly disadvantaged when complainants don't respond in a timely manner.
Deadlock fee	4	<p>How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock?</p> <ul style="list-style-type: none"> <li>• Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin</li> </ul>	<p>We do not support this proposal. This will disadvantage retailers who have more customers and give smaller participants an unfair cross subsidisation towards their fees.</p> <p>Mercury does not agree with this as often this referral process is a prompt for the customer (not necessarily the scheme participant) to reconsider an appropriate resolution. Mercury has also observed that the information provided to UDL by the customer does not always match the information the retailer has to hand – sometimes there is new information, or existing information is cast in a different light – and re-examining this information can lead to a resolution. This includes cases where the customer may state they have complained to a retailer where they in fact have not</p>



		<p>investigating a deadlocked file immediately</p> <ul style="list-style-type: none"> <li>Public reporting of complaints Utilities Disputes received at deadlock.</li> </ul>	<p>done so. Dates of complaints can be inaccurate where the complaint is in fact still within the 20 days process. This proposal also appears to deplete the providers right to challenge jurisdiction. Ultimately this will result in less complaints being resolved before reaching deadlock where the primary aim of the scheme is to reduce complaints reaching deadlock.</p> <p>In principal Mercury supports publication of complaints however we need to understand the process further, what will be reported and how this will ensure appropriate privacy protections are maintained. We also consider that complaint numbers (where reported) need to be in context of market share and other relevant factors.</p>
Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	Mercury supports the proposal for a minimum fixed levy however would suggest that the minimum levy be assessed at a regular period to ensure cost reflectivity.
Transpower and First Gas levies	6	<p>Do you agree with Transpower and First Gas' levies being increased:</p> <ul style="list-style-type: none"> <li>on the same basis as every other network provider going forward?</li> <li>initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	Mercury supports both proposals
Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	<p>At this stage Mercury does not support this proposal as it doesn't appear to provide a level playing field for all scheme participants. If this was to occur, fees for individuals under a bulk scheme should be on the same basis as those members joined as individuals to ensure there is no cross subsidisation.</p> <p>An additional consideration would need to be made around public reporting under a bulk scheme.</p>





meridian

12 December 2018

James Blake-Palmer / Paul Moreno  
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PO Box 5875  
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[submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz)

Dear James and Paul

**Consultation paper for levies and bulk membership option**

Meridian and Powershop's submission is attached.

Please contact me if you have any questions.

Yours sincerely

**Jason Woolley**  
**Regulatory Affairs Manager**



meridian

**APPENDIX**

Principle/Area of document	#	Question	Submitter's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.	<p>No. Meridian and Powershop submitted previously that there was merit in a more graduated levy system. We are still of this view.</p> <p>Currently (as we understand it) UDL applies a \$500 complaint levy for each deadlocked complaint accepted for consideration. This increases to:</p> <ul style="list-style-type: none"> <li>- \$1000 (i.e. a further \$500) after 8 hours of UDL time have been applied in trying to resolve the complaint or 20 working days have elapsed since the complaint was accepted (whichever comes first); and</li> <li>- \$2,000 (i.e. a further \$1,000 again) after 16 hours of UDL time have been applied in trying to resolve the complaint or 40 working days have elapsed since the complaint was accepted (whichever comes first).</li> </ul> <p>In our submission of 3 April 2018 we suggested a more graduated scale of levies should be adopted along the following lines:</p> <ul style="list-style-type: none"> <li>- First 4 hours or 10 days \$250</li> <li>- Second 4 hours or 10 days \$250 (i.e. the all up cost to the provider is \$500)</li> <li>- Third 4 hours or 10 days \$250 (i.e. the all up cost to the provider is \$750)</li> <li>- Fourth 4 hours or 10 days an additional \$250 (i.e. the all up cost to the provider is \$1,000)</li> </ul>

			<p>- After that an additional \$1,000 (i.e. the all up cost to the provider is \$2,000).</p> <p>This would ensure there was a closer match between the actual time spent on a case and the levy imposed on the provider – this is fairer to the provider and fairer as between providers. Under the current system if, say, two providers each have 20 cases go to deadlock in a year and the first provider’s cases all end up being resolved under 2 hours, whereas the second provider’s cases take three to four times as long and end up being resolved after 6 - 8 hours, the variable levies paid by both will be the same, namely \$10,000 (ignoring for present purposes the day count or at least assuming it is the same for both providers). Yet the actual amount of UDL time taken up by the second provider’s complaints is 3 to 4 times as much – a total of somewhere between 120 and 160 hours (3 to 4 weeks or more of UDL conciliator time) versus 40 hours (or 1 week of UDL conciliator time) for the first provider.</p> <p>The Consultation Paper dismisses the idea of more graduated steps as “unnecessary complexity.” No explanation is provided as to why the UDL Board has formed this view. Given that the Consultation Paper acknowledges that “many submitters” wanted a more graduated fee structure we suggest that it would be helpful for UDL to provide a fuller explanation of why it thinks such a fee structure is a bad idea.</p> <p>The Consultation Paper also notes that a “strong external focus on the hours spent for each case would detract from achieving service quality.” We do not agree that this is necessarily the case. There are many professions who produce very high service quality who keep a very accurate track of the time they spend on matters – in some cases down to much smaller units of time than the nearest hour. It is not obvious that UDL’s work will suffer if it has to do the same.</p>
Fee for jurisdiction challenges	2	Do you agree with the Board’s intention not to proceed with a fee for jurisdiction challenges?	Yes, although if significant staff time becomes taken up by such challenges again this could be a problem. We wonder if UDL should give itself a discretion to charge a fee for novel jurisdiction challenges that will potentially take up significant staff time? This would seem a more practical half-way house than ruling out fees for jurisdiction challenges completely.
Complainant’s	3	How adequate are the current	We believe the current measures are adequate.

engagement delaying the complaints process		measures used by Utilities Disputes for managing a lack of complainant engagement?	
Deadlock fee	4	<p>How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock?</p> <ul style="list-style-type: none"> <li>• Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> <li>• Public reporting of complaints Utilities Disputes received at</li> </ul>	<p>Meridian and Powershop believe that every case reaching Utilities Disputes at deadlock should incur a fee of \$50 to \$100 but that UDL should nevertheless still give providers one last chance to resolve a complaint before it attracts further fees.</p> <p>We believe that a fee is preferable to any of the alternatives referred to opposite. However if required to choose from the alternatives presented we prefer the third – public reporting.</p>

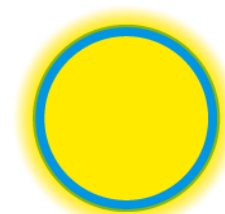
		deadlock.	
Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	Yes.
Transpower and First Gas levies	6	<p>Do you agree with Transpower and First Gas' levies being increased:</p> <ul style="list-style-type: none"> <li>• on the same basis as every other network provider going forward?</li> <li>• initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	Yes.
Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	Meridian and Powershop do not have strong views on this proposal but are concerned that it could be open to abuse as a means for smaller providers to somehow avoid their obligations to register with UDL. We are also unsure as to how this proposal is consistent with legislation which requires individual providers to be members of the approved dispute resolution scheme.

12 December 2018

Utilities Disputes Limited  
PO Box 5875  
WELLINGTON

**Via email:** [submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz)

**POWERCO**



Dear Sir/Madam

**Powerco submission on the levy recommendations from the five-year independent review and bulk membership options**

Powerco welcomes the opportunity to comment on the Utilities Disputes Ltd (UDL) consultation on the levy related recommendations from the five-year independent review.

We support the proposed amendments.

Appendix 1 includes our responses to the UDL's consultation questions. If you wish to discuss our submission, please contact Nathan Hill ([Nathan.Hill@powerco.co.nz](mailto:Nathan.Hill@powerco.co.nz)).

Yours sincerely

Stuart Marshall

General Manager Regulation and Commercial



## Appendix 1 – Questions for submitters

Principle/Area of document	#	Question	Submitter's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.	Agree
Fee for jurisdiction challenges	2	Do you agree with the Board's intention not to proceed with a fee for jurisdiction challenges?	Agree, it is important to be able to challenge jurisdiction without any disincentives
Complainant's engagement delaying the complaints process	3	How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?	We agree the measures Utilities Disputes already use are adequate for managing a complainant's engagement
Deadlock fee	4	How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock? <ul style="list-style-type: none"> <li>• Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> <li>• Public reporting of complaints Utilities Disputes received at deadlock.</li> </ul>	We support a small fee for complaints after a certain number per year (bullet point one)
Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	Agree
Transpower and First Gas levies	6	Do you agree with Transpower and First Gas' levies being increased:	Agree

		<ul style="list-style-type: none"> <li>• on the same basis as every other network provider going forward?</li> <li>• initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	
Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	Yes

12 December 2018

Utilities Disputes Limited  
PO Box 5875  
Wellington 6140

**BY EMAIL ONLY**  
[submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz)

## **Submission on Consultation Paper for Levies and Bulk Membership Option**

1. Vocus welcomes the opportunity to engage with Utilities Disputes on the review of levies and a bulk membership option.
2. Vocus is a telecommunications and energy retailer which serves over 20,000 energy connections throughout New Zealand, under the brands Slingshot, Orcon, Vocus Communications and Switch Utilities.
3. We support the views expressed by other parties in the previous consultation rounds that Utilities Disputes must remain focused on its core purpose to provide an efficient, effective and unbiased dispute resolution service for the benefit of both consumers and service providers.
4. Vocus holds the view that to the maximum extent practical the levies charged to a member of the scheme should reflect only that member's contribution to the operational costs of Utilities Disputes.
5. Consistent with that position, we believe that variable elements of the levy structure should be based on actual hours of work performed by Utilities Disputes rather than any arbitrary measures such as number of days since deadlock, as there are many factors which can contribute to the time taken for complaints to be resolved which are oftentimes unrelated to action or inaction by the scheme member.
6. We respond to the specific questions put by Utilities Disputes in the table included in Appendix 1.

Johnathan Eele  
**General Manager Commercial and Regulatory**  
**Vocus Group**

## Appendix 1: Responses to Questions for Submitters

#	AREA OF DOCUMENT	QUESTION	RESPONSE
1	Day count trigger and more graduated scale	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.	<p>We do not agree with the Board's intentions.</p> <p>We support the structure proposed by the independent review, being the variable fee structure should be based on hours of work performed by Utilities Disputes with additional levels of granularity, and not include a day-count.</p> <p>The day count is arbitrary, and we find that a complaint can escalate to a higher tier due to delays outside of our control such as non-responsiveness from a customer. If Utilities Disputes is not required to actively engage with the customer resulting in fewer hours worked, the complaint should not incur additional costs.</p> <p>We believe that the cost based on a more granular number of hours worked would still achieve the purpose of ensuring responsiveness by a scheme member, as a lack of responsiveness would naturally require a higher level of engagement in the process by UDL and therefore higher number of hours payable.</p> <p>It would seem unlikely that a scheme member would be unreasonably slow resolving customer complaints given this would undoubtedly be considered by Utilities Disputes if they were required to make a recommendation, and we have seen in the past that Utilities Disputes has compensated customers for a lack of service from a provider.</p> <p>A focus on the hours spent on a complaint would not necessarily detract from consistent service being achieved. Monitoring of hours spent on complaints would seem to be one reasonable measure of the efficiency and consistence of complaint resolution processes, particularly if hours spent in one complaint are anomalous relative to other similar complaints.</p>

			Scheme members should be focused on achieving the best possible outcomes for customers, ensuring that issues are thoroughly investigated, and not necessarily just closing complaints as quickly as possible to “stop the clock” on costs.
2	Fee for jurisdiction challenges	Do you agree with the Board’s intention not to proceed with a fee for jurisdiction challenges?	<p>Vocus agrees with the Board’s view.</p> <p>We would be opposed to fees for jurisdiction challenges as we have not seen any evidence that scheme members have been vexatious with jurisdiction challenges. If senior staff members are spending significant time on jurisdiction challenges, it is likely that the junior staff require additional training resolving jurisdiction complaints.</p>
3	Complainant’s engagement delaying the complaints process	How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?	We refer to our response to Question 1, we support the view that levies should be based on hours of work performed by Utilities Disputes and not any other arbitrary measurements such as day counters. This would resolve most of our concerns around engagement issues.
4	Deadlock fee	<p>How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock?</p> <ul style="list-style-type: none"> <li>• Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> </ul>	<p>We would agree with a fee being applied in this scenario, so long as the fee would not apply in a scenario where the customer had not previously engaged with the scheme member prior to speaking with Utilities Disputes (i.e. not deadlocked) or otherwise confirmed out of jurisdiction.</p> <p>We would agree with an allowance or threshold before the fee applies.</p> <p>We are opposed to the Utilities Dispute beginning work on a complaint until a deadlock check confirms that a complaint is indeed at deadlock, as this unlikely to add value to customers or scheme members. We believe the current arrangement of deadlock checks is effective.</p>

		<ul style="list-style-type: none"> <li>Public reporting of complaints Utilities Disputes received at deadlock.</li> </ul>	
5	Minimum fee for membership	Do you agree with a \$50 minimum fixed levy for all providers?	<p>We agree that the current arrangements whereby some scheme members are not charged membership fees due to the fee being uneconomically low is not suitable and should change.</p> <p>The proposed \$50 minimum fee would seem to be reasonable.</p>
6	Transpower and First Gas levies	<p>Do you agree with Transpower and First Gas' levies being increased:</p> <ul style="list-style-type: none"> <li>on the same basis as every other network provider going forward?</li> </ul> <p>initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</p>	We agree that all parties should have levy increase equivalence, unless there is a particular reason that First Gas or Transpower's increases have not been equivalent to those of other similar organisations, such as if there are particular underlying cost differences which are lower.
7	Bulk membership	Do you support a bulk membership option intended for smaller providers through an industry group or association?	Vocus does not have a strong view here, other than that bulk membership should only be considered if Utilities Disputes believes that it would be more cost effective than not having the option, and that there is no degradation in service.



12 December 2018

Utilities Disputes

Wellington

By email: [submissions@utilitiesdisputes.co.nz](mailto:submissions@utilitiesdisputes.co.nz)

## Levies and bulk membership option

Transpower welcomes the opportunity to submit to the consultation paper *Levies and bulk membership option*. Our submission focuses on the proposal to increase Transpower's levy contribution.

### We support the principles of the Utilities Disputes scheme

We support the principles of the Utilities Dispute Scheme (UDS) that the scheme is *accessible, independent, fair, accountable, efficient, and effective*.<sup>1</sup>

As a transmission company with no direct interface with most end-use consumers<sup>2</sup> our basis for allocation is necessarily different from Distributors and means our levy contribution needs to be set on a different basis to Distributors or other providers. We reject the suggestion our contribution is a 'sweetheart deal'.

We consider the statement that "*Transpower deserves unique pricing*" (which we agree with) is inconsistent with the conclusion "*however...changes to Transpower...levies should be on the same basis as every other provider*" (page 10).

Unfortunately, the paper presents

- no information about what the Scheme is proposing we pay nor how that compares against the total levy sought
- insufficient information for us to be able to reasonably estimate our contribution going forward.

We don't support the Scheme's proposals with respect to transmission and are concerned that the consultation information is not sufficiently transparent for our engagement to be meaningful. However, we would be happy to meet to discuss the basis for any contribution increase.

We respond to question 6 below.

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<sup>1</sup> Electricity Industry Act 2010 Schedule 4 clause 1

<sup>2</sup> We have some large industrial consumers connected to the grid.

**Transpower response to question 6.**

Question	Response
<p><b>6. Do you agree with Transpower and First Gas levies being increased:</b></p> <ul style="list-style-type: none"><li>• On the same basis as every other network provider going forward</li><li>• Initially from the 2018 – 2019 levy to match what they would have been if their increases had been at the same rate as every other provider since 2011.</li></ul>	<p>No to both proposals. As a transmission company with no direct interface with most end-use consumers our basis for allocation is necessarily different from Distributors and means our levy contribution needs to be set on a different basis to distributors or other providers.</p> <p>The paper presents</p> <ul style="list-style-type: none"><li>• no information about what the Scheme is proposing we pay nor how that compares against the total levy sought</li><li>• insufficient information for us to be able to reasonably estimate our contribution going forward.</li></ul> <p>We would be happy to meet to discuss the basis for any contribution increase.</p>

Please contact me on 021 2425293 with any questions about this submission.

Yours sincerely



Micky Cave

**Senior Regulatory Analyst**





12 December 2018

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## TRUSTPOWER SUBMISSION: INDEPENDENT 5-YEAR REVIEW OF UTILITIES DISPUTES LTD CONSULTATION PAPER FOR LEVIES AND BULK MEMBERSHIP OPTION

### Introduction and overview

#### 1.1 Introduction

1.1.1 Trustpower Limited (**Trustpower**) welcomes the opportunity to provide a submission to the Utilities Disputes Board (**the Board**) on its *Levy and bulk membership option* consultation paper (**the Paper**).

1.1.2 The Board explains they have received enough evidence from previous submissions to those two rounds of consultations to warrant a further consultation on the levy system. Within the latest Paper the Board:

- a) welcomes views on its proposed approach to the review's levy recommendations;
- b) welcomes views on the information contained in the consultation paper; and
- c) advises stakeholders to use this opportunity to provide further relevant factual information on proposed changes.

#### 1.2 Overview

1.2.1 We agree in principle with the majority of the proposals put forward by the Board in the Consultation paper.

1.2.2 Answers to the specific questions posed in the Consultation Paper are attached in Appendix A.

Please contact me on 021 681 206 if you have any questions,

Regards,

**Claudia Vianello**

Advisor – Strategy & Regulation

## Appendix A: Responses to consultation questions

Question	Response
<p>1. Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.</p>	<p>1.1 We previously submitted that we think the current system in general terms is appropriate (having a split between fixed and variable fees) but that we would welcome the opportunity to compare and contrast the current system against a detailed alternative.</p> <p>1.2 We welcome further details as to the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.</p> <p>1.3 Specifically:</p> <ul style="list-style-type: none"> <li>a) there is not enough detailed information provided on what an alternative graded step system would look like, and</li> <li>b) there is no detailed information provided on which alternatives the Board has considered.</li> </ul> <p>1.4 We understand the status quo is a graded step system. However, we would like to know what possible alternatives might look like so that we can make an information decision as to whether retaining the status quo is preferred to a different approach.</p>
<p>2. Do you agree with the Board's intention not to proceed with a fee for jurisdiction challenges?</p>	<p>2.1 Yes.</p>
<p>3. How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?</p>	<p>3.1 We agree the current measures are adequate and no changes are needed. However;</p> <ul style="list-style-type: none"> <li>a) we are of the view factors outside our control (such as when a complainant delays response to UDL) should not be factored into levies, and</li> <li>b) we believe complainants should always have specified response times.</li> </ul>
<p>4. How well do the following options provide an alternative to a fee for</p>	<p>4.1 We are comfortable with the current arrangements.</p>

Question	Response
<p>complaints reaching Utilities Disputes at deadlock?</p> <p>a) Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</p> <p>b) Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</p> <p>c) Public reporting of complaints Utilities Disputes received at deadlock</p>	
<p>5. Do you agree with a \$50 minimum fixed levy for all providers?</p>	<p>5.1 In principle, yes.</p>
<p>6. Do you agree with Transpower and First Gas' levies being increased:</p> <ul style="list-style-type: none"> <li>• On the same basis as every other network provider going forward?</li> <li>• Initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	<p>6.1 In principle, yes.</p>

Question	Response
7. Do you support a bulk membership option intended for smaller providers through an industry group or association?	7.1 We support this approach provided detailed information is supplied as to how this bulk membership option would work. There might be a potential for misuse by smaller providers.

12 December 2018

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## **CONSULTATION PAPER FOR LEVIES AND BULK MEMBERSHIP OPTION**

Unison welcomes the opportunity to provide a submission to Utilities Disputes Limited (UDL) on its proposals to amend the Energy Complaints Scheme (the Scheme) documents to implement levy related recommendations from the 5-year review of the Scheme.

Unison agrees with previous submitters (specifically the Electricity Networks Association), that the levies for the Scheme should be practical and apply a 'user pays' principle. We agree that all scheme users should contribute to running costs, proportional to the users' use of the Scheme (the fixed cost). Additional variable costs should be applied for complaints.

We have previously expressed concern that the current levy approach is flawed. Regardless of the outcome of the complaint referral to UDL, the same costs are applied, which are usually disproportionate to the cost of the complaint. There should be a more balanced approach that encourages EDBs to challenge complaints to UDL, rather than settling to avoid a higher cost.

Unison encourages the UDL Board to consider these equitable, practical and 'user pays' factors when modelling and testing the alternative levy options.

We set out in the Appendix our responses to consultation questions that are of relevance or interest to Unison using the submission template for this consultation.

For any questions relating to this submission, please contact Amanda Watson, Senior Regulatory Affairs Advisor by phone (06) 873 9372 or email [Amanda.Watson@unison.co.nz](mailto:Amanda.Watson@unison.co.nz).

Yours sincerely,



Nathan Strong  
**GENERAL MANAGER, BUSINESS ASSURANCE**

## Appendix 1 – Questions for submitters<sup>1</sup>

Principle/Area of document	#	Question	Submitter's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps.	A more graduated scale would more accurately reflect the time and resources spent on a complaint.
Fee for jurisdiction challenges	2	Do you agree with the Board's intention not to proceed with a fee for jurisdiction challenges?	Yes.  The UDL website specifies what can be investigated. However, consideration needs to be given why there was an increase in jurisdiction challenges, and if further guidelines are needed to avoid this in the future. In addition to training provided, clear guidelines, that are well communicated to all participants and staff of the UDL, could be one method to assist in the reducing the time spent handling complaints that are ultimately determined to be outside of UDL's jurisdiction.
Complainant's engagement delaying the complaints process	3	How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?	Unison supports the ability of UDL to send a seven day letter to complainants, and suspension of a file in circumstances when work cannot proceed until a further action occurs.
Deadlock fee	4	How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock? <ul style="list-style-type: none"> <li>Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> </ul>	In principle, where actual costs are incurred in handling with a complaint, we agree that deadlock cases should incur a fee. This is consistent with a "user pay" approach. Although a variable levy should incentivise early resolution of complaints through Scheme members' internal processes, care needs to be taken that the chosen method does not encourage the adverse behaviour of encouraging a provider to settle to avoid a fee even if the complaint is without merit.  In respect, to the alternative options provided: <ul style="list-style-type: none"> <li>The charging of a fee, when a certain number of complaints reach UDL at deadlock by a</li> </ul>

<sup>1</sup> Submissions are welcome across the range of matters addressed by this consultation paper and the associated background paper and are not limited to these questions specifically.

		<ul style="list-style-type: none"> <li>Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> <li>Public reporting of complaints Utilities Disputes received at deadlock.</li> </ul>	<p>provider, is something that could be considered. However, before we comment further, more detail is needed on what is proposed.</p> <ul style="list-style-type: none"> <li>We do not agree with the removal of the period before the deadlock file is investigated. The current 24-hour period is a useful signal to all parties that a dispute can still be resolved before more time and costs are incurred.</li> <li>We do not support public naming of the parties involved in the dispute. Our concern would be that public reporting where parties are named would focus the attention on the named parties, rather than the issues under dispute. If there is public reporting of complaints where the parties are not named, clear information and context of the dispute needs to be published.</li> </ul>
Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	A minimum fee does not appear unreasonable. However, the fixed fee must reflect what is reasonable for providers that have no invoiced customers, or to date have had no complaints referred to the Scheme.
Transpower and First Gas levies	6	Do you agree with Transpower and First Gas' levies being increased: <ul style="list-style-type: none"> <li>on the same basis as every other network provider going forward?</li> <li>initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	No comment.
Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	Bulk membership for small providers is preferable to a situation where these small providers would not be part of the Scheme at all due to cost.

12 December 2018

**Hon Heather Roy**  
Independent Chair  
Utilities Disputes Limited  
Wellington

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Dear Madame Chair

**Submission on Utilities Disputes' Consultation on Levies  
and Bulk Membership Option**

This is Vector Limited's (Vector) submission on Utilities Disputes Limited's (Utilities Disputes) *Consultation paper for levies and bulk membership option*, which forms part of the five-year review of Utilities Disputes. The consultation paper was released on 21 November 2018.

We set out in the Appendix our responses to the consultation questions using the template Utilities Disputes provided for this consultation.

No part of this submission is confidential.

We are happy to discuss any aspects of this submission with managers or staff of Utilities Disputes. Vector's contact person for this submission is:

Ross Malcolm  
Manager Customer Experience  
[Ross.Malcolm@vector.co.nz](mailto:Ross.Malcolm@vector.co.nz)  
Tel: 09 978 7648

Yours sincerely  
For and on behalf of Vector Limited



**Richard Sharp**  
Head of Regulatory and Pricing



## Appendix – Questions for submitters

Principle/Area of document	#	Question	Vector's response
Day count trigger and more graduated scale	1	Do you agree with the Board's intention to retain a day count trigger for levies and not to add any further graded levy steps?	<p>Vector does not have any objection with the Board's intention to retain a day count trigger and not add any further graded levy steps. This proposal is not particularly relevant in our case, where very few complaints against Vector are resolved at level 1 or 2.</p> <p>For a quicker resolution of complaints and in support of the Scheme's objectives, we suggest that incentives be strengthened at level 1. For example, the suspension of files should be done expeditiously to avoid unnecessary fees; the earlier the suspension, the lower the cost for the relevant provider and complainant.</p> <p>In our view, there should be no additional fee where there is no level of activity, e.g. where Utilities Disputes is awaiting further information from the complainant.</p> <p>Where a complaint has been submitted for the Commissioner's consideration, we suggest that the 'clock be stopped' while the provider and complainant are awaiting the Commissioner's ruling, i.e. this period should not attract a fee. Both parties will have no control over the progress and timing of the resolution of the complaint from this point onward.</p>
Fee for jurisdiction challenges	2	Do you agree with the Board's intention not to proceed with a fee for	Yes, we agree with the Board's decision not to proceed with a fee for jurisdiction challenges.

Principle/Area of document	#	Question	Vector's response
		jurisdiction challenges?	We agree with the suggestion by some submitters that conciliators need to be more considered in sending through deadlock cases that should be outside the jurisdiction of Utilities Disputes.
Complainant's engagement delaying the complaints process	3	How adequate are the current measures used by Utilities Disputes for managing a lack of complainant engagement?	<p>The lack of engagement by a complainant is outside the control of the relevant member/service provider. We do not have visibility of the information, or further information, required by Utilities Disputes from the complainant for the complaint to be progressed.</p> <p>We suggest that the clock be stopped while Utilities Disputes is awaiting a response from a complainant who is not willing, or does not appear to be willing, to engage in the complaints process. We urge Utilities Disputes to use its suspension powers (i.e. stop the clock) in a timely manner in such cases.</p> <p>We also suggest that Utilities Disputes, if it is not already doing it, to identify the questions that can generate the type of information that is most helpful in the timely resolution of complaints. These may include, for example, the complainant's preferred method of communication and all alternative channels of communication to that complainant. Utilities Disputes can also request complainants to respond within a reasonable timeframe (e.g. 20 days) in all instances.</p> <p>We further suggest the quick closure of cases where there is sufficient basis to do so.</p>

Principle/Area of document	#	Question	Vector's response
Deadlock fee	4	<p>How well do the following options provide an alternative to a fee for complaints reaching Utilities Disputes at deadlock?</p> <ul style="list-style-type: none"> <li>• Charging a fee for complaints reaching Utilities Disputes at deadlock after a provider has a certain number of complaints reach Utilities Disputes at deadlock</li> <li>• Removing the period between a deadlock check being sent to providers and a file being accepted for consideration by Utilities Disputes, allowing Utilities Disputes to begin investigating a deadlocked file immediately</li> <li>• Public reporting of complaints Utilities Disputes received at deadlock.</li> </ul>	<p>Vector does not agree with the imposition of a deadlock fee after a provider reaches a certain number of complaints at deadlock. It adds complexity to the process and cost to the relevant provider's customers.</p> <p>In addition, the nature of complaints across providers is not similar. In Vector's case, complaints from our small customers could be more complex because the Auckland distribution network is more complex than other (or most other) networks. As the biggest distribution network in the country with the biggest customer base, it is not unreasonable to expect that the number of complaints against Vector reaching Utilities Disputes at deadlock can reach the number that attracts the proposed fee more easily than other similar providers. Alternatively, differentiated thresholds according to market share can be considered, but that would only add complexity to Utilities Disputes' operation.</p> <p>We do not agree with the removal of the 24-hour period before a deadlock check is sent to providers and a file is accepted for consideration by Utilities Disputes. This removes or weakens incentives for the service provider and complainant to make further efforts to come to a resolution. On the contrary, we believe that this period should be extended to provide more time for the parties to gather information that could 1) facilitate resolution and avoid the complaint being referred to Utilities Disputes, or 2) assist Utilities Disputes should it end up considering the complaint.</p>

Principle/Area of document	#	Question	Vector's response
Minimum fee for membership	5	Do you agree with a \$50 minimum fixed levy for all providers?	[No comment.]
Transpower and First Gas levies	6	<p>Do you agree with Transpower and First Gas' levies being increased:</p> <ul style="list-style-type: none"> <li>• on the same basis as every other network provider going forward?</li> <li>• initially from the 2018-2019 levy year to match what they would have been if their increases had been at the same rate as every other provider since 2011?</li> </ul>	<p>Yes, Vector agrees with this proposal in the interest of fairness, and on the condition that it would not result in fee increases for providers overall and therefore pass-through costs to consumers. We take the issue of energy affordability very seriously as Vector's consumer base includes many disadvantaged and vulnerable consumers.</p> <p>In relation to the application of this proposal to First Gas, we assume that it applies only to its transmission business, noting that First Gas also has a distribution business. We assume First Gas' distribution business is currently levied on the same basis as other distribution businesses.</p>
Bulk membership	7	Do you support a bulk membership option intended for smaller providers through an industry group or association?	Yes, we support a bulk membership option for smaller providers through an industry group or association provided it does not create any inefficiencies or increase cost for consumers.