

think differently



25 July 2014

Judi Jones
Electricity and Gas Complaints Commissioner
PO Box 5875,
Lambton Quay,
Wellington 6145

By email: submissions@egcomplaints.co.nz

Dear Judi

Re: Proposed amendments to the Scheme Document - LPG in cylinders

Thank you for the opportunity to provide feedback on the proposed amendments to the Scheme Document. We have responded to the specific questions raised in the attached questionnaire.

In our submission, "ICP" is not an easy fit with LPG and an assessment for the purpose of calculating levies based on number of bottles supplied, deliveries made, or total volume of LPG supplied may be more sensible.

We reiterate Nova's position on LPG: the commercial arrangements associated with supply of LPG by bottle are very simple, and the consumer has the flexibility to switch suppliers at any time. There is nothing about the supply of LPG that cannot be handled through normal consumer protection law.

Please feel free to contact me if you wish to discuss our views further.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Paul Baker".

Paul Baker
Commercial & Regulatory Advisor

pbaker@novaenergy.co.nz

Submitter: Nova Energy

Questions for submitters	Yes/ No	Comment
1. Do you agree with the Board's proposal that the Commissioner have jurisdiction to consider complaints about LPG in cylinders?	Yes	Nova acknowledges that the Commissioner has jurisdiction to consider complaints about LPG cylinders, which is founded in the Act and the current exclusion is contrary to the legislation.
2. Do you agree with the proposed changes to the definition of gas in the interpretation section?	Yes	Although accepting that the 15kg size cut-off is outside of the control of the EGCC, in Nova's view it is somewhat artificial as it excludes the larger market for refillable 9kg gas bottles which are widely distributed through gas station forecourts and hardware stores, and which are widely used in portable gas heaters inside homes. Nova expects that this discrepancy will become problematic in some respects.
3. Do you agree with the proposed effective date for considering complaints about LPG in cylinders (clause B.6.4)?	No	The timeframe is too short. Further, Nova submits that the EGCC should approach LPG complaints with some flexibility in the period immediately following the amendment to give retailers an opportunity to adopt the requirements prior to making adverse findings against retailers.
4. Do you agree with the removal of "Consumer" from clauses D.9, F.15 and F.17?	Yes	

<p>5. Do you have any other comments you would like the Board to consider about the proposed changes for LPG in cylinders?</p>		<p>We assume that the EGCC will take steps to ensure that all entities captured by the amendment become members of the Scheme to ensure that costs are shared equally among market participants in the LPG market. It would not be appropriate for electricity and gas levies to fund LPG related complaints.</p> <p>How does the EGCC propose to establish the number of customers in relation to LPG? "ICP" does not fit neatly with LPG, and relying on information from current members will not be sufficient to define the market and ensure all entities caught by the Scheme become members, and share in the costs of the Scheme. As outlined in our letter, a better approach may be volume or number of bottles supplied.</p>
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