



PO Box 6144, Marion Square
Wellington, New Zealand
Telephone 0800223340
Facsimile 0800223347
Email: info@egcomplaints.co.nz
www.egcomplaints.co.nz

6 April 2009

David Caygill
Chair
Electricity Commission

Christine Southey
Chief Executive
Gas Industry Co

By email

Dear David and Christine

Update on General Meeting and Scheme Amendment Committee meetings held 3 April 2009

We are writing to advise that voting on the proposed further amendments to the EGCC Scheme was only partly successful. This means that the further proposed changes to the EGCC Scheme to ensure the Scheme would be fully compliant with the achievement standards for a consumer complaint resolution scheme have not been made.

As you know, parts of the constitution of the EGCC Scheme can be changed by votes of Council Members at a General Meeting, and the remaining parts can be changed by a Scheme Amendment Committee.

General meeting results:

For a resolution to pass in a general meeting, support needs to be secured from 75% of the votes (allocated by the relative share of ICPs) in each member group. The two groups are the Lines Group (including Transpower) and the Retail Group.

From the Lines Group, 82.74% of those eligible to vote did so, and all supported the resolutions.

From retailers, 42.75% votes were placed in favour of the resolutions. Contact Energy voted in favour. Of the State Owned Enterprises, Meridian Energy voted in favour, while Genesis Energy, Energy Online and Mighty River Power voted against.

Scheme Amendment Committee results:

Members of the Scheme Amendment Committee were asked to vote on two resolutions:

For a resolution to pass in this committee, 10 of the 12 members of the committee must vote in favour. Both resolutions passed.

What now?

Our understanding is the vote failed to get the support of Genesis Energy for reasons other than the detail of changes put forward to meet the achievement standards. Genesis Energy's vote must be secured to pass resolutions at a General Meeting because of their relative size. You are aware of the letter that Genesis Energy has sent to the Minister of Energy which included a question about the requirement to have just one consumer complaint resolution scheme.

We have not yet been advised of the reason for Mighty River Power's vote against the resolutions.

Genesis Energy has advised us that it will be making a submission to the Electricity Commission and Gas Industry Co on 14 April. This submission may assist the industry to find a way through the issues that we all now face. If we can assist in any way with this matter, we are available to do so.

For clarity, we attach a list of the changes to the scheme rules which were proposed since we filed our application to be the approved scheme. Part A lists those changes which have not yet been agreed and Part B lists those which have been agreed.

Yours sincerely



John Robertson
Independent Chair
Electricity and Gas Complaints Council



Richard Janes
Independent Chair
Electricity and Gas Complaints Commission

Cc Karen Bradley, Electricity Commission
Bas Walker, Gas Industry Co

As at 3 April 2009

A Changes to scheme rules not yet agreed (General Meeting process)

1. Definition of gas consumer (AS1.2.4) – amending definition in the scheme rules to exactly match the definition in Gas Act 1992.
2. Changes to the scheme rules (AS7.2.1.) – amending the scheme rules to provide that changes to the constitution are to be made by a vote of four of the five EGC Commission members, following consultation with relevant stakeholders (see list in existing clause A 6.3 EGCC Constitution) and subject to notification to and approval of Electricity Commission and Gas Industry Co (as set out in the amended Achievement Standard).
3. Levies – amending the scheme rules to require the EGC Commission to also consult with the EGC Board on proposals to change the provisions on levies.
4. Voluntary codes of practice - adding to the scheme rules a deed of adoption for the codes of practice (refer paragraph B 6 below)

B Changes to scheme rules agreed to come into effect on approval of the scheme (Scheme Amendment Committee process)

1. Purpose (AS1.1.1) – amending the scheme rules to exactly match the achievement standard.
2. Referral of complaints (AS3.5.1) – amending the scheme rules to provide Commissioner with a discretion to actively refer complaints that are better dealt with elsewhere.
3. Explanation to complainants (AS4.3.2) – amending the scheme rules to require Commissioner to have contact staff explain to complainants certain elements (as identified in the Achievement Standard) of the scheme in simple terms, and to have a checklist for staff to use.
4. Non-confidentiality (AS5.2.1) – amending the scheme rules to specify reports of determinations are not confidential, unless required to be so by legislation.
5. Member compliance (AS6.1.1) – amending the scheme rules to require EGC Commission to:
 - monitor (by a variety of means, including, for example, mystery shopper surveys) member compliance with the scheme rules
 - include a report on member compliance in the annual report (this is in addition to the existing provision to report on individual breaches).
6. Voluntary codes of practice - amending the scheme rules to provide that members of the scheme may agree separately to be bound by one or more of the codes of practice (the Electricity Consumer Code of Practice, Gas Consumer Code of Practice and or the Land Code).
7. Code of conduct - amending the scheme rules to add a code of conduct (for complaint handling – to be called Schedule CC) covering the matters set out in AS1.3 to which members will be bound.