

Annual Report

2017-18



**UTILITIES
DISPUTES**
TAUTOHETOHE WHAIPAINGA





Energy

The Energy Complaints Scheme is the foundation of Utilities Disputes. Since its inception, the Scheme has evolved and expanded. This is the first year we report on the Energy Complaints Scheme separately.



Broadband Shared Property Access

In July 2017 Utilities Disputes became the approved provider of the Broadband Shared Property Access Disputes (BSPAD) Scheme, resolving disputes about access to shared property for broadband installations.



Water

On 15 January 2018 Auckland region's Watercare led the way to the creation of the Water Complaints Scheme by becoming the first water provider to join an independent dispute resolution scheme for complaints.

Contents

- Chair's message • 3
- Words from the Board • 4
- Commissioner's message • 5
- The year in numbers • 6
- Annual review • 8
- Membership group • 10
- Consumers • 12
- Energy report ● 14
- BSPAD report ● 16
- Water report ● 18
- Financial summaries • 19
- Case notes ● 20

📷 Cover photo by Rob Suisted
at Nature's Pic Images

Chair's message



Utilities Disputes can be proud of another successful year. In 2017–18 we embedded the constitutional change which gave Utilities Disputes the ability to expand. We were delighted to launch the Broadband Shared Property Access Disputes (BSPAD) Scheme and the Water Complaints Scheme, each of which stands alone from the Energy Complaints Scheme.

In accordance with the Electricity Industry Act 2010, Utilities Disputes was independently reviewed last year. This happens every five years, and the results were reported to Commerce and Consumer Affairs Minister, Hon Kris Faafoi. Utilities Disputes was found to be an effective dispute resolution scheme, meeting the benchmarks of independence, accessibility, accountability, efficiency, effectiveness and fairness. We are in good heart for an exciting future, moving beyond the resolution of individual complaints to a broader focus on preventing, educating and resolving.

Our transition board will remain in place until October 2018. I sincerely thank my fellow board members for their leadership during this period of change: independent directors Nicky Darlow and Brian McCulloch; consumer representative Major Campbell Roberts; and industry representative Greg Skelton.

Two advisory committees – for Energy and BSPAD – have been established to advise the board and provide important insight on our strategic direction. We welcome committee members and look forward to their contribution.

The Board continues to emphasise workplace health and safety, as outlined in the Health and Safety at Work Act 2015. An external review in November 2017 told us we were on the right track and suggested direction for the next year.

Future priorities for Utilities Disputes include increasing the visibility of our existing schemes, together with exploring potential schemes in the utility sector. We continue to engage with community and industry organisations, and will undertake research and analysis to inform and educate both consumers and industry.

Utilities Disputes is in a strong position to face future challenges. The Board joins me in thanking the Commissioner, Nanette Moreau, and all the staff at Utilities Disputes for their hard work, professionalism and dedication through this year of change.



Heather Roy
Independent Chair



Words from the Board



The Utilities Disputes Board is made up of an independent chair, two independent directors, one industry director and one consumer director.



Heather Roy
Independent Chair

Brian McCulloch
Independent Director

Nicky Darlow
Independent Director

Major Campbell Roberts
Consumer Director

Greg Skelton
Industry Director

"It's great to see Utilities Disputes developing its identity, and broadening its services to consumers and providers across the utilities sector."

"Utilities Disputes sorts out problems in electricity, gas, broadband shared property, and water with fairness."

"An independent dispute resolution service is important for providers. Particularly where Utilities Disputes remains fully engaged with its providers to deliver consistent outcomes, which maintains the "trusted broker" relationship. When customers get free, accurate, independent advice from an effective dispute resolution service, value is achieved across the whole community."

"Utilities Disputes provides access to justice, with a fair, free and independent dispute resolution service. We look forward to a broader focus on prevention, education, and resolution."

"Utilities Disputes won Best Organisation at the 2017 Plain English Awards. The ability of staff to simplify language and processes benefits both consumers and providers."

Commissioner's message



Prevent, Educate and Resolve

In November 2017 when we celebrated our first anniversary as Utilities Disputes, we set out in a new direction. Changing our name, from the Office of the Electricity and Gas Complaints Commissioner, initiated a fresh approach.

For 16 years we have investigated complaints about electricity and gas providers. We have built a quality disputes resolution process, a highly experienced team, and solid relationships with both industry and consumer organisations. It was time to take that foundation and to grow, expanding our service and broadening our reach.

We are delighted to have launched two new schemes in the past year, and to be providing a service that goes beyond dispute resolution. Our future focus will enable us to step out of the box and, more holistically, Prevent, Educate and Resolve.

We can now investigate complaints about broadband shared property access, and about water for Watercare customers in Auckland. The BSPAD Scheme was established in August 2017 and the Water Complaints Scheme in January 2018.

Thousands of New Zealanders can now access our free, fair and independent service for a greater range of issues. We are pleased to be working with Chorus, Watercare and their customers, and we plan to welcome other providers in future.



Beyond dispute resolution

Effective complaint management improves business practice, customer relationships, and consumer confidence. The value of customer feedback also applies to complaints, which present an opportunity for businesses to learn, improve and create positive change.

Utilities Disputes provides training and professional development opportunities for providers. The focus is on lessons learnt: how to better manage complaints and, ultimately, how to avoid them. We have received positive feedback about the difference this training has made.

We are working to raise consumer awareness about Utilities Disputes, and about the issues we deal with. We want more people to know that they can contact us when they have issues with electricity, gas, water or broadband property access. We are here to help.

In December last year we said goodbye to Deputy Commissioner Jerome Chapman, and thanked him for his contribution over 13 years. In February 2018 we warmly welcomed new Deputy Commissioner, Andrew Greig, and look forward to Andrew's leading role in our journey ahead.

I want to thank our Board Chair Heather Roy and the Board members for their guidance and encouragement, and I sincerely thank our staff for working together to deliver a quality service, and for embracing change.

Nanette Moreau | Commissioner

Total cases by scheme

5,232
Energy

94.6%

236 From
1 Oct 2017

BSPAD

4.3%

3 From
15 Jan 2018

Water

0.1%

57
Outside schemes

1%

The year in numbers While the overall number of complaints remained steady, fewer complaints required Utilities Disputes to investigate. There is a strong focus on resolving cases before they are accepted for consideration.

5,528*

Total cases

2016-17 **5,534**

2015-16 **6,596**

*Includes one indemnity dispute

3,294

Enquiries

2016-17 **3,427**

2015-16 **3,658**

2,233

Complaints

2016-17 **2,103**

2015-16 **2,938**

51

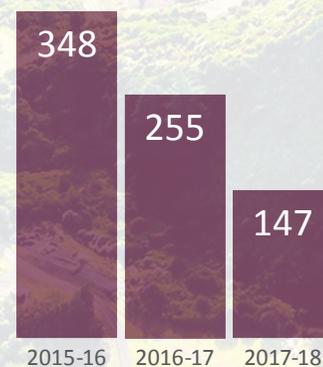
Average
working
days to
close

2016-17 **71**

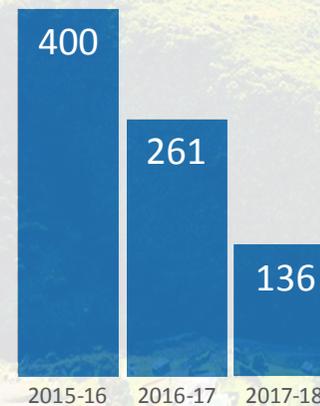
2015-16 **56**

Cases
accepted for
consideration

A complaint or dispute that has reached deadlock and been accepted for consideration



Cases
closed



The year in numbers

Outcomes of accepted cases shown as percentages

- Withdrawn
- Decisions
- Settled before decision



How people contact us

- Phone
2015-16 5,685 2016-17 4,791
- Email
2015-16 434 2016-17 469
- Website
2015-16 380 2016-17 248
- Letter - 6
2015-16 27 2016-17 16
- Fax - 2
2015-16 5 2016-17 1



Complainant satisfaction shown as percentages

When complaint resolved - Number of respondents

- At deadlock - 26
- Before Commissioner's decision - 131
- Within 20 working days - 101
- After Commissioner's decision - 8

Annual review

Quicker turnaround, expanded service, fewer deadlocks



Utilities Disputes has worked hard at turning complaint investigations around more quickly without compromising quality. We reduced the average number of days to close complaints by 20%, closing 99.3% of cases in under 180 working days, or about nine months. Three-way teleconferences from initial contact – with the complainant, the company, and our office – have considerably helped to achieve greater efficiency and timeliness.

In the last year we had 407 cases reach deadlock check, but only 147, or 35%, were accepted for consideration.* This is down from 49% for both of the last two years. This decrease was due to a greater emphasis, and more work, on resolving cases before they are accepted for consideration.

Another significant focus has been on developing knowledge within the team to service two new complaint schemes. Complaint investigations and enquiries are well underway for the BSPAD Scheme, and the more recently established Water Complaints Scheme.

External review of cases

An external review of cases was not held. Instead Utilities Disputes, as required by the Electricity Industry Act 2010, carried out an independent five-yearly review of the scheme. You can see more detail in the Energy Complaints Scheme report on page 14.

*Please see the definition of deadlock in the Energy Complaints Scheme Rules on our website.

Satisfaction and awareness



Complainant satisfaction increased in the past year. Of 131 survey respondents, 94.7% were satisfied with the complaint handling process against a target of 75%. Only nine of the 260 providers responded to our provider satisfaction survey; 55.6% of those nine providers were satisfied, and this did not meet the 75% satisfaction target. The Board acknowledges the impact of a small sample on the reliability of the results, and looks forward to providers engaging meaningfully in the survey next year.

A consumer awareness survey, conducted by market research company UMR in early 2018, highlighted low general, or ‘unprompted’ awareness, which fell from 2% to 1% for 2017–18. Prompted awareness rose from 7% to 11%. The survey highlighted an unmet need. Of the 18% of survey respondents who said they have had an issue with their electricity or gas company, 25% said they did not get the issue resolved. Extrapolated across the industry, there are possibly 100,000 unresolved issues.

Boosting awareness and accessibility will be a future focus. This will include initiatives to raise our public profile, ensuring providers and members are informing their customers about our service. We have a long way to go before we meet the performance standard of 20% unprompted awareness.

Initial results of our online survey for compliance show there are issues with providers and members not meeting requirements. The Board has adopted a more streamlined approach to compliance for next year to reflect the diversity of the membership group.

Annual review: performance

Scheme requirement	Standard	Performance
 Time to close	>45% deadlock cases closed in 30 working days >75% deadlock cases closed in 90 working days Scheme complaints closed in 60 working days	Met – 47.8% Met – 87.5% Met – 100% closed – five complaints, four not substantiated, and one comment
 Cost per case	Budget \$656	Met – \$640.89
 Provider satisfaction	75% of providers were satisfied with the overall complaint handling process	Not met – 55.6% (Sample of nine providers, Energy Scheme only)
 Complainant satisfaction	75% of complainants were satisfied or more with the complaint handling process	Met – 94.7% (Sample of 131 complainants)
 Awareness and accessibility	20% unprompted recognition in general awareness survey – to be measured in 2017–18	Not met – UMR survey results completed – 3% unprompted awareness of EGCC and 1% unprompted awareness of Utilities Disputes
 Compliance reporting complete, accurate and on time	Board to receive compliance reporting complete, accurate and on time	Met – Board receives periodical compliance reports
 External review of cases	Five-yearly independent review as required by the Electricity Industry Act 2010	Report issued 31 May 2017, available on our website

Membership group

Here's how we interact with our membership group, which includes energy and water providers, as well as BSPAD members.

260
members



258
Energy



1
BSPAD



1
Water

Adding value through reporting

This year we have reviewed our approach to reporting. We wanted to share greater analysis of trends, causes of complaints and systemic issues across the utilities sector. Our goal? To meet the Board's aim of being New Zealand's trusted dispute resolution organisation.



First step

We worked with the **Government Centre for Dispute Resolution** to figure out what we needed to meet the Board's aim. We also sought input from our internal team and membership group.

Results so far

Monthly reports give more timely information about cases and work related to each provider and member. For example, we now include information about the issues people complain about, the average lifespan of a case, and, where possible, initial or final outcomes.

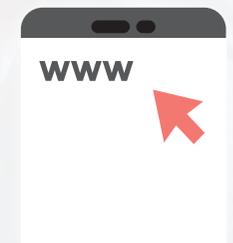
Webinars

We're working magic with monthly webinars. Our talented team created and presented topics such as dispute resolution techniques, deadlock and jurisdiction challenges, along with plain English. Our attendance numbers are up, but it's hard to know exactly how many people participated. Anecdotal evidence suggests where one person has logged in, there may be anything from one to 30 people watching.



Public private partnership

We offer both public and private access to our website. This lets the membership group see resources available to the public, and also access information specifically for them.



Membership group

Annual Forum

The 2017 Annual Forum theme was **Sharing knowledge, developing skills**. **New Zealand Transport Agency** spoke about its electric vehicle programme, and **Consumer NZ** presented on the *Energy retailers – what consumers think* survey. We also ran a half-day dispute resolution workshop. Feedback from the membership group told us holding one large forum was better than two smaller ones because it meant more interaction with a wider industry group.



“I liked the World Café and Moira’s workshop session, a practical way to improve resolution skills. The information in these sessions provided knowledge for us to improve what we do”

Workshopping

In the past year the membership group asked for more training, so we added two experienced senior conciliators to the training team to meet demand.



“It was really great to have more people in the room, so much better for networking and sharing common experiences”

133 people from the membership group attended dispute resolution workshops

70 people from non-membership groups attended external dispute resolution workshops

Utilities Disputes Update

Our bi-monthly newsletter **Update** helps inform the membership group about important news, as well as compliance issues. There's also the cartoons by the artist sometimes known as Anna.



Induction online

This year we ran our induction sessions by webinar on the **Zoom** platform – five one-hour sessions held over five weeks. The one-click platform is easy to use, allowing participants to interact with presenters live, or download later and watch in their own time.



“What did I like most about induction? I loved it was broken down to one-hour sessions and I didn't have to take a day off work to attend”

Consumers

Giving more New Zealanders greater access to our free and independent service is an important part of our work with consumers. We share our understanding of consumer issues with regulators and other government organisations at home. We're also actively involved in the **Australian and New Zealand Ombudsman Association** so we're up to speed on broad regional consumer trends.

Playing the field

Reaching out to community groups is something we're passionate about.

- We visited one of our highest sources of referral, the **Citizens Advice Bureau**, **15 times** in locations all over the country.
- Staff members talked about our work and experience at **two Consumer Rights Days**.
- Frontline conciliators dropped in on **50 community organisations** to distribute fact sheets and meet the wonderful people at the interface with local communities.
- The communications team sent our quarterly **Switched On** newsletter, full of practical tips and links, to consumer groups.
- We listed Utilities Disputes in the **Family Services directory**, a portal for services in the community, run by the **Ministry of Social Development**.
- **Super Seniors**, a government organisation providing information to older New Zealanders, published an article about Utilities Disputes, letting them know how we can help.
- Radio show hosts interviewed the Commissioner, Nanette Moreau, for three programmes on the **Radio New Zealand network**.



To increase awareness, we regularly post news and information on our **Facebook** page.



We use **LinkedIn** to share professional updates and advertise staff vacancies.



We've got video content on our **YouTube** channel for community organisations, and we want to develop more web-based content in the coming year.



Neighbourly is where we let people know when we're visiting their hood at libraries, community centres or local halls.

Consumers

Easy access

Making accessibility a priority, we lead the field in removing barriers to our service.

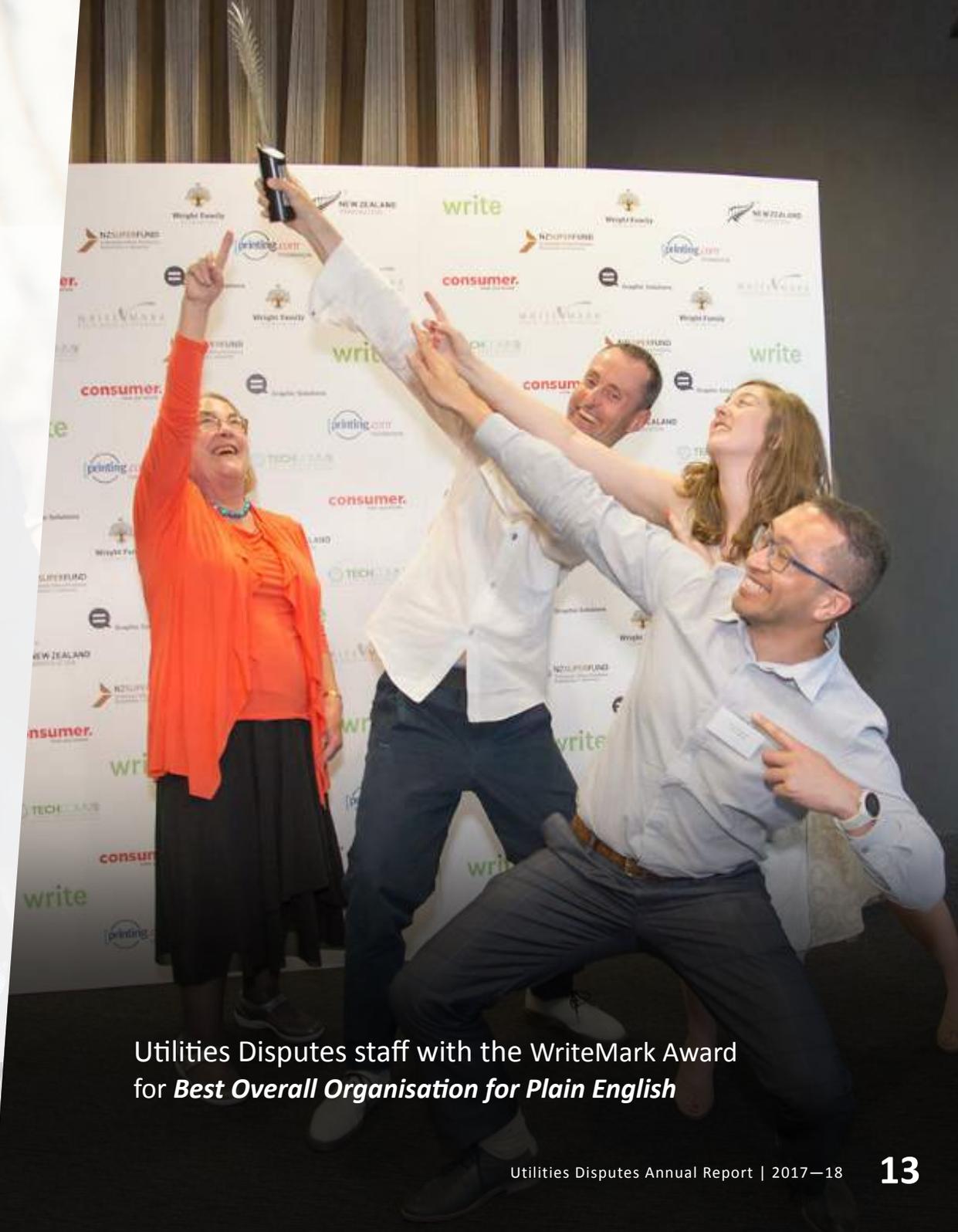
We offer telephone interpreters through **Language Line**, run by the **Office of Ethnic Communities**, for those New Zealanders who are more comfortable talking to us in their native tongues.

Utilities Disputes front-foots consumers' preferred method of communication with its inclusive **Accessibility Checklist**. Don't use email? Not a problem; we post stuff. Not comfortable reading? We provide an Easy Read version of our resources. Need a bigger font? Size is definitely not an issue. Want someone to help you talk to us? Get them on the line.

Sometimes being a consumer isn't easy reading; all our resources contain complex and utility-specific information.

For this reason Utilities Disputes is a champion of **plain English**; that's language explaining complicated ideas and weird jargon in the simplest way possible. We know you're not an expert on utilities or rules, so we say it straight.

In 2017 **WriteMark** recognised our efforts by giving us a prize for Plain English – Best Overall Organisation.



Utilities Disputes staff with the WriteMark Award for **Best Overall Organisation for Plain English**

Energy Complaints Scheme report



The Energy Complaints Scheme is the foundation of Utilities Disputes. Since its inception as the Electricity Complaints Commission Scheme in 2001, the Scheme has evolved and expanded. This is the first year we report on energy separately, looking at broad trends in complaints and the statutory independent review.

Trends in energy complaints

Complaint volumes in the energy sector held steady in 2017-18, with Utilities Disputes receiving 2,053 complaints compared to last year's 2,103. The key issues largely held steady too, with 10% increases in the relative frequency of complaints about billing and customer service.



While the overall number of complaints remained steady, fewer complaints required Utilities Disputes to investigate. Utilities Disputes only accepts a case for consideration once the company involved has had an opportunity to resolve the complaint itself. Generally, the company has 20 working days to resolve the complaint. Of the 2,053 complaints Utilities Disputes saw in 2017-18, only 141 needed our involvement, compared to 220 in 2016-17.

The main factor contributing to fewer cases being accepted for consideration is an increasing focus among providers on resolving complaints after deadlock, but before acceptance. In 2016-17, providers resolved 51% of complaints after being notified the complaint had reached deadlock. In 2017-2018 providers resolved 64% of complaints reaching the same point.

Five year review

The Electricity Industry Act 2010 requires an independent review of the approved dispute resolution scheme for energy complaints at least once every five years. Consultant John Wood carried out the first review in 2011, and the Board accepted almost all of his recommendations. In July 2017, Doctors Gavin McBurnie and Chris Gill of Scotland's Queen Margaret University Consumer Dispute Resolution Centre completed a review of the Scheme. In January 2018 Utilities Disputes discussed the review with Minister for Commerce and Consumer Affairs, Hon Kris Faafoi.



Overall, the review found Utilities Disputes is "an effective dispute resolution scheme". McBurnie and Gill recommended the Board make a number of changes to the Scheme in order to "maintain its effectiveness into the future". These recommendations included suggestions for change in the Scheme's funding arrangements and jurisdiction. The Board has elected to consult with industry and consumer stakeholders on the proposed changes.

You can see a full copy of the Queen Margaret University independent review on Utilities Disputes' website.

Key issues in energy complaints

Please note: cases can have more than one issue

Billing

60.4%

2015-16 55.1% 2016-17 50.7%

Customer service

39.1%

2015-16 28.3% 2016-17 28.9%

Disconnection

9.7%

2015-16 7.6% 2016-17 11.6%

Meter

9%

2015-16 14% 2016-17 10.5%

Supply

9%

2015-16 7.4% 2016-17 7.7%

Energy Complaints Scheme report

The tables below show the number of deadlock complaints about retailers and distributors that were accepted for consideration. The number of accepted deadlock complaints is expressed as a share of the total number of accepted deadlock complaints. The tables also show providers' market share, which is calculated by the number of installation control points, or ICPs.

Retail brand	Number of accepted deadlock complaints	Share of accepted deadlock complaints	Market share of ICPs (or equivalent)	Total ICPs (or equivalent)
Contact Energy*	6	7.79%	20.11%	524,533
Ecotricity	2	2.60%	0.11%	2,826
Elgas	6	7.79%	1.08%	28,076
Energy Online	2	2.60%	3.90%	101,629
Flick Electric Co.	3	3.90%	0.89%	23,084
Genesis Energy*	7	9.09%	21.71%	566,185
GLOBUG	1	1.30%	1.05%	27,395
Grey Power Electricity	4	5.19%	0	ICPs under Pulse Energy
Just Energy	3	3.90%	0	ICPs under Pulse Energy
Mercury	8	10.39%	15.27%	398,284
Meridian Energy	17	22.08%	8.55%	223,100
Nova Energy*	5	6.49%	4.09%	106,671
Opunake Hydro	1	1.30%	0.06%	1,459
Powershop	1	1.30%	2.49%	64,954
Pulse Energy	3	3.90%	2.82%	73,507
solarZero	1	1.30%	0	ICPs under Pulse Energy
Tiny Mighty Power	1	1.30%	0	ICPs under Mercury
Trustpower*	5	6.49%	11.31%	295,020
Utilise	1	1.30%	0	ICPs under Opunake Hydro
Total	77	100%	93.43%	2,608,178[†]

Distributor	Number of accepted deadlock complaints	Share of accepted deadlock complaints	Market share of ICPs (or equivalent)	Total ICPs (or equivalent)
Alpine Energy	1	1.56%	1.35%	32,424
Aurora Energy	5	7.81%	3.70%	89,074
Counties Power	5	7.81%	1.74%	41,980
Eastland Network	2	3.13%	1.06%	25,539
Electra	2	3.13%	1.85%	44,578
Horizon Energy	4	6.25%	1.02%	24,638
Northpower	1	1.56%	2.40%	57,888
OtagoNet Joint Venture	1	1.56%	0.62%	14,963
Powerco	5	7.81%	17.91%	431,118
The Lines Company	6	9.38%	0.98%	23,556
Top Energy	3	4.69%	1.33%	31,926
Unison	1	1.56%	4.61%	110,887
Vector	21	32.81%	18.28%	440,138
Wellington Electricity	5	7.81%	6.94%	167,093
WEL Networks	2	3.13%	3.79%	91,136
Total	64	100%	67.58%	2,407,324[†]

*Only includes retail ICPs (or equivalent) [†]Overall total of ICPs **NB:** The ICP and equivalent total was calculated on 28 February 2018 from ICPs on the electricity and gas registries, and customer numbers obtained from providers.

BSPAD Scheme report

In July 2017 Utilities Disputes became the approved provider of the Broadband Shared Property Access Disputes (BSPAD) Scheme under schedule 3C of the Telecommunications Act 2001 (the Act). We began operating the Scheme from 1 October 2017.



How the BSPAD Scheme works

The BSPAD Scheme works to resolve disputes about access to shared property for broadband installations. Any party to an installation may refer a dispute about their obligations under the Act to Utilities Disputes for resolution. Utilities Disputes works with both parties to help resolve the dispute, with the Commissioner able to make a determination if resolution proves impossible. The Scheme is independent and free to consumers. You can see more on how the Scheme works on our website.



How the Scheme ensures it meets its purpose

The purpose of the Scheme is to ensure any disputes are dealt with fairly and efficiently. These disputes must be a result of exercising statutory rights of access under the Act for broadband fibre-to-the-premises installations, or the installation of any prescribed other technology, to help achieve the desired outcomes of the legislation.



Compliance with approval criteria

Utilities Disputes is required to report on its compliance with the criteria under which it became the approved provider of the BSPAD Scheme. Utilities Disputes has no breaches of the Scheme's approval criteria to report this year.



Systemic issues, Scheme breaches, and new developments

Utilities Disputes has operated the BSPAD Scheme for less than a year. We have not investigated any systemic issues or identified any key areas where we believe there needs to be policy or education initiatives.



No member has materially or persistently breached the Scheme rules.

Target service levels

Our target service level for decisions about whether we are able to look at a dispute is five working days from the date the dispute is referred to us. So far, 10 out of 15 disputes have met this service level. For issuing determinations, our target is 32 working days from the date the dispute is accepted for consideration. Since the Scheme began, there have been no cases needing a determination.



BSPAD Scheme report

85
Enquiries

151 Disputes
140 closed
11 open

Outcomes of accepted disputes

2 Settled before determination

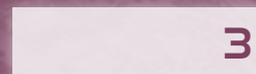
1 No further consideration

9.33
Average working days to close for accepted cases

Disputes accepted for consideration



Disputes open



Disputes closed



Issues in disputes

shown as percentages

please note: cases can have more than one issue



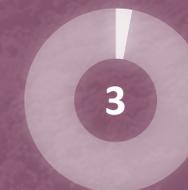
Existence of statutory right disputed



Other



Exercising of access right disputed



Ongoing rights of access

Water Complaints Scheme report



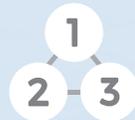
The quality and supply of water in New Zealand is a topic of vital importance in our community. On 15 January 2018 Utilities Disputes began operating New Zealand's first Water Complaints Scheme.

Responding to customers



In response to the feedback of its customers in the greater Auckland area, Watercare approached Utilities Disputes about how it might better handle complaints. Watercare led the way to the creation of the Scheme by agreeing to become the first water provider to join an independent dispute resolution scheme for complaints. At the time, Watercare said joining the Scheme supported its vision to be trusted by its communities.

Water reflects energy



The complaints process for the Water Complaints Scheme mirrors the process for energy complaints. When customers have a water complaint, the first step is to contact their provider, which will try to resolve the issue. Utilities Disputes is here to help resolve complaints consumers and providers have not been able to resolve.

Providing dispute resolution services for water complaints is a natural expansion of Utilities Disputes services. We are looking forward to drawing on our experience with similar infrastructure in the energy sector.

Utilities Disputes believes all New Zealanders should be able to have water complaints considered through its free and independent service, and hopes to welcome further water providers to the scheme over the next year.

Watercare's why

Why would an organisation want to get involved in a complaints scheme? We asked Watercare.

"Here at Watercare we work very hard to answer our customers' queries and satisfy any complaints, but sometimes disputes aren't easily resolved.

This new service means customers have free access to an independent referee when all other avenues have been explored. The other benefit for us is that the Utilities Disputes team will then give us feedback to help us improve."

Watercare Chief Executive, Raveen Jaduram



Consolidated financial summary

For the year ended 31 March	15-16	16-17	17-18
Annual levy	\$3,239,616	\$3,640,801	\$3,821,773
Other income	\$98,896	\$54,330	\$49,152
Total income	\$3,338,512	\$3,695,131	\$3,870,925
Staff related costs	\$2,480,269	\$2,620,933	\$2,421,434
Other costs	\$888,280	\$965,169	\$1,003,109
Depreciation	\$63,669	\$107,766	\$118,281
Total expenditure	\$3,432,218	\$3,693,868	\$3,542,824
Operating surplus before tax	-\$93,706	\$1,263	\$328,101
Total cases	6,596	5,534	5,471
Budget	\$3,381,016	\$3,722,389	\$3,838,357

Energy financial summary

For the year ended 31 March	15-16	16-17	17-18
Annual levy	\$3,239,616	\$3,640,801	\$3,674,503
Other income	\$98,896	\$54,330	\$49,152
Total income	\$3,338,512	\$3,695,131	\$3,723,655
Staff related costs	\$2,480,269	\$2,620,933	\$2,330,151
Other costs	\$888,280	\$965,169	\$965,293
Depreciation	\$63,669	\$107,766	\$113,823
Total expenditure	\$3,432,218	\$3,693,868	\$3,409,267
Operating surplus before tax	-\$93,706	\$1,263	\$314,388
Total cases	6,596	5,534	5,232
Budget	\$3,381,016	\$3,722,389	\$3,838,357

BSPAD financial summary

For the year ended 31 March	17-18
Annual levy	\$142,065
Other income	
Total income	\$142,065
Staff related costs	\$88,057
Other costs	\$36,479
Depreciation	\$4,301
Total expenditure	\$128,837
Operating surplus before tax	\$13,228
Total cases	236
Budget	0

Water financial summary

For the year ended 31 March	17-18
Annual levy	\$5,205
Other income	
Total income	\$5,205
Staff related costs	\$3,226
Other costs	\$1,337
Depreciation	\$157
Total expenditure	\$4,720
Operating surplus before tax	\$485
Total cases	3
Budget	0

Case note: gas retailer

Switching gas retailers reveals a pipeline of surprises. Conflicting information from his gas retailer drove Mr Z to switch. This resulted in an early termination fee. Can retailers really do that?

The complaint

Mr Z complained his gas retailer overcharged him for two years and gave him poor customer service.

Mr Z said a retailer representative visited his work and they talked about the rates for gas supply. Mr Z said the representative told him the rate he was on was too high and he should have been on a lower rate for the last two years. Mr Z said the representative told him he would “see what he could do” and asked the regional manager to contact him.

Mr Z said the regional manager did not call him, so he called the manager. Mr Z said the manager told him the rate was just for new customers, so could not be applied for the last two years, only from now on.

Mr Z switched retailers before the end of his contract.

The original retailer said the representative gave Mr Z the wrong information and should not have spoken to him about gas rates. The retailer said it did not overcharge Mr Z and confirmed it would only offer the rate in the future, and not over the past two years.

The retailer offered Mr Z \$500 as a goodwill payment.

The retailer said it charged Mr Z an early termination fee when he decided to break his contract early.



The outcome

The parties were unable to settle the complaint and asked the Commissioner to recommend a settlement.

The Commissioner recommended the retailer credit Mr Z's account \$2,217.54 and found:

- The retailer gave Mr Z poor customer service
- The retailer did not do what its contract with Mr Z said it would
- The retailer was entitled to charge an early termination fee

The Commissioner found **the retailer gave Mr Z poor customer service** when it gave him the wrong information and was slow responding to him. She recommended a customer service payment of \$100.

During the investigation, the retailer said it applied Mr Z's contract correctly. The Commissioner reviewed the contract and found **the contract was not correctly applied** on two occasions.

The Commissioner found from December 2010 to October 2011 the retailer undercharged Mr Z by \$43.17. This was because the rate agreed in the contract was higher than the rate charged by the retailer.

The Commissioner found from December 2010 to November 2016, **the retailer did not apply a prompt payment discount** to Mr Z's account as agreed. As a result, the retailer overcharged Mr Z's account \$2,555.45. The Commissioner recommended the retailer pay this to Mr Z.

Case note: electricity distributor

Who's responsible for trees and power lines? On Sunday afternoon a tree fell and damaged a power line at Ms A's place. The distributor charged her for fixing the line after hours.

The complaint

Ms A complained about paying for repairs to a power line damaged by a falling tree. She said the line and the tree were not her responsibility.

Ms A said a contractor trimmed some trees at her place earlier on Sunday, but this was far from the damaged line. She also said the damage was not discovered until many hours later, and she did not lose power to her house.

Ms A said she thought the tree was on council land, and did not think she owned the power line as it was also over council land.

The distributor said someone called in a fault late on Sunday evening. Responding to the call, the distributor said it fixed the power line, and invoiced Ms A to reconnect the power line and trim a tree. The distributor charged Ms A after hours call-out rates.

Ms A refused to pay the invoice, saying she did not ask the distributor to come out after hours. The distributor offered to charge standard call-out rates instead.

Ms A refused to pay the invoice, saying she was not responsible for the power line or the tree damaging it.

The outcome

The parties had a meeting on the phone to discuss the complaint.

During the meeting, the parties discussed who was responsible for the power line. The distributor said Ms A was the legal owner of the line, and so responsible for its maintenance. The distributor also explained why it needed to fix the power line on Sunday night, rather than the next day. It told Ms A even though she didn't lose power, the faulty power line was a potential hazard and needed immediate attention.

Ms A accepted the power line was her responsibility. During the meeting the parties agreed Ms A would pay the invoice through her insurance company at standard call-out rates.

The distributor also told Ms A it was working on ways to communicate power pole and line obligations with property owners.



Contact us

Freefax 0800 22 33 47

Freephone 0800 22 33 40

Email info@utilitiesdisputes.co.nz

Website www.utilitiesdisputes.co.nz

Post PO Box 5875, Wellington 6140 **Freepost** 192682



Facebook



LinkedIn



YouTube



Neighbourly