

20 April 2022

## **Utilities Disputes Submission on the Targeted Information Disclosure Review – Electricity Distribution Businesses - Process and Issues paper**

Utilities Disputes: Tautohetohe Whaipanga (UDL) welcomes the opportunity to submit to the Commerce Commission on the Targeted Information Disclosure Review – Electricity Distribution Businesses – Process and Issues paper.

### **Summary of submission**

UDL has focused its submissions on the potential information disclosure (ID) changes related to the quality of service as this is an area where UDL has extensive experience. We have also commented on the potential ID changes related to decarbonisation and asset management. In general, we support the proposed changes because the information will be relevant to some consumers. It is also likely to be helpful for UDL when investigating electricity consumer complaints.

### **Background of UDL**

UDL is an independent, not-for-profit company that provides resolution for complaints in the utilities sector that companies have not been able to resolve directly with their customers. This includes the electricity sector. We consider cases between consumers and scheme members, and indemnity disputes between scheme members.

Our aim is to facilitate a strong relationship of trust between consumers and utilities organisations. Our focus is on three key aspects of effective complaints resolution: Prevent, Educate and Resolve.

We currently operate three dispute resolution schemes: The Government approved Energy Complaints Scheme and Broadband Shared Property Access Disputes (BSPAD) Scheme, and the voluntary Water Complaints Scheme. Our model includes early resolution, conciliation, investigation and if needed a binding determination by a centralised decision maker.

### **Potential ID changes related to quality of service**

#### **Q1**

The paper proposes to expand the ID requirements related to how much notice of planned outages is given to consumers, including planned outages that are booked but not carried out. Disclosure is suggested for:

- planned outages that were cancelled with less than 10 working days' notice;
- planned outages that were cancelled with less than 24 hours' notice;
- planned outages for which the EDB gave additional notice;
- planned outages that started more than one hour before, or ended more than one hour after the notified interruption window; and
- unplanned outages that the EDB intentionally initiated to carry out work on its network not directly related to a fault.

UDL supports this option. UDL is aware that notice relating to planned outages is a continual source of complaints by consumers. Since 1 April 2017 UDL has received 281 complaints with issues regarding planned outages, with 171 against EDBs and 110 against retailers. As a proportion of total complaints, this corresponds to 13.2% of complaints for EDBs and 1.1% for retailers. It should be noted that UDL receives significantly more complaints about retailers than EDBs, hence why relatively similar complaint numbers for retailers and EDBs equate to different percentages.

The fault of outages rarely lies with the retailer and in most cases, it may be more appropriate to lodge the complaint against the EDB rather than the retailer. However, consumers have a relationship with their retailer, not their EDB. As such, most of the 110 complaints against retailers should likely be against EDBs, which would increase the proportion of cases regarding planned outages against EDBs. UDL estimates complaints about planned outages account for about 20% of total complaints for EDBs. If unplanned outages are included, this figure increases to 40%.

Consumers generally accept the need for planned outages, however a common complaint we hear is when consumers accommodate a planned outage for a specific date and the outage does not occur. Consumers often complain they been inconvenienced by taking time off work or making other arrangements for their business – only for this work to be completed on a different date, forcing them to make other arrangements again.

We see outages impacting differently on urban and rural consumers, with urban consumers often seeing faster resolution to minor outages, while rural consumers don't have the same alternatives to re-route supply. It is important to have an independent way to assess what both a rural and an urban consumer could expect in relation to impact and resolution.

## **Q2**

The paper proposes to add ID requirements on power quality. Suggested is including EDBs' plans to develop and improve voltage quality monitoring practices on the LV network.

UDL supports this option. Over the past 5 years UDL has recorded 97 complaints about the quality of electricity supplied 61 are about retailers (0.6% of retailer total), 36 are about EDBs (2.8% of EDB total). These include issues of voltage variation causing damage, inconvenience caused by voltage variations, health and safety issues relating to voltage variations, overall quality of supply, and frequency and duration of faults and poor-quality supply.

Consumers appear to tolerate minor issues in poor quality supply for some time, many of the cases we receive span over several months or years. UDL relies on meter data when evidencing power quality issues. Historically, recording devices could be installed at a consumer's home to gather evidence for quality of supply disputes. Adding ID requirements on power quality would provide engaged consumers with relevant information and simplify UDL's investigation process for related cases.

We believe there are benefits in having an additional measure that aligns with the quality guarantees provided by the Consumer Guarantees Act 1992 (the Act). The Act places a reasonable consumer test on the supply of electricity, in that the supply must be as reliable and of a quality that a reasonable consumer would expect. Without having access to industry data UDL and consumers can experience difficulties identifying what a reasonable consumer should expect in terms of power quality under the Act in varying circumstances. Consistent power quality data between providers would be useful for consumers and for UDL.

## **Q3**

The paper proposes to add ID requirements on time taken to set up new connections.

UDL supports this option. Additional ID requirements about the time taken to set up new connections will provide consumers and UDL with information about industry practice that will aid in decision making.

In the past 5 years UDL has recorded 102 complaints about delays in setting up new connections, 69 are about retailers (0.7% of retailer total), 33 are about EDBs (2.6% of EDB total). In these cases, delays can be confusing and costly to the consumer.

There is little guidance or standardisation of reasonable timeframes for connection of power supplies which in the interests of consumers should be efficient, effective and as reliable as possible. EDBs throughout New Zealand have unique decommission/commission processes not yet standardised. Other jurisdictions appear to provide guidance on acceptable timeframes for these processes. An example of timeframes for the connection of electricity supply can be found in the Essential Services Commission's Electricity Distribution Code of Practice, Victoria, Australia<sup>1</sup>.

#### **Q4**

The paper proposes to add ID requirements on customer service, e.g. customer complaints.

The consultation includes reference to:

- Detail of the number and type/category of consumers complaints received (including complaints related to charter commitments and voltage quality), and average resolution times for these complaints.
- Description of how the complaints are trending in comparison to the previous disclosure year.
- Description of whether and, if so, how complaint information is being used as a feedback loop to improve quality and service levels.

UDL supports the proposal to add ID requirements for customer service.

We believe this should also include information on complaint outcomes. Maintaining robust complaint resolution processes is an essential part of good customer service. Requiring EDBs to disclose this type of information will encourage EDBs to continue to build on the good work they are already doing to address complaints.

It should be noted that in our experience, self-reported complaint data from EDBs varies greatly depending on the way in which each EDB defines a 'complaint'.

UDL defines a complaint to mean *an expression of dissatisfaction made to or about a Provider where a response or a resolution is explicitly or implicitly expected*. This is a recognised definition across all dispute resolution schemes.

UDL is continuously educating its members on appropriately identifying complaints, as some often have a higher internal threshold for a "complaint" to be triggered. If EDBs are to report on complaints a consistent definition, or threshold needs to be applied.

We also note the Consumer Guarantees Act 1992 provides redress against a retailer for a complaint that is purely about a EDB issue. Consumers will often complain to their retailers about issues that

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<sup>1</sup> Clause 2, Connection of Supply, Electricity Distribution Code of Practice, Essential Services Commission. <https://www.esc.vic.gov.au/>

may be purely about their EDB, this is because consumers do not generally have a direct relationship with their EDBs and in some cases do not know the name of their EDB.

UDL believes a consumer's experience of quality of service includes access to complaint resolution processes when needed. We require EDBs to provide information about their complaint resolution processes to consumers, including access to UDL's service.

The paper proposes to Add ID requirements on information about customer charters and guaranteed service level (customer compensation) schemes, e.g. information about existing schemes, information that could be relevant to such schemes in the future.

UDL supports this option. We receive complaints where a customer has been offered compensation from an EDB in line with a standardised compensation scheme. EDBs appear to be forthcoming in providing this information to consumers however it would be useful for both consumers and UDL to understand what is offered in similar circumstances across the industry. This would assist the consumer and UDL decision making in deciding what is acceptable and best industry practice.

We receive complaints from consumers who have not been offered compensation in line with what they understand they are entitled to. Having the information readily available would aid both consumers and UDL understand what compensation they may be entitled to receive.

#### **Q6**

The paper proposes expanding ID requirements on response time to outages.

UDL supports this option. In the past 5 years UDL has received 112 complaints about the duration of planned and unplanned outages, of these 30 are about retailers and 82 are about EDBs.

Complaints we receive show consumers are understanding of the need for outages, but issues arise when a consumer has received inaccurate information around the response time to an outage. Consumers and UDL will benefit from this information as it will show industry practice and inform consumers' expectations around outages.

#### **Q7**

The paper proposes expanding forward-looking asset management plan requirements on how EDBs will continue to perform for consumers, e.g. commitments to develop the network for future technology.

UDL supports this option. Consumers appear to have little knowledge of Asset Management Plans (AMPs). We sometimes request information about AMPs when investigating complaints. For example we receive complaints from consumers who need to pay for a network upgrade when installing an electric vehicle fast charging station at their property. In this case it may be that the AMP suggests upcoming network asset upgrades that may negate the consumer's need for investment. This information would be useful for consumers and for UDL in determining what is best practice around AMPs.

#### **Q8**

The paper proposes the addition of ID requirements on the Momentary Average Interruption Frequency Index to capture momentary interruptions that can be hidden or misrepresented by existing SAIDI and SAIFI requirements.

UDL supports this option. Consumers appear to have little knowledge of this information. UDL will sometimes request this information when investigating complaints. Having the information available across the industry will aid UDL in determining what is best industry practice.

As detailed in our response to Q2, we believe there are benefits in having an additional measure that aligns with the quality guarantees provided by the Consumer Guarantees Act 1992.

### **Q9**

The paper proposes the addition of ID requirements regarding those customers worst served on the network in terms of reliability. Noting there were some requirements in this area in the regime that came before Part 4, however questions were raised about the value of the disclosed information in light of technical challenges producing it.

UDL notes we receive cases from consumers who may be among those worst served on the network. This typically occurs where a particular consumer is located in a:

- particularly hazardous area, or
- region that is isolated from other consumers and assets.

In either case it may not be cost effective for the EDB to provide a sufficiently resilient network to the consumer. Adding an ID requirement will increase awareness of such consumers' circumstances.

### **Q10**

The paper proposes to expand the ID requirements to include disaggregated SAIDI and SAIFI by network category (e.g. urban, rural) and region.

UDL supports this option. While this information is poorly understood by consumers it may be useful for UDL in determining best industry practice across a particular category.

As detailed in our response to Q2, we believe there are benefits in having an additional measure that aligns with the quality guarantees provided by the Consumer Guarantees Act 1992.

### **Q11 and Q12**

The paper proposes refining ID requirements on interruptions by clarifying definitions to ensure successive interruptions are recorded consistently and refining ID requirements or add guidance on assigning interruptions to cause categories

UDL supports these options. We believe consistency between EDBs is important when investigating complaints. We want to apply the same logic and measures across similar complaints between EDBs and provide case examples that are relevant across EDBs. As detailed in our response to Q2 the comparison of EDBs is particularly relevant for consumers and UDL when determining what quality of supply a reasonable consumer may expect under the Consumer Guarantees Act 1992.

### **Q13**

The paper proposes the refining of ID requirements on third party interference interruptions by breaking down into more specific categories, such as vehicle damage, "dig in", overhead contact, and vandalism.

UDL supports this option. This further detail will be useful for UDL during complaint investigations.

### **Potential ID changes related to decarbonisation**

#### **D1**

The paper proposes EDBs provide more information about their LV networks, suggesting a possible prescriptive approach where EDBs provide frequent information about metrics, and a less prescriptive approach where EDBs disclose their plans to develop and improve their LV network practices.

UDL receives complaints where a consumer has to pay for a network upgrade because they have requested increased capacity at their property to install an electric vehicle fast charger. If network upgrade plans and information were available it may reduce consumer complaints in this space.

#### **D4**

The paper proposes a prescribed way for EDBs to report their innovations practices.

UDL does not receive many complaints in this area, however this information may be useful to those consumers who have a particular interest in where EDB's costs lie.

#### **D5**

The paper proposes EDBs provide information on investigations undertaken and investment into flexibility resources in addition to distributed generation, such as demand response.

UDL does not receive complaints in this space however it supports the proposal.

#### **D6**

The paper proposes standardised price components and/or price categories that EDBs can record revenue against in addition to a free field for revenue that does not fit one of the standardised categories or components.

UDL notes this would give consumers greater visibility of pricing within EDBs. UDL cannot consider complaints about prices, however UDL does receive complaints and queries from consumers who do not understand EDB's pricing structures.

### **Potential ID changes related to asset management**

#### **AM1**

The paper proposes possible improvements to improve the specificity of asset age data disclosed, including finding a way to report age data that is currently "unknown" and providing more granular than by decade information for assets installed before 2000.

UDL supports this option. Having this information available would be useful for UDL when investigating cases where an aging asset has failed or not received appropriate maintenance, causing a problem for a consumer and leading to a complaint to UDL. It may also clarify ownership and maintenance responsibility issues. As detailed in our response to Q2, this will also be useful for consumers and UDL when establishing what a reasonable consumer might expect under the Consumer Guarantees Act 1992.

#### **AM2**

The paper proposes the use of unity costs, including capex costs, for example asset replacement cost per unit, and opex costs, for example vegetation management expenditure per km cut.

UDL cannot consider complaints about prices charged, we are aware however that some consumers have concerns about cost involved in supplying or upgrading their properties. Providing this information in a more granular way may assist these consumers to understand the cost of completing a piece of work. The information may be also useful to consumers who have a particular interest in where EDB's costs lie.

### **AM3**

The paper seeks feedback of what key information stakeholders would like to be most accessible, and the most useful method it can be presented within an asset management plan.

UDL investigates complaints where an asset fails causing an outage or other damage and where the EDBs maintenance of assets is considered. We are most interested in any information that makes it simpler to assess whether assets have been appropriately maintained.

### **AM5**

The paper proposes a summary report be provided of each significant storm event, including whether the wind speed actually exceeded the design tolerances of the network.

UDL agrees with the problem statement and this situation can be challenging to consider in complaints received by UDL. Having summary reports that include whether the design tolerance of the network was exceeded by a particular event would be useful for investigations where it is unclear why an asset failed.

### **AM6**

The paper asks for feedback on what the distance should be between vegetation and an overhead circuit.

UDL uses the Electricity (Hazards from Trees) Regulations 2003 in our complaint investigations.

### **Next steps**

If we can be of further assistance, please contact Paul Moreno, Research and Reporting Manager directly at [REDACTED] or on [REDACTED]

Nāku, nā



**Mary Ollivier**

Commissioner; Komihana

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