



DRAFT MODEL CONTRACT FOR ELECTRICITY RETAILING

Prepared by the Model Retail
Contract Project Team

*A Working Group of the
MARIA Governance Board*

Draft 28 April 2004



Preliminary Note

- The Foreword that follows forms part of this model package. However, the words of the Foreword do not form part of the contract itself. This is provided for in the final section of the model contract, 'About this Contract'. The purpose of the Foreword is to increase consumer understanding, a key objective underlying the GPS and ECC Code.
- 'ECC' means the Electricity Complaints Commission. 'GPS' means the draft Government Policy Statement of September 2003. 'MDAP' means the Model Distribution Agreement developed by an industry project team in 2003.
- Clause numbers and footnotes have been provided in this version for ease of reference. The final version will be numbered in a less intrusive way.
- '*Explanatory Notes*' do not form part of the model contract, but are included at this stage to help readers understand the context and purpose of a section.

FOREWORD [OPTIONAL]

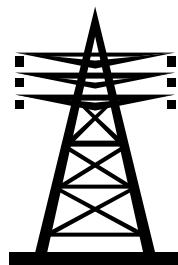
About the Electricity System

To better understand this contract, it is helpful to know how electricity reaches your premises.



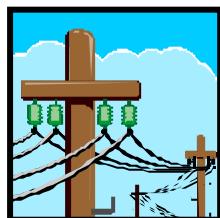
GENERATION:

65% of electricity in NZ comes from hydro. The other 35% is generated with gas, geo-thermal, coal, or wind. NZ has five main generating companies. Three are owned by the Government.



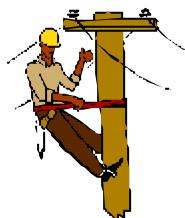
TRANSMISSION:

High voltage power lines run up and down NZ. These transmission lines transport electricity from the power stations to your local network. The transmission lines are owned by Transpower, which is owned by the Government.



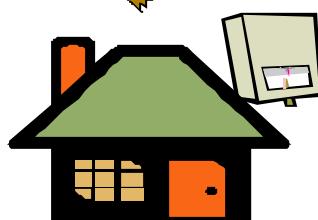
LOCAL NETWORK:

Your premises is connected to a local network of lower voltage power lines. Local networks carry electricity from transmission lines to homes and businesses. Local networks are largely owned by councils or community trusts.



POINT OF CONNECTION:

This is where the line to your premises connects with the local network.



METERS:

Meters are installed at your premises to measure how much power you use. You do not own the meters and must NOT tamper with them.



WHOLESALE MARKET:

This is where generators sell and retailers buy electricity.



RETAILERS:

NZ has five main electricity retailers.

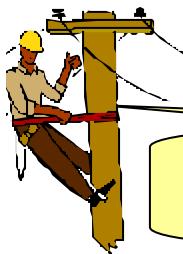
WHAT RETAILERS DO
Our job is to sell you electricity. To do this, we arrange for your local lines company to transport electricity to your premises. We regularly read the meters at your premises. We offer a variety of price plans. We invoice you for the power you use and we offer different ways to pay.



Key Features of Contract

A contract is an exchange of promises. In this contract, our main promise is to sell you electricity. Your main promise is to pay for the electricity you use. The other promises we exchange are summarised below:

Us	You
Transport: We will arrange for electricity to be transported to your point of connection (see clauses []) 	Address: You will give us the correct address of where you want power delivered to (see clauses []) 
Meter: We will provide you with an approved meter (see clauses []) 	No Tampering: You will not tamper with the meter (see clauses []) 
Meter Reading: We will accurately record how much power you use (see clauses []) 	Access: You will give us reasonable access to your premises at reasonable times (see clauses []) 
Prices: We will not change prices within one month, unless agreed otherwise (see clauses []) 	Fixed price: If you choose a pricing plan with a fixed price for an extended period, you are expected to stay with the plan even if other retailers' prices are cheaper (see clauses []) 
Invoices: We will send you accurate invoices (see clauses []) 	Payment: You will pay our invoices on time (see clauses []) 
Standards: We aim to meet certain minimum performance standards (see clauses [] or list) 	Standards: You will make sure your wiring and equipment are up to standard and do not interfere with the network (see clauses []) 
Complaints Resolution: We will provide a free and fair dispute resolution process (see clauses []) 	Safety + Special Needs: You will inform us of any hazards or special needs you may have (see clauses [])
Switching: We will transfer you to another retailer if you wish (see clauses [])	Moving: You will give us [] days notice if you are moving premises (see clauses [])
Interruptions: Your supply may be interrupted for a variety of reasons (see clauses []).	Surges: You should protect any sensitive equipment, like computers and TVs, against surges and fluctuations (see clauses [])



You are responsible for all the equipment between your premises and your connection to the local network.



Information and Advice

NZ has five main electricity retailers. Most offer different services and prices. Compare before you commit.

For more information about different retailers in your area:

- Go to 'Power Switch' at www.consumer.org.nz/powerswitch
- Call the Citizen's Advice Bureau on **0800 36 72 22**, or

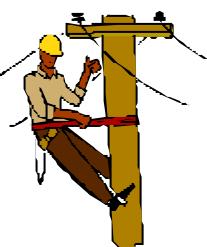
Remember that price is not the only consideration. Quality of service can also vary among retailers.

Key Questions

Here are some key questions for you to ask when deciding which retailer to use:

- What price plan best suits my needs?
- How frequently can you change your prices?
- Are you a member of the Electricity Complaints Commission scheme?
- How often do you read my meter?
- Are my invoices normally based on estimates of my consumption or actual meter reads?
- What service commitments do you offer – eg what is your target time for answering my calls or fixing any faults?
- What compensation will I receive if you do not meet these commitments?
- Will my price stay the same even in a 'dry year' (if hydro lakes are low)?

Don't send any electricity back down
your power line without our approval





Electricity Prices

Wholesale electricity prices go up and down on a half-hourly basis. They go up when electricity use is high – for example, over breakfast and dinner times, when most people are at home using ovens, TVs and washing machines. Electricity use is also higher over winter, when more heaters are turned on.

Wholesale prices can rise very sharply if there is a potential threat to fuel supply, such as when water levels drop in our hydro lakes.

Wholesale prices fall when electricity use is low – for example, over summer, weekends and in the middle of the night.

As a customer, on most price plans you don't see these constant ups and downs in the wholesale price. We smooth out the variations by offering you a fixed price for a period.

Just as you choose a fixed or floating interest rate on your mortgage, you may be able to choose how long you want your power price to be fixed. Most retailers offer 30 days. You may want to fix it for longer. Ask us to explain your options.

Electricity can be a complicated business. Our aim is to make it simple for you.

Comparing this Contract

We are a member of the Electricity Complaints Commission (ECC) scheme and are required to meet or exceed the requirements of the ECC's Code of Practice.

A green speech bubble contains the text 'Keep your trees clear of power lines.' A utility worker wearing a yellow hard hat and safety harness is shown working on a wooden utility pole. He is leaning against the pole, holding a tool. The background is plain white.

Keep your trees clear
of power lines.



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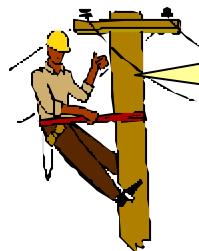
THE CONTRACT

RETAILER'S WELCOME – ABOUT US

To come

Space for marketing pitch by retailer

- Who we are
- How to make contact with us
- Other (marketing) information about us



BE SAFE.

Treat all lines as live at all times.
In an emergency dial 111.



HOW TO BECOME OUR CUSTOMER

How to apply

1. You can apply to join us by [delete any modes not applicable to you as a retailer].
 - 1.1 Completing a customer application form and sending it to us at [address];
 - 1.2 Calling us on [0800-Retailer]. It will help if you have a copy of a previous invoice when you call; or
 - 1.3 Registering as a customer on our web site at [www.retailer.co.nz];
2. Before accepting you as a customer, we need to check that you meet our acceptance criteria. For example, we normally check your credit record. In some cases, we need to ask for a bond.
3. A contract between us is formed when we accept your application to join us¹.
4. If your application is accepted you will be bound by these terms and conditions.

Moving to a premises we already supply

5. If you move to a premises we already supply and you were our customer at your previous premises you need to tell us, but you do not need to re-apply to join us. However, we do need a final meter reading from your previous premises and your new premises. Your options for arranging this are set out in **clauses 94 and 95** below.
6. If you move to a premises we already supply but were *not* our customer at your previous premises:
 - 6.1 Please apply to join under **clause 1** above;
 - 6.2 If you do not apply, we may disconnect your supply;
 - 6.3 If for some reason you do not meet our criteria, we may decide not to accept you as a customer, in which case we would disconnect you under **clause 127.8** unless you arrange supply from another retailer;

¹ ECC Code, clause C18.6



- 6.4 If you do not apply to join us, or apply but not do meet our criteria, and do not switch to another retailer, you must still pay us for any electricity you use, and for any other services we provide at the premises.

Moving to a premises we do *not* already supply

7. If you are moving to a premises we do *not* supply but it is within an area we do supply, and:

- 7.1 You were our customer at your previous premises:
- You do not need to re-apply;
 - But you do need to tell us the address of your new premises; and
 - We need to receive a final meter reading from your previous premises and your new premises. Your options for arranging this are set out in **clauses 94 and 95** below.
- 7.2 You were *not* our customer at your previous premises, please apply to join under **clause 1** above.

Same premises but you want to switch to us

8. If you are switching to us from another retailer, but staying in the same premises, we will arrange the switch with your existing retailer. However, to complete the switch:

- You must apply to join us under **clause 1**;
- Your existing retailer must receive a final meter reading taken on the date of the switch; and
- You authorise us to transfer any key or other access code from a previous retailer.

The switch may occur within a few days but in any event, within a maximum of 23 days.

More than one person on the same account

9. Any number of people may join as customers under this contract. However, each customer is individually and jointly liable for all money owing to us and all other customer responsibilities while he or she is a customer. Each such customer may exercise all rights under this contract.
10. You must advise us if you no longer wish to be a joint customer. We may require the remaining customers to enter into a new contract. If you wish to terminate this contract, you need to follow the steps in **clauses 153 to 155**.



11. When you cease to be a joint customer, you are still liable for all customer responsibilities that arose while you were a customer.
12. You may nominate a person to make decisions for you under this contract, however you are still responsible as a customer.

PROTECTING INFORMATION ABOUT YOU

Your information

13. To become our customer, you need to provide us with a variety of personal information – for example, where you want electricity supplied to, how we can contact you, and where invoices are to be sent. We request this information when you apply to join.
14. Please tell us promptly when any of this information changes.
15. We may record telephone conversations with you. We do this to:
 - 15.1 Help train and monitor our customer service staff;
 - 15.2 Confirm our contractual commitments with you; and
 - 15.3 Help resolve any disputes.

Confidentiality

16. Information we hold about you and this contract is confidential and will be held by us in accordance with the Privacy Act 1993².
17. You or any other customer under this contract may access and correct at any time all of the information we hold under this contract³.
18. We will only give information about you or this contract to any other person if:
 - 18.1 The other person is also a customer under this contract;
 - 18.2 You authorise us to do so;
 - 18.3 We are required to do so by law;
 - 18.4 We are required to do so by electricity industry rules;
 - 18.5 We use it to assess your credit position or recover a debt;

² ECC Code, clause 21.1

³ ECC Code, clause 21.1



- 18.6 A trust- or co-operative-owned lines company requires it so they or their owner can pass on rebates or discounts, or to prepare an electoral role of trust beneficiaries;
 - 18.7 The operator of the national or local lines networks need it to run their respective networks;
 - 18.8 We use your name to ensure that mail is delivered to new occupants at your old address;
 - 18.9 We give it to a reputable firm to carry out market research for us in relation to the services under this contract;
 - 18.10 The Electricity Complaints Commission requests it in connection with a complaint made by you.
19. If we do give information about you or this contract to any one else under **clause 18** above, we will only do so to the extent necessary for the purposes permitted above.

OUR PERFORMANCE COMMITMENTS

Explanatory note: Quality of service is a key point of differentiation between competing retailers. Retailers are encouraged to set out in this section their target levels of customer service and performance standards. This model contract does not specify what those target levels should be, but rather invites retailers to identify their own.

20. We have set ourselves the following performance commitments for our customers:
 - 20.1 **Prompt response:** Time to receive a response from us, if you:
Phone: [] seconds.
Write: [] days.
Email: [] days.
 - 20.2 **Invoice queries:** Time to correct any errors in your invoice or meter estimates, once notified: [] days.
 - 20.3 **Prompt invoices:** We will send you an invoice at least every [].
 - 20.4 **New connections:** Time for 'livening' new connections where all necessary equipment is in place and other requirements are met: [] days.
 - 20.5 **Faults:** Time to send a representative to investigate your fault, once notified: [] hours.



- 20.6 **Meter reading:** Time for arranging a final meter read: [] days.
- 20.7 **Complaints:** Time to investigate a complaint you may make to us about our services: [].
21. If we significantly miss any of these performance standards due to a fault on our part, we will offer you an appropriate reduction in your next invoice⁴.

OUR PRICES + FEES

Our prices

22. We offer a range of price plans and we can help you choose the price plan most appropriate for you. You can get a copy of our price plans⁵ for your region by:
 - 22.1 Calling us and we will post it to you;
 - 22.2 Visiting our web site at [].
23. Some price plans may require additional meters. You may be charged for changes you require to any meter or other equipment required for the price plan you choose.
24. If you join us but do not choose a price plan, we will put you on a price plan that we consider best meets your needs.

Our fees

25. We also charge fees for services provided under this contract. Our fees are set out in our fees schedule, which is available by calling us [or visiting our web site].
26. We may change our fees schedule by giving you [one month's] notice under EITHER clause 15049 (newspaper ad) below, OR. ~~We may change our fees schedule by giving you [one month's] 149 (individual notice) in writing. Explanatory note: The question is whether a change in the fees schedule needs individual notice.~~

Price changes

Explanatory note: Two options are presented here. Option 1 requires one month's notice for all price changes. Option 2 is a two-tiered notice regime, which is intended to encourage competitive offerings by retailers of longer fixed price hedges. This is discussed further in the accompanying ~~Request for Submission Commentary~~.

OPTION 1 (clause 27)

⁴ ECC Code, clause 8.2

⁵ ECC Code, clause 9.1



27. Unless **clauses 32 or 33** apply, we may only change our prices after giving you one month's notice.

OR OPTION 2 (clauses 28 – 31)

28. We may only change our prices after giving you notice. The length of notice depends on:
 - 28.1 Whether we offered a fixed price plan when you chose your current plan; and
 - 28.2 The terms in your current price plan.
29. If we offered you a fixed price plan, but you chose a flexible price plan, we may change your price after giving you [x days] notice, [unless the terms of your current price plan require otherwise]. This [x day] notice may be given by placing an ad in your local newspaper [and posting information on our web site].
30. If you are on a fixed price plan, we may only change our prices in accordance with the terms of your plan.

Explanatory note: A 'fixed price plan' is one where the customer's electricity price may not be changed in the first three months unless the plan's hedge limit is exceeded. A 'flexible price plan' is one where the customer's electricity price may be changed within three months, even if the plan's hedge limit is not exceeded. Hedge limits are defined in clauses 32 and 33 below.

31. If we did not offer you a fixed price plan when you chose your current plan, we may only change our prices by giving you one month's notice, unless **clause 32 or 33** applies.

FOR OPTIONS 1 + 2 (clauses 32 + 33)

32. If the average price of electricity in the wholesale spot market exceeds [x] c/kWh over a [x] day period, we may increase our prices after giving you [] days notice. However, such a price change may only apply for the period that the average spot market price continues to exceed [x] c/kWh.
33. If the average price of electricity in the wholesale spot market falls below [x] c/kWh over a [x] day period, we may decrease our prices after giving you [] days notice. However, such a price change may only apply for the period that the average spot market price continues to fall below [x] c/kWh.

Explanatory note: The essence of a retail contract is that customers are buying a hedge against changes in spot prices. It is therefore fundamental that the contract should provide certainty as to the range of spot prices within which the hedge applies.



The limits of a hedge may also become points of differentiation between retailers in offering competing products.

Explanatory note: Under existing retail contracts, most retailers protect themselves against events that cause electricity shortages by reserving the right to suspend the contract or physically cut customers' supply. This approach may have been appropriate in a pre-market environment, however with a wholesale electricity spot market now in place, suspending contracts and cutting supply are rather inefficient responses to shortage. A market-based approach should rely on pricing signals to balance supply and demand.

34. If we apply a price change between invoices, we may average out the electricity you used over the period (to calculate your daily average usage) and pro rate your charges accordingly.

Change in lines charge

35. If there is a decrease in the tariff we are charged by the lines company, we will disclose the components of this change within [3] months of the change taking effect whether or not we change our prices and fees.
36. If there is an increase in the tariff we are charged by the lines company and our price or fees increase as a result, we will detail the components of this change with your next invoice.

Explanatory note: An example of the kind of disclosure expected under clauses 35 and 36] is attached to this model contract.

INVOICES + PAYMENT

Our invoices

37. We will send you an invoice for your actual or estimated electricity use every month, unless the price plan you choose provides otherwise⁶.
38. We will charge you according to your price plan, together with any relevant fees incurred under our fees schedule.
39. If your price plan includes fixed charges, we will itemise these fixed charges separately.
40. Our invoice may include charges for goods or services you have asked us to provide other than electricity and lines services. We will show any of these additional items separately, unless we agree otherwise⁷.

Estimated invoices

⁶ ECC Code, clause 10.1

⁷ ECC Code, clause 10.3



41. If your meter has not been read for the period covered by an invoice, we will make a reasonable estimate of your likely electricity use during the invoice period.
42. If your invoice is based on an estimate, we will say so on your invoice. If you ask, we will explain the basis of our estimate⁸.

Delivery of invoice

43. We can send our invoices to you by post, or by sending you an email advising that it is available online. Please tell us the:
 - 43.1 Method of delivery you prefer; and
 - 43.2 Physical, postal, or email address you wish us to use.
44. If you are using a prepayment meter, you will not receive an invoice, unless otherwise agreed.
45. We can assume you have received our invoice three days after we post it or the day after we email it.

Customer to pay invoice

46. You must pay our invoices in full by the due date on the invoice, whether it is based on actual or estimated electricity use⁹.
47. If you think our invoice has an error, please call us so we can clarify any issues.
48. If you dispute part or all of any invoice, you must still keep paying undisputed amounts.

Important advice

49. Choose a payment option that enables you to pay our invoice on time, avoid unnecessary fees and take advantage of available discounts.
50. If you have a debt owing to us from a previous account, we may transfer this debt to a current account that you hold with us. The amount owing must be paid in accordance with the terms of that account, unless we agree otherwise.
51. If you fail to pay our invoice, your electricity supply may be disconnected. This is explained further in **clauses 124 and 125-123** below.
52. If you are having difficulty paying our invoices, please let us know. We have policies in place that may help you manage your payments¹⁰.

Payment options¹¹

⁸ ECC Code, clause 10.4

⁹ ECC Code, clause 10.4

¹⁰ ECC Code, clause 11.1

¹¹ ECC Code, clause 11.2



53. You can pay our invoices in a variety of ways [delete if inapplicable]:

- 53.1 By direct debit authority;
- 53.2 By regular automatic payment of a fixed amount;
- 53.3 By telephone transfer from your bank;
- 53.4 By charging your credit card;
- 53.5 By sending us a cheque;
- 53.6 By paying in advance;
- 53.7 By internet transfer from your bank account; or
- 53.8 By paying at one of our authorised collection agents.

Pre-payment option

- 54. If you would like to have more control of the amount of electricity you use or the sum you spend on electricity, we may offer a pre-payment option.
- 55. This option requires a special device at your premises, which only allows electricity to flow into your premises if you have paid for it in advance.
- 56. You have to pay for the special device to be installed if it is not already on your premises. We can tell you the likely installation costs if you ask.
- 57. Please contact us if you would like to know more about our pre-payment option.

Fees + discounts

- 58. Some payment options incur service fees. These are set out in our fees schedule which is available on request [or at our web site: [www.\[retailer\].co.nz](http://www.[retailer].co.nz)].
- 59. We may offer a discount if you pay on time. The details of any discount offered will be shown on your invoice.
- 60. Please note that:
 - 60.1 The level of any discount may be less if you pay by credit card; and
 - 60.2 If your payment is dishonoured, we may charge you a dishonour fee.

Invoice errors + late invoices



61. If our invoice is based on a meter reading (not an estimate) and we over-charge you in error¹²:
 - 61.1 We will refund you the amount we over-charged; and
 - 61.2 You can choose how it is refunded, unless we offset any amount to be refunded against any other amount you owe us.
62. If our invoice is based on meter readings (not an estimate) and we under-charged you in error for more than [x] reads, and we could have reasonably been aware of the error, then we may not recover the amount that should have been charged, unless you contributed to the error, or could have reasonably been expected to have known about the error.
63. If we send you an invoice that is more than two months late, you will have at least the length of time covered by the invoice to pay it, in regular instalments or as otherwise agreed. If an invoice is significantly late and it is our fault, we will negotiate an appropriate discount with you, so long as you pay our other invoices on time.
64. No interest is due on any amounts over-paid or under-paid in relation to incorrect or late invoices.

Payment if meter is faulty

65. Sometimes meters are faulty and may measure less electricity than you actually use. If this happens, we cannot tell for sure how much power has actually been used and therefore you are only liable for the amount shown on the meter, unless you contributed to the fault, or could have reasonably been expected to know about the fault.
66. However, if your meter has been tampered with, we will invoice you for electricity we reasonably estimate you are likely to have used. If you ask, we will (at your expense) explain the basis on which our estimate is calculated.

BOND¹³

Why a bond may be needed

67. For some customers, we may (at our discretion) require a bond. A bond may be required if you:
 - 67.1 do not meet our credit criteria;
 - 67.2 have a pattern of unpaid electricity invoices;
 - 67.3 have been repeatedly late in paying your electricity invoices;

¹² ECC Code, clause 10.1

¹³ ECC Code, clause 12



- 67.4 have tampered or interfered with an electricity meter or other electricity equipment;
 - 67.5 have repeatedly refused or obstructed access to your premises for a meter reading; or
 - 67.6 have been disconnected for any of the reasons referred to in **clauses 124 and 127-126** below.
- |
- 68. We will hold your bond as security against any amounts you owe us under this contract.

Amount of bond

- 69. Any bond will not exceed our estimate of an average invoice over [] month(s).
- 70. Any bond will be held in trust on your behalf in a separate account, which earns/does not [delete as appropriate] earn interest.
- 71. [If interest is earned on your bond it will be credited to you].

Repayment

- 72. We will repay your bond:
 - 72.1 If you maintain a satisfactory payment record and **do not come within comply with clause 67.2 to 67.86** above for one year (or earlier if we agree); or
 - 72.2 If you switch to another retailer, less any amounts you owe us.
- 73. If we keep your bond for longer than one year, we will explain why.
- 74. We will repay your bond, less any amounts you owe us, by (the choice is yours):
 - 74.1 Crediting your account with us;
 - 74.2 Sending you a cheque; or
 - 74.3 Paying you by direct credit to your nominated bank account.

METERS

Installation of meters

- 75. A meter measures how much electricity you use. Meters are required at your premises.



76. If you do not have the necessary meters, we will arrange for them to be installed. You may not install any meters yourself.
77. Your meters need to be suitable for the amount of electricity you expect to use and the price plan you choose.
78. Pre-payment meters are available in some areas. These are normally more expensive than ordinary meters. We can tell you how much they cost if you would like to evaluate this option.
79. You must pay all costs relating to the installation of any meters and related equipment. We can tell you the likely costs before meters are installed at your premises.
80. In some cases, it may be necessary to upgrade your meters if your consumption increases. You may have to pay the costs of installing new meters. We can advise you on whether any upgrade is required.
81. If you do not own your premises, you must get the owner's permission before any meter or related equipment is installed.
82. No matter how it is installed, no meter is ever a 'fixture or fitting'. This means a meter never becomes part of the premises. At all times, it remains the property of the meter owner and you must not allow any security interest to be created over any meter or related equipment.

Location and protection of meters

83. Meters must be installed on a suitable meter-board, which is easy for us to access. You are responsible for providing the meter-board with a viewing panel of sufficient size for us to view the meter registers.
84. New buildings must have meters installed on the outside, in an easily accessible location.
85. You must, at your expense, take all reasonable steps to protect any meters and related equipment at your premises against interference or damage.
86. If you could have prevented interference or damage to meters or related equipment by exercising reasonable care, we may recover from you any costs we incur in repairing or replacing the meters or equipment.
87. You must ensure that meters or related equipment are not removed or replaced without our consent.
88. Please notify us as soon as possible if you become aware that the meters or related equipment are damaged, defective or look unsafe.
89. If you require a meter or related equipment to be relocated on your premises, you must use an authorised tradesperson to do this. Please contact us if you need any assistance.

Meter maintenance and accuracy



90. We are responsible for maintaining meters and related equipment. This includes ensuring that any meter is accurate within industry rules.
91. We may repair, test or replace the meters or related equipment at any time and you must provide access, as set out in **clause 99**, for us to do so.
92. We may install test meters to check that a meter is giving correct readings, or replace the meter and test the original meter. If we test a meter and:
 - 92.1 It is faulty and you had no part in causing the fault, we will replace or repair the meter at our cost;
 - 92.2 It is not faulty and you requested the test, we may charge you our costs for testing the meter.

93. You are responsible for maintaining the meter box and board on which the meters or related equipment are located, together with any fuse board, main switch, internal wiring and the wires that connect your premises to the network.

Meter Reading

94. We will read all meters at your premises at least four times a year, unless¹⁴:
 - 94.1 Industry rules require a different frequency;
 - 94.2 You live in a remote area, in which case your meters will be read at least once a year;
 - 94.3 We both agree otherwise; or
 - 94.4 We cannot gain reasonable access to your meters, or you do not tell us the correct meter location.
95. If we agree, you may read your meters yourself and give us the readings. We can decide whether or not to accept your readings. If we do not accept any of your readings, and we carry out a special meter reading and it turns out that:
 - 95.1 Your reading was accurate, we will not charge you for the cost of our special reading; or
 - 95.2 Your reading was inaccurate, we may charge you for the cost of our special meter reading.

Tampering with meters

¹⁴ ECC Code, clause 10.5



96. You must not tamper with any meters or related equipment. Tampering with meters is dangerous and may be a criminal offence.
97. If you are found to be at fault, we will charge you for all reasonable costs incurred in:
 - 97.1 Investigating any possible tampering; and
 - 97.2 Any necessary repairs.
98. If any of your meters or related equipment have been tampered with:
 - 98.1 We will invoice you for the electricity we reasonably estimate you have used under **clause 41~~17~~** above;
 - 98.2 We may disconnect your supply under **clause 12~~7~~6.2** below; and
 - 98.3 We may terminate this contract under **clause 15~~3~~2** below and refuse to reconnect your supply.

ACCESS TO YOUR PREMISES

Need for access¹⁵

99. We or the lines company may need access to your premises to:
 - 99.1 Turn the electricity supply on or off;
 - 99.2 Inspect, test, install, operate, maintain, replace, or remove any equipment related to your electricity supply;
 - 99.3 Read your meters;
 - 99.4 Find the cause of any interference with the quality of supply to your premises or the surrounding area;
 - 99.5 Prevent harm to people or premises from equipment for which we or the lines company are responsible;
 - 99.6 Clear trees, vegetation or other obstacles from lines and related equipment if you fail to do so under **clauses 10~~9~~8** and **11~~0~~9**¹⁶;
 - 99.7 Maintain and protect the operation of the local network; and
 - 99.8 Comply with any legal obligations for which access is required.

Your obligations¹⁷

¹⁵ ECC Code, clause 17.1

¹⁶ MDAP, schedule 5



100. When access to your premises is required you must provide us and the lines company with access:
 - 100.1 That is safe and unobstructed, particularly from any dogs or other animals at your premises;
 - 100.2 Any time between 8am and 7pm Monday to Saturday, excluding public holidays (unless another time is agreed);
 - 100.3 Immediately if required:
 - a. To restore electricity supply in your neighbourhood in the event of an unplanned outage;
 - b. To prevent harm to people or premises from equipment for which we or the lines company are responsible;
 - c. For scheduled meter reading, or routine meter maintenance;
 - d. To protect the local network; or
 - e. To deal with any other emergency situation involving the electricity supply; and
 - 100.4 On the condition that any representative of ours or the lines company has identification and provides it to you to examine on request. You should refuse access to anyone who refuses to show such identification and inform us immediately.
101. Except for where you must provide us or the lines company with immediate access, we or the lines company will give you notice under **clause [147?]** of our wish to gain access to your premises.
102. If any equipment relating to your electricity supply is located behind a locked door or gate, you will need to arrange for us or the lines company to gain access.
103. If we require a key, or other means of access to access your premises, it will be held, transferred or disposed of in accordance with our policies, which are available on request¹⁸.

Our remedies if no access¹⁹

104. If you do not provide access as required under **clause 100~~99~~** above:
 - 104.1 We may charge you fees (as set out in our fees schedule);

¹⁷ ECC Code, clause 17.1

¹⁸ ECC Code, clause 17.2

¹⁹ ECC Code, clause 17.1



- 104.2 We may estimate your electricity use and invoice you in accordance with **clause 41** above;
- 104.3 We may disconnect you under **clause 12~~76~~.5**; and/or |
- 104.4 If we or the lines company reasonably believe that there is immediate danger to persons or premises, we, or the lines company may take reasonable steps to gain access without your permission²⁰.

YOUR OTHER RESPONSIBILITIES²¹

Not interfere with network²²

105. You must not send signals or other communications through the network.
106. If you wish to generate electricity at your premises and send it into the network, you must obtain our prior written consent.
107. You must ensure that the way you use electricity at your premises does not interfere with the quality of the electricity supplied to others, or interfere with the network. If it does, you must stop the interference as soon as you become aware of it.
108. You must comply with the line company's network connection standards. You can obtain a copy of these from your lines company²³.

Keep lines clear

109. You must keep trees, vegetation or other obstacles at your premises clear of lines and related equipment²⁴.
110. Your rights and obligations in relation to trees are set out in the Electricity (Hazards from Trees) Regulations [2003]. For more information please contact your lines company.

Increased use

111. If you expect to increase significantly the amount of electricity you use at your premises, you must tell us in advance so we can ensure that you have the necessary equipment in place and the lines company has the capacity to provide the supply.

Protection against surges or spikes²⁵

²⁰ MDAP, schedule 5

²¹ ECC Code, clause 16.3

²² MDAP, clause 29.10(a)

²³ MDAP, schedule 5

²⁴ ECC Code, clause 16.2

²⁵ ECC Code, clause 8.4



112. Surges or spikes are momentary fluctuations in voltage or frequency and are not treated as interruptions. We strongly recommend that you install surge protection devices for sensitive equipment like computers, microwaves, video recorders, televisions and other electronic devices. Contact your electrician or manufacturer for information about how to guard against surges, spikes and other fluctuations.
113. We also recommend that you consider taking out insurance against surges, spikes and other fluctuations or interruptions in electricity supply.

Connections and renovations

114. Only a qualified person may connect or reconnect your premises to the network.
115. If you are making a new connection, or asking for a reconnection after six months, you need to obtain the appropriate certification from a registered electrical inspector, or other approved service providers. You must pay any costs associated with certification. Please call us if you would like any advice.

Safety

116. Please contact us, or the lines company, if you become aware that any equipment relating to your electricity supply is defective, damaged or causing a hazard.

OUR SUPPLY OF ELECTRICITY TO YOU

Our promise to supply

117. We will supply electricity to your premises at quality and reliability levels consistent with current laws and electricity industry standards.
118. For your information, electricity in New Zealand should be supplied at your point of connection at 230 volts (+ or - 6%) and around 50 Hertz alternating current.
119. You need to be aware that your supply of electricity may be interrupted or disconnected for a variety of reasons, which we set out for your information in **clauses 12019 to and 1284** below.

Technical interruptions

120. Your supply may be interrupted or disconnected:
 - 120.1 To maintain or replace equipment owned by us or the lines company, lines or the network;
 - 120.2 To upgrade the quality of supply to your premises or surrounding area;
 - 120.3 To protect persons or premises;



- 120.4 For any other health and safety reasons; or
 - 120.5 To comply with proper instructions from the lines company, Transpower, the Electricity Commission, or any regulatory authority.
121. If an interruption or disconnection of your supply is planned for any of the reasons in **clause 119** above, we will give you at least four days notice²⁶. Notice will be given in accordance with **clause [149?]**. No notice is required if the event is unplanned.

Interruptions under a price plan

- 122. Part or all of your supply may be interrupted if you are on a price plan that allows us to remotely control the supply of electricity to some or all equipment in your premises (for example, your hot water cylinder).
- 123. Any interruption of this kind will be within the terms of your price plan and does not require notice from us.

Disconnects for non-payment²⁷

- 124. You may be disconnected if you do not pay in full, by the due date in our invoice, any amounts you owe us in relation to the supply of retail services, lines services and/or electrical energy²⁸.
- 125. Our right to disconnect you under **clause 1243** above is limited as follows:
 - 125.1 If you have not paid part of our invoice because, in good faith, you dispute it, and you have told us why you dispute it, we will not disconnect you before the dispute resolution process has been completed²⁹. However, if your dispute is frivolous or vexatious, we may disconnect you;
 - 125.2 If you have not paid the undisputed part of our invoice, then we may disconnect you in relation to this unpaid amount;
 - 125.3 **Clause 1243** above applies to any of our invoices based on a reasonable estimate of your likely electricity use, however in this case we will only disconnect if it is fair and reasonable to do so in the circumstances³⁰;
 - 125.4 We will provide for³¹:
 - a. At least seven days' notice before any disconnection;

²⁶ ECC Code, clause 15.1

²⁷ ECC Code, clause 13.4

²⁸ ECC Code, clause 13.5

²⁹ ECC Code, clause 13.1

³⁰ ECC Code, clause 13.3

³¹ ECC Code, clause 13.6



- b. A further three days for the delivery of the notice;
- c. An additional final warning no less than 24 hours before the disconnection. This will be a separate notice to the one provided at least seven days prior to disconnection and can be provided via telephone, telegram, or post.

125.5 Any notice of disconnection will include information about³²:

- a. The reasons for the disconnection;
- b. Our dispute resolution processes;
- c. Details of where and how you can pay the amount owing to avoid disconnection; and
- d. The fee for reconnecting you.

126. If you are disconnected for non-payment, you must still pay:

126.1 Any amounts you owe us; and

126.2 Any charges for services (such as line charges) that continue to accrue after your electricity supply is disconnected.

Disconnection for other reasons³³

127. You may be disconnected if:

127.1 *Theft*: There is reasonable evidence of electricity theft;

127.2 *Wilful Damage*: There is reasonable evidence of wilful interference or damage by you to any equipment relating to the supply of electricity to your premises, in breach of **clause 965** above;

127.3 *Generation*: You generate electricity at your premises and send it into the network without our prior consent in breach of **clause 1065** above;

127.4 *Use of lines*: You send signals or other communications through the network in breach of **clause 1054**;

127.5 *No access*: Over a continuous period of [] months, you prevent us or the lines company from coming onto your premises for any of the reasons set out in **clause 928** above;

127.6 *No bond*: You refuse to provide a bond when reasonably requested to do so under **clause 676** above;

³² ECC Code, clause 13.9

³³ ECC Code, clause 13.4



- 127.7 *Interference*: You use electricity at your premises in a way that interferes with the quality of the electricity supplied to others, or interferes with the network, and you do not stop the interference as soon as you become aware of it;
 - 127.8 *Application criteria*: You move into a premises we supply and apply to join us, but do not meet our application criteria;
 - 127.9 *Emergency access*: If you deny immediate access to your premises for us or the lines company under **clause 99.3**; or
 - 127.10 *End of contract*: This contract is terminated and you have not switched to another retailer.
128. Before any disconnection under ~~sub-clauses 12.6.5, 12.6.6 and 12.6.8~~ above, we will give you seven days notice, with reasons for the proposed disconnection, allowing three days for delivery of the notice. For any disconnection under the other parts of **clause 12.6** above, no notice from us is required.

Disconnection charges

129. Our charges relating to disconnections are set out in our fee schedule.
130. Any fee we charge in relation to a temporary disconnection will be no more than the amount required to meet the costs we incurred in the disconnection and/or reconnection³⁴.

Reconnection

131. Before you we reconnect you, we may require you to:
 - 131.1 Pay all amounts you owe us, including any fees (as set out our fee schedule), which may include a disconnection and reconnection fee;
 - 131.2 Pay any collection costs we incurred in obtaining payment of the amounts you owed us;
 - 131.3 Agree on a satisfactory method for paying future charges;
 - 131.4 Provide a bond under **clause 6.6** above.
132. Once you have satisfied the requirements for reconnection we will use our best endeavours to restore your electricity supply as soon as possible.

LIABILITY AND COMPENSATION

³⁴ ECC Code, clause 13.8



Consumer Guarantees Act 1993

133. The Consumer Guarantees Act 1993 ('the CGA') applies if you buy electricity or electricity supply services for personal, domestic or household use, not for use in trade or a manufacturing or production process. The CGA therefore applies to both electricity retailers and lines companies.
134. The CGA gives you the benefit of various guarantees, including:
 - a. That our electricity is of acceptable quality, and is fit for the purposes for which you buy it; and
 - b. That we will provide our services to you with reasonable skill and care.
135. If we breach any of these guarantees, your rights of redress are set out in the CGA.

Liability to customers in business

136. If you buy electricity or electricity supply services for use in trade or a manufacturing or production process, our total maximum liability in relation to any event or a series of related events is [\$.].

Liability in contract

137. A breach of this contract can also create liabilities in contract law.
138. However, our liability to each other for any breach of this contract is limited to losses that are direct, reasonably foreseeable and caused by a breach of this contract.
139. For the avoidance of doubt, neither you nor we are liable to each other in contract law for any losses that are indirect, not reasonably foreseeable, or not caused by a breach of this contract.

Liability in tort

140. We can also be liable to each other under civil law. This includes negligence, dishonesty, fraud, wilful acts or omissions, or wilful misconduct. In legal terms, these are called torts.
141. Our liability to each other for any tort is limited to losses that are direct, reasonably foreseeable and caused by the parties' behaviour.
142. For the avoidance of doubt, neither you nor we are liable to each other in tort for any losses that are indirect or not reasonably foreseeable or not caused by a breach of this contract.

Other matters

143. We are both liable for the actions or inactions of our respective officers, employees and agents.



144. Our liability to each other under clauses ~~1334-1432~~ above is in addition to any other amounts we may owe each other.

Compensation from lines company

145. As explained in the foreword and in **clauses 1565 to -16059** below, we contract your local lines company to deliver electricity to your premises. To achieve a better quality and reliability of service for you, we encourage lines companies to give service guarantees.
146. As these guarantees are for your ultimate benefit, we will pass on to you, as a credit in your next invoice from us, any payments we receive from the lines company (less our reasonable administrative costs) for a failure by the lines company to satisfy any guarantees they give us in relation to their services.

Fixed price plans

147. If you are on a fixed price plan (where you agreed to a fixed electricity price for [] months or more) and either of us breach the terms of the plan, the breaching party must reimburse the other party for any losses incurred as a result of the breach of contract, after using best endeavours to mitigate any losses.

NOTICES

148. A notice from us to you may be:
- 148.1 Delivered to the address to which you asked us to supply electricity;
 - 148.2 Posted to your last known postal address;
 - 148.3 Emailed to your last known email address, if you have agreed to have notices delivered in this manner; or
 - 148.4 Faxed to your last known fax number.
149. To ensure you receive the notices we send please update us with your contact details should they change.
150. We may give you notice by placing a notice in your local newspaper and posting information on our web site at [www.(retailer).co.nz] to inform you of:
- 150.1 Any planned interruption or disconnection of electricity supply;
 - 150.2 Any changes to the terms and conditions of this contract;
 - 150.3 Any changes to our fee schedule; or



- 150.4 Any changes in our prices, if you are on a price plan that allows our prices to change on less than one month's notice.
151. For the avoidance of doubt, notice of any change to our daily fixed charges, frequency of invoicing, frequency of meter reading or energy charges under a price plan which requires ~~at least more than~~ one month's notice will be given under **clause 14~~87~~2** above³⁵.
152. We are entitled to assume that our notices have been received by you:
- 152.1 On the day it was delivered to the address to which you asked us to supply electricity;
 - 152.2 Three days after it was posted to your last known postal address;
 - 152.3 The day after it was transmitted to your last known email address or fax number;
 - 152.4 On the day after it was published on our website, if you have agreed to receive notices this way, or the notice appeared in your local newspaper.

TERMINATION

Termination

153. This contract may be terminated:
- 153.1 By one month's notice;
 - 153.2 By you switching to another retailer;
 - 153.3 If either of us breach this contract in a material way.
154. On or before termination:
- 154.1 A final meter reading is required;
 - 154.2 You must contract with another retailer or you may be disconnected;
 - 154.3 If you do not contract with another retailer, you must stop using electricity and any of our other services; and
 - 154.4 You must pay in full any amounts you owe us.

Your responsibilities continue

³⁵ ECC Code, clause 7.2



155. Your responsibilities under this contract that are intended to apply after this contract has been terminated will continue until their purpose is served. Some examples include your obligation:
 - 155.1 To pay all amounts you owe us;
 - 155.2 To provide access for us or the lines company:
 - a. To the meters at your premises;
 - b. To maintain any equipment owned by the lines company; and
 - c. To keep trees, vegetation or other obstacles clear of lines and equipment.

LINES COMPANY

156. We contract your local lines company to transport electricity across their network to your premises.
157. For your information, the lines company contracts Transpower to transport electricity from generation stations, across the transmission grid to their local network³⁶. This is shown in the foreword at the front of this contract.
158. Your local lines company owns, operates and maintains most of the lines and equipment in your area up to the point where your premises connects to their network. This is also shown in the foreword.
159. We are responsible for making sure that your local lines company meets its obligations in transporting electricity to your premises.
160. If you have a problem with your lines or equipment, please contact us.

COMPLAINTS

Making a complaint

161. We are committed to giving you the best possible service. If something is not right, please call us on [0800 telephone]. We will do our best to put it right as quickly as possible.
162. If you remain unsatisfied, please contact our [complaints resolution officer] on [details].^[Delete if not applicable]
163. Our complaints resolution process is free and committed to delivering fair and effective outcomes in good faith³⁷. We aim to meet the standards required by the Electricity Complaints Commission, of which we are a member.^[Delete if not applicable]

³⁶ ECC Code, clause 16.1

³⁷ ECC Code, clause 18.1



164. You will be treated courteously and with respect. Our [staff] are trained in dealing with complaints. Our [staff] will acknowledge your complaint within two working days and inform you of the steps to be taken to reach a resolution. In some cases, we may ask you to put your complaint in writing to help us better resolve your complaint.³⁸
165. We review our complaints resolution process regularly to make sure it is delivering fair and effective outcomes for our customers³⁹.

Taking your dispute to the ECC⁴⁰

166. You may refer your dispute to the Electricity Complaints Commissioner if:
 - 166.1 You are unhappy with the way we propose to resolve your dispute;
 - 166.2 Your dispute is not resolved within 20 business days of receiving it and we have not written to you explaining why we need further time; or
 - 166.3 Your dispute is not resolved within 40 business days of receiving it.

167. You can contact the ECC:

Electricity Complaints Commissioner
PO Box 6144, Marion Square
Wellington
Freephone: 0800 22 33 40
Email: info@electricitycomplaints.co.nz

General

168. While the ECC's disputes resolution process is free, you can also take your complaint to the Disputes Tribunal or through the court system.
169. Within 10 days of resolving any dispute about our charges, we will credit your account with any amount we owe you, or you will pay us any amount you owe us.

ABOUT THIS CONTRACT

170. Subject to **clauses 27 to 36-31?** relating to changes in our prices, we may change part or all of this contract by giving you at least one month's notice under **clause 14.87?**, in which we will explain the reasons for the changes.
171. This contract replaces any other contract you may have had with us and includes any other document referred to in this contract.

³⁸ ECC Code, clause 18.2

³⁹ ECC Code, clause 18.3

⁴⁰ ECC Code, clause 18.3



172. If any terms or condition of this contract are ruled invalid in court, it will not affect the rest of this contract.
173. We can transfer or assign all or any of our rights and obligations under this contract to someone else. We can also subcontract or delegate all or any of our obligations. If you are not happy with the party performing our obligations, you may switch to another retailer or terminate this contract.
174. You may not transfer or assign any of your rights or obligations under this contract to another person unless we agree.
175. The ~~f~~oreword set out on pages ~~[3 to 6]~~ above does not form part of this contract.
176. In the event of any conflict between this contract and the ECC's Code of Practice, the Code of Practice prevails.

Direct agreement with ~~H~~ines ~~c~~o~~m~~pany (conveyance agreement)

177. If you are connected to a local network where the ~~H~~ines ~~c~~o~~m~~pany requires a direct agreement with you for the provision of line services, you must comply with the terms of that agreement, or in the case of a new connection to the network, the ~~H~~ines ~~c~~o~~m~~pany's standard terms and conditions.
178. Where you have a direct agreement for ~~H~~ine services with the ~~H~~ines ~~c~~o~~m~~pany the provisions set out in ~~this contracts agreement~~ that relates to your obligations to the ~~H~~ines ~~c~~o~~m~~pany and the ~~H~~ines ~~c~~o~~m~~pany's obligations to you do not apply. This will not however affect our obligations to each other or each party's rights as set out in ~~this contractagreement~~.
179. Any complaints related to the services provided to you under a direct agreement with a Lines company should be referred to the ~~H~~ine ~~c~~o~~m~~pany.

KEY EXPRESSION

~~TO COME~~

~~(Some picked up so far)~~

[This section will be completed following the submissions process]

Appliance

Authorised tradesperson

Bond

~~Compensation~~

~~Confidentiality~~

~~Consumer Guarantees Act 1993~~

~~Consumption~~

~~Customer~~

Day

~~Disconnection~~

~~Disputes Tribunal~~

Electricity Commission

Electricity Complaints Commission (ECC)

~~Electricity Complaints Commissioner~~

Electricity Complaints Commission Code of Practice

~~Electricity (Hazards from Trees) Regulations 2003~~

Electricity industry rules

~~Equipment~~

~~Estimate~~

~~Events of non-supply~~

~~Fee schedule~~

Fixed price plan

Fixture or fitting



Flexible price plan

~~Frivolous or vexatious~~

~~Frequency~~

~~Harmonics (comply with NZ Electrical Code of Practice for Harmonic Levels)~~

~~Identification~~

~~Interruption~~

~~Join us~~

~~Liability~~

Lines

Lines company (include representatives or contractors)

Lines services

~~Local network~~

~~Losses~~

Meter-board

Meters and related equipment

National grid

Network or local network

~~Our invoice~~

Point of connection

~~Power factor~~

Retailer (us or another)

~~Responsibilities—duties and obligations~~

~~Surges~~

Surge protection device

~~Tampering~~

~~Tariff~~

~~Termination~~



Transpower

~~Voltage~~

We, us, our (include representatives or contractors)

Wholesale prices

Wholesale spot market

~~Wilful damage~~

You

Your ~~a~~Account

~~Your m~~Meter

~~Your local network~~

Your premises