

VIEWS OF EUROGAS SUPPLY AND MARKETS DEVELOPMENT COMMITTEE ON CEER'S DISCUSSION PAPER: 2020 VISION FOR EUROPE'S ENERGY CUSTOMERS

The energy market is evolving, and those changes are compounded by changes in other areas notably IT with its potential to revolutionize societal and commercial relationships and communications. Eurogas endorses CEER's objective to develop a 2020 vision for customers, preparatory to a concrete action plan.

Eurogas agrees that working together is key. The consumer representative bodies are clearly important players, but industry too has to be invited to have a full part in the consultation. This is not only because industry is responsible for delivering the products and services consumers seek but because, in their day to day business, they engage extensively with customers in order to understand better their needs.

Furthermore, CEER views the 2020 vision as integrated within the Citizens Energy Forum. Therefore, it should complement the other work ongoing in the Forum. This work involves all stakeholders.

Eurogas endorses the key principles identified in the draft vision paper.

Affordability

Competitive pricing is the basis of a well functioning market, especially in a context where there are upwards exogenous pressures on prices. To respond to market opportunities customers have to have access to choice and something to gain. Therefore companies have to be in a position to make alternative and innovative offers, contributing to effective competition. Clarity of presentation of products and offers should underpin the market opportunities supported by clarity in consumption data and related billing, to distinguish between commercial pricing, and elements arising from government policies. All these issues are being discussed in the multi-stakeholder working group chaired by DG SANCO on Retail Market Transparency.

<u>Reliability</u>

Energy availability is basic to customer welfare and comfort. Security of supply cannot be compromised by customers' decisions on supplier. Moreover in the event of a particular supplier being unable to meet supply obligations, a default solution should be available in line with the Third Package.

CEER's vision, however, of customers being assured of energy at any moment of the day or night should not prevent companies being allowed to act against poor payers. Physical disconnection of domestic customers who do not pay their bill is a last resort, when all other routes have failed. There are generally clearly specified stages in the process, also to distinguish between poor payers and customers in genuine hardship for whom special arrangements should be in place. The roles of various parties involved in disconnection should be clear.

<u>Simplicity</u>

As mentioned in connection with affordability, clarity of presentation of products and offers should underpin market opportunities. The group led by DG SANCO is relevant to the objective, similarly the work of CEER to improve the quality of comparability websites. Customers should have access to information necessary to compare offers and



make choices. Product choice should be clear, and customers should be able to understand and have confidence in price and service offers. Suppliers have to meet their responsibilities in providing customers with clear and understandable contracts, which at the same time are legally robust.

Protection and empowerment

A well functioning market, a customer's access to necessary information of gas market opportunities, and access to a choice of goods and services, coupled with an efficient customer switching system, all contribute to customer empowerment.

Customers, however, also have to be adequately protected. Customer protection is a broad concept, which can be ensured by a variety of means including general consumer law and self-regulation, covering also data privacy and complaint handling. Alternative dispute resolution has a role to play, when other means are exhausted.

Within the wider context of customer protection, the more specific issue of vulnerable customers arises. It is necessary to have in place adequate safeguards for vulnerable customers in line with the requirements of Article 3 of 2009/73EC. CEER's approach would be expected to build on the outcome of the work in DG ENER's multi-stakeholder working group on this issue, fundamental to which is the principle that robust competition is the primary means to safeguard the interests of all energy consumers and incentivize responsible behaviour by market actors.