The European Union of the Natural Gas Industry

ERGEG DRAFT GUIDELINES OF GOOD PRACTICE ON INDICATORS FOR RETAIL MARKET MONITORING

**Response on behalf of
Eurogas's Distribution System Operators Committee**

General

There is a triangular relationship between supplier, DSO and consumer. This means that the indicators, the processes and any analysis of them are usually not independent of each other.

The validity of comparisons of these indicators between Member States is highly questionable. These values are closely linked with the national context of each market (size, structure, maturity, obligations…) and cannot be easily compared.

Technical indicators (16-19) are an indication of the effectiveness of the DSO and not necessarily of the effectiveness of the market. The definition of some indicators have to be specified (Indicators 17 & 19).

1. Indicator 1 Customer Complaint

Classification is too complex and detailed, especially regarding level 2 (30 different types of complaints are identified). The level 1 classification (14 categories) is also too detailed and should be considered as a maximum request. On the other hand, the reliability of this indicator is very dependent on the quality of the data collection, which can be quite different from one operator (or country) to another. The difference between a complaint or an enquiry may be unclear.

2. Indicator 2 Customer Enquiries

This indicator seems quite difficult to manage. The quality and the exhaustiveness of the data collection is very uncertain and can widely differ among the different actors of the process. What's more, the traceability of the customer enquiries is very difficult to assure. The comparison of the results will be quite misleading. The cost of this data collection has to be taken into account, compared to its benefit. Same remark as previous indicator: too many categories. We suggest this indicator should be left out.

3. Indicator 10 Market Concentration

In a market that was already fragmented before the opening of the gas markets, this indicator is not relevant. The % of clients switched from the incumbent supplier is a good indicator of the market opening.

4. Indicator 12 Number of switches for household customers as a % of customer numbers

The switching ratio is difficult to interpret on its own. Low numbers can also be the consequence of insufficient price differentiation, disinterest of customers etc.

5. Indicator 14 Number of delayed switches

Causes of the delay should be analyzed. There is lack of clarity in terms of what a 'delayed switch' means. What if the customer requests a supply start date beyond the start date suggested by the DSO? We assume that 'cooling off' periods designed to protect consumers for certain types of contract are not included in the three weeks mentioned, since they do not indicate market failure.

6. Indicator 16 Average time between a connection being requested by a customer and completed

We accept that the response time is an indicator of effectiveness. However it must be borne in mind that the actual time for physical connection may be linked to local factors such as the condition of the terrain, so monitoring the overall time till completion may not be appropriate. Moreover, it is good practice to agree the date of installation commissioning with the customer. If this date exceeds the regulated limit, it should not count as a non compliance.

7. Indicator 17 Average time until repair

This indicator shall be amended in the following way:

*Indicator 17: Average time until repair **for unplanned interruptions.***

Rather than global average time, it could make sense to report in terms of time ranges.

8. Indicator 18 relative number of disconnections

We accept that the number of disconnections should be monitored, although it should be recognized that this is not related to the operation of the competitive energy market, it is much more a consequence of the customers' payment behavior and economic circumstances.

9. Indicator 19 Maintenance Services

This indicator has to be defined more precisely: definition of maintenance services, relevance of calculating an average time and an average charge, etc.