

Riina Heinimäki  
25.6.2007

Ms. Fay Geitona  
Secretary General  
Council of European Energy Regulators (CEER)  
Rue le Titien, 28  
1000 Brussels  
Belgium

Email: [ergeg- unbundling@ergeg.org](mailto:ergeg- unbundling@ergeg.org)

## **Draft ERGEG Guidelines of Good Practice on Functional and Informational Unbundling**

### **- comments by Finnish Energy Industries**

Finnish Energy Industries appreciate the possibility to participate in this public consultation and we wish to provide our contribution in preparing ERGEG's Guidelines of Good Practice on Functional and Informational Unbundling. We hope that these comments are taken into consideration by ERGEG.

Finnish Energy Industries supports the comments provided by Eurelectric. In addition, we wish to point out few main issues.

We want to stress clearly that we don't see any need for ownership unbundling at the distribution level. We believe that Directive 2003/54/EC, when properly implemented and enforced at national level, should appropriately address the risks associated with ineffective unbundling.

In Finland, 5,2 million people or approximately 3,1 million customers are served by approximately 90 distribution system operators and by approximately 70 electricity suppliers. Many of them have reduced their and customers' costs with a multi-utility type of approach, including, inter alia, activities in electric network, supply of electricity and district heating. The structure of the industry varies significantly from one country to another. The Finnish customers can execute, and they have executed, the possibilities on a free and well functioning market. The present unbundling regulation guarantees, when properly implemented, neutral conditions for the market participants.

Based on this, we think that some of the suggested guidelines are disproportionate. These guidelines should be reconsidered and costs or efforts and benefits of each specific measure should be assessed. The disproportionate effect of many of these guidelines is also dependent on whether a threshold is applied to them.

- G01: This is an example of those guidelines, on which it would be interesting to see some analysis on the potential damage caused by e.g. physical proximity, compared to costs of localizing some activities to new places.
- G14: It should be analyzed, whether the suggested guideline is against legislation on companies. The board is responsible to oversee the functioning and the finances of the company. It is fundamental for shareholders, creditors, tax authorities etc. that a responsible body exists.
  - The same answer can be applied to ERGEG's question 3. on page 21.
- G08 b, d, f and g: These guidelines might be in conflict with present legislation, e.g. labour laws. This should be analyzed further.

**Finnish Energy Industries**  
Fredrikinkatu 51–53 B, FI-00100 Helsinki  
P.O.Box 100, FI-00101 Helsinki  
Telephone: +358 9 530 520  
fax: +358 9 5305 2900  
[www.energia.fi](http://www.energia.fi)



Riina Heinimäki  
25.6.2007

- Concerning ERGEG's question 4. on page 21, career restrictions would be in violation of an individual's fundamental rights.
- G09: Suggested measures would mean disproportionate cost compared to benefits, especially with a structure with a rather big number of smaller companies.
- G12. The suggested guideline is unnecessarily detailed.

Yours sincerely,

Finnish Energy Industries

Juha Naukkarinen  
Managing Director

CC

Finnish Energy Market Authority