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ERGEG PRESS RELEASE

European Energy Regulators take action to help retail consumers

- New proposals will bring concrete benefits to Europe's retail consumers of gas and electricity.
- Proposals identify best practice and suggest actions to help consumers switch supplier.
- Recommendations will also improve protection against abuses, and provide greater price transparency.

New proposals adopted by European Energy Regulators on 21 July will help bring the benefits of liberalisation and integration to households and small business across the European Union.

The proposals set out recommendations for improving the position of the end consumer, based on ERGEG's in-depth knowledge and experience of the market. The regulators hope that these "best practices" will be taken forward by member states as they implement in national law the Electricity (2003/54/EC) and Natural Gas (2003/55/EC) Directives.

The recommendations cover three key areas:

Switching Supplier

One of the key benefits of increased competition is the ability of customers to switch supplier when they find a better price. The ERGEG proposals aim to make this process as "user-friendly" as possible, providing easy, cost efficient and standardised procedures for leaving one supplier and signing up with another. The system will be monitored by the independent regulators, so that customers can be confident that the market is working in their interests.

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Effective Customer protection

The proposals also present three key strategies to ensure a high level of consumer protection, from both energy suppliers and the network operators. ERGEG's recommendations should ensure that energy is provided at reasonable prices, including timely connection to a distribution network; that consumers receive a reliable, continuous, high quality supply; and that customers are able to effectively redress any problems or conflicts.

• Transparency of Prices

There are also proposals on pricing information, both before the customer enters a contract and during the contract period. ERGEG's recommendations will ensure that customers are able to make informed choices; that prices, including in bills, are both transparent and accurate; and that customers are kept informed of any change in prices during the contract period.

From 1 July 2007, electricity and gas markets in all member states will be open to competition, with all EU energy customers given the freedom to shop around and switch to any supplier in the Union. Today's proposals from ERGEG give this a firm push forward, and should help ensure that the vision of a single European energy market becomes a reality.

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Notes to Editors:

- 1. The European Regulators Group for Electricity and Gas (ERGEG) acts as an advisory group to the European Commission. Membership is limited to the EU energy regulators and regulators from the candidate countries and the European Economic Area hold Observer status.
- 2. ERGEG's three Best Practice Propositions can be found on the homepage of ERGEG, <u>www.ergeg.org</u>.