



ERGEG Public consultation

Draft guidelines of good practice on Indicators for Retail Market Monitoring

Le médiateur national de l'énergie's contribution

June 16th 2010

The national energy ombudsman (Le médiateur national de l'énergie - MNE) is an independent French administrative authority. It is responsible for recommending solutions to disputes relating to the performance of contracts for the supply of electricity or natural gas, and taking part in campaigns to inform consumers about their rights.

The field of jurisdiction of the national energy ombudsman is strictly regulated by the law of December 7th 2006 regarding the energy sector.

The ombudsman's recommendations are communicated in writing to the service providers concerned by the dispute, who are free to follow the ombudsman's opinion or not.

Through its missions, the MNE is involved with consumers' protection. Therefore, it has wished to contribute to the ERGEG's consultation on Indicators for Retail Market Monitoring, especially concerning the indicators that measures consumers' satisfaction end protection.

We agree with the general provisions and objectives of the guidelines and with the four monitoring domains.

Our remarks on each monitoring domain are detailed here after :

Measurement of customer satisfaction

ERGEG recommends that customer satisfaction should be measured by the number of complaints, the number of enquiries and by the existence or not of a reliable price comparison website available for customers.

MNE's comments:

The MNE considers that the customer satisfaction is a key dimension of the monitoring of a retail market.

Concerning the indicator 1 "Number of customer complaints by category", the MNE suggests distinguishing the complaints collected by the energy providers from the complaints collected by the third party bodies. We consider that the indicator should

follow separately the written complaints (more reliable) and the oral complaints (more difficult to determine if an oral demand is a complaint or an enquiry).

Concerning the ERGEG proposal of Consumer complaints classification, the MNE reiterates its comments made in its answer to the public consultation on Draft advice on customer complaint handling, reporting and classification :

We drive the ERGEG's attention on the possible complexity to classify certain complaints. Indeed, some of the energy specific categories can be the consequence of other categories, which can complicate the choice. For example, an incorrect invoice can be the consequence of a metering problem. An unwished switch can result of unfair commercial practices.

As a complementary indicator, we suggest to follow an indicator "Complaints handling delay". For more transparency, this indicator should be measured and published by energy provider.

Concerning the indicator 2 "Number of customer enquiries by category", the MNE drives the attention of the ERGEG on the fact that most of the enquiries collected by the energy providers concern the energy contracts and cannot be interpreted as a sign of market functioning or not.

Concerning the existence of a reliable price comparison website available for customers, in France, such a website has been set up by CRE and MNE in November 2009. We suggest measuring the number of comparisons made by this website.

Retail Market Outcomes

ERGEG recommends to measure pricing indicators for typical household customers such as end-user price, retail margin, price spread, number of current offers, regulated end user prices.

MNE's comments:

The MNE will make available its comparison website data base in order to facilitate the calculation of the end-user price indicator.

The comparison website can also contribute to measure the diversity of offers indicator but as only the volunteer energy suppliers provides data on their offers, its information won't be exhaustive.

We have nothing to report concerning the other retail market outcomes indicators recommended by the ERGEG.

Market Structure

ERGEG recommends to measure the number of active suppliers, their market shares and an indicator regarding the branding separation between DSO and supplier

MNE's comments:

The MNE recommends the publication of the market shares of each energy supplier, at least quarterly.

We have nothing to report concerning the other market structure indicators recommended by the ERGEG.

Market Condition and DSO services

ERGEG recommends to measure indicators related to switches, connections, disconnection, repairs and maintenance services.

MNE's comments:

We suggest measuring complementary indicators related to the number of technical errors in switching, in connection and in disconnection process as a percentage of the total number of switches, connections and disconnections. Indeed, one customer can be switched, connected or disconnected instead of another customer because the energy supplier used a wrong technical reference.

We also suggest to measure the number of outstanding payment intervention demands made by each energy supplier as a percentage of its customers.

These data should be collected at least quarterly from DSO.

For further information, please contact Stéphane Mialot, head of the national energy ombudsman services (email : stephane.mialot@energie-mediateur.fr, phone : +33 1 44 94 66 24) or Frédérique Coffre, head of Energie-Info customer information service (email : frederique.coffre@energie-mediateur.fr, phone : +33 1 44 94 66 06)