



Customer Focus Group

- The customer's approach

Lisbon, 11 September 2008

ERGEG; European Regulators' Group for Electricity and Gas



- **ERGEG, background**
 - ERGEG was set up by the European Commission
 - (Decision of November 11, 2003 2003/796/EC)
 - advisory body on internal energy market issues
- **Purpose**
 - facilitate a consistent application of the provisions set out in Directive 2003/54/EC, Directive 2003/55/EC and Regulation (EC) No 1228/2003
 - facilitate consistent application of possible future Community legislation in the field of electricity and gas
 - advises and assists the Commission on its own initiative or upon request

- **Focus during 2007 and 2008**
 - **Customer rights and position**
 - **Retail market functioning**
 - **Customer Protection Task Force**
 - **Retail Market Functioning Task Force**
- **Deliverables during 2008**
 - **Status review on transposition of consumer rights (Annex A) (EC)**
 - **Compliance monitoring report on the adoption of the position paper on end-user price regulation**
 - **Guidelines of good practice for removing obstacles to supplier switching**
 - **Case study of obstacles in supplier switching process**

Description of previous work

- ERGEG Position Paper on Smart Metering with a Focus on Electricity Regulation
- ERGEG Position Paper on End-user Price Regulation
- ERGEG Customer Information Handbook
- Report on Transparency of Energy Prices, Bills and Contracts
- Obstacles to supplier switching

The CFG has mainly worked with issues regarding market functioning and how this area is regulated from a customer's perspective. The focus of the work has been mainly the supplier switching process - thus dealing with the competitive part of the energy market.

- **Contract with DSO**
 - Describes the obligations and responsibilities of DSO and customer
 - Quality of service; describes quality of the electricity
 - Not applicable in all EU countries
- **Contract with supplier**
 - Describes obligations and responsibilities of supplier and customer
 - Quality of service; describes customer/commercial service
 - Applicable in all EU contracts
- **Contract with both DSO and supplier**

- **Recommendations and principles for publication and presentation of price information**
 - Transparent price information on contract, bills and easily available information – basic information
 - Dealing with the supplier
 - Challenge to promote activity with consumers when electricity market is considered difficult to understand

- **Connection to transmission and distribution**
 - Similar recommendations for transmission and distribution?
 - Promote consumer's interest for the quality of supply?
 - BPP?



- **ERGEG's three strategic priorities**
 - DSO is to provide customer with energy at reasonable prices
 - Ensure reliable and continuous supply of good quality
 - Help customer to effectively redress conflict with the service provider

- **Recommendation**
 - DSOs to make best efforts to ensure their customers' supply of electricity/gas with good quality. The network regulatory systems applied to DSOs should include right and proper incentives to promote supply of good quality

Customer Information Handbook; E06-CPR-04-03



- **A review of good practices**
 - Customer information service unit
 - Precontractual information (PCI) materials providing general information
 - PCI materials providing specific information on suppliers
- **Good practice applicable to transmission and distribution?**
 - Statistics on complaints received and quality of service delivered
 - Indicators and ratios, A scorecard for example (the Netherlands)

- **Monitoring consumer outcomes in the Single Market**
 - indicators showing how consumer markets work
 - **First scoreboard focuses mainly on services**

- **Complaints; Electricity supply services**
 - formal complaint; 1 – 14 %, average 6 %
 - satisfaction with complaint handling; 26 – 68%, average 49%
 - satisfaction/dissatisfaction rates network services, 36 % - 82% and 5%– 17 %

- **Safety of service; Electricity supply services**
 - Safe; 73% - 96 %, not safe; 1 % - 23 %

Quality of service

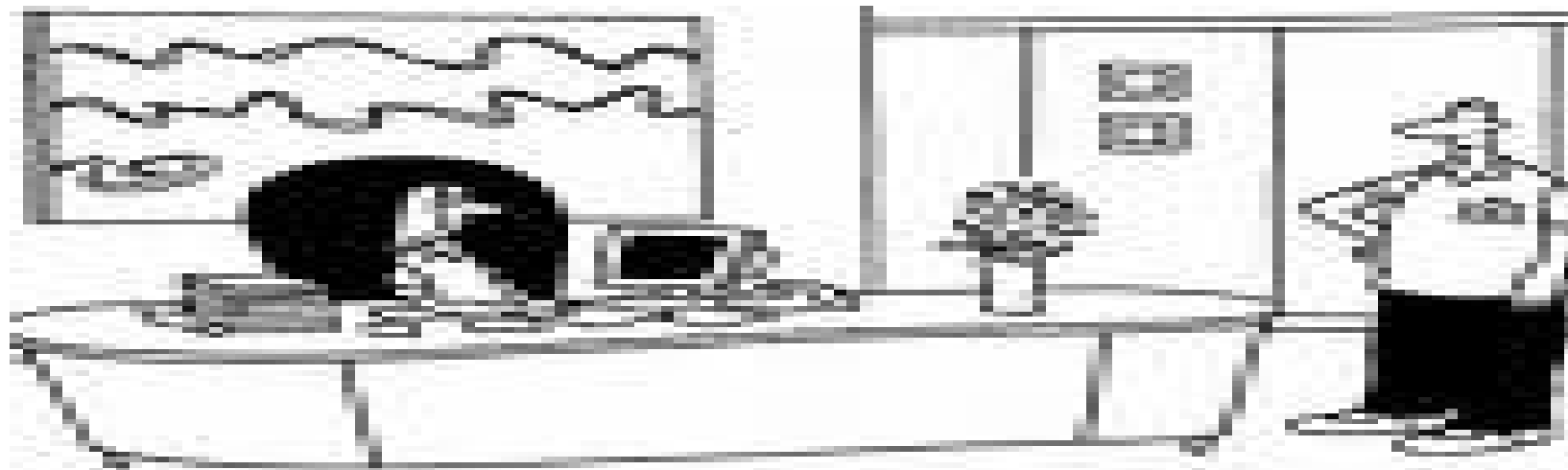


Quality of service



- **What do we mean by service**
 - commercial service
 - quality service related to transmission and distribution

- **Is the customer willing to pay the price for high quality electricity supply?**
 - The average customer - I'm already paying for that.
 - A customer who has experienced a power failure – well...



“Someone calling themselves a customer says they want something called service.”

Thank you for your attention!

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