CEER Status Review of Customer and Retail Market Provisions from the 3rd Package as of 1 January 2012

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INFORMATION PAGE

Abstract

This document (C12-CEM-55-04) is a CEER document entitled CEER Status Review of Customer and Retail Market Provisions from the 3rd Package.

EU Member States were obliged to transpose the 3rd Package into national law by March 2011. As a consequence, the CEER Status Review of Customer and Retail Market Provisions from the 3rd Package gathers information on the implementation status of selected provisions under Article 3 and Annex I of Directives 2009/72/EC[1] and 2009/73/EC[2] in CEER member countries. The Status Review aims at revealing the extent to which the customer and retail market provisions of the 3rd Package have been legally and practically implemented by 1 January 2012 and gives insight into how the 3rd Package provisions were interpreted across Europe, i.e. which individual arrangements have been used to implement the provisions. The key issues addressed include: universal service, supplier switching, vulnerable customers, customer information requirements, alternative dispute resolution mechanisms and information on regulated end-user prices in CEER member countries.

Target audience

Energy suppliers, traders, gas/electricity customers, gas/electricity industry, consumer representative groups, network operators, Member States, academics and other interested parties.

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[1] Directive 2009/72/EC 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC.
[2] Directive 2009/73/EC 13 July 2009 concerning common rules for the internal market in gas and repealing Directive 2003/55/EC.

Related documents

CEER documents

- "Benchmarking Report on the Roles and Responsibilities of NRAs in Customer Empowerment and Protection as of 1st January 2011", CEER, [October 2011], Ref. C11-CEM-46-03, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab2/C11-CEM-46-03_BR-Roles-Resp-NRAs_11-Oct-2011.pdf
- "Guidelines of Good Practice on Electricity and Gas Retail Market Design, with a Focus on Switching and Billing", CEER, [January 2012], Ref. C11-RMF-39-03 http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab3/C11-RMF-39-03_GGP-Retail-Market-Design_24-Jan-2012.pdf
- "CEER Position Paper on the Commission Proposal Directive on Consumer ADR, COM(2011) 793", CEER, [March 2012], Ref. C12-CEM-49-05 http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab3/C12-CEM-49-05_ADR%20directive-PP_12-Mar-2012-public.pdf

ERGEG documents

- "End-user Energy Price Regulation - An ERGEG Position Paper", ERGEG, [July 2007], Ref. E07-CPR-10-03 http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/2007/E07-CPR-10-03_E-UPriceReg_0.pdf
- "ERGEG Status Review on the Definitions of Vulnerable Customer, Default Supplier and Supplier of Last Resort", ERGEG, [July 2009], Ref. E09-CEM-26-04 http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab/E09-CEM-26-04_StatusReview_16-Jul-09.pdf
- "ERGEG Status Review on End-User Price Regulation as of 1 January 2010", ERGEG, [September 2010], Ref. E10-CEM-34-03 http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab1/E10-CEM-34-03_price%20regulation_8-Sept-2010.pdf

Other documents

- Court of Justice Case C-265/08 Federutility and Others versus Autorita per l'Energia Elettrica e il Gas, 2010

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EXECUTIVE SUMMARY

The present Status Review examines the degree of progress made in member countries of the Council of European Energy Regulators (CEER) with respect to the implementation of customer and retail market provisions from the 3rd Package[3]. In this context, the document provides a snapshot of the situation in CEER member countries on 1 January 2012, Nine months after the 3rd Package had to be transposed into national law by EU Member States. The Status Review is not a legal review aiming at measuring compliance with the 3rd Package; it rather reflects the situation on a given date with respect to the handling of specific customer provisions in the 3rd Package. As far as the scope of this report is concerned, the customers covered in this report are household customers[4].

The information used in this Status Review is based on a representative set of data provided by NRAs from the CEER member countries[5] by means of a questionnaire. Six subject areas were analysed in this Status Review, namely universal service, switching suppliers, vulnerable customers, customer information requirements, alternative dispute resolution mechanisms and information on regulated end-user prices. The main findings in each area are briefly outlined in the following paragraphs.

The analysis of the implementation of universal service provisions in the 3rd Package revealed that the stated obligations are widely transposed in CEER member countries, especially with respect to the supplier-of-last-resort mechanism. However, individual countries vary in the definitions and preconditions they apply to the eligibility for consumers to benefit from such a mechanism. In addition, it can be concluded that the number of appointed suppliers of last resort varies greatly given that all suppliers may be potential suppliers of last resort in some countries, whereas in others their appointment is restricted to a defined geographical area.

With respect to the **provisions stipulated in the context of supplier switching**, the underlying analysis demonstrates that there is a gap between the legal and practical implementation of the 3rd Package. While the legal provisions are widely implemented across CEER member countries, only a minority of countries meet the three week maximum period for switching suppliers and the six week period for the receipt of the Final Disclosure Account in practice. Different reasons are cited for this problem. Yet, currently only a small number of CEER member countries intend to put measures in place to reduce the delays experienced in practice.

The analysis of **vulnerable customer protection** showed that CEER member countries have different understandings of what a concept of vulnerable customers entails. Despite this fact, most CEER member states tend to ultimately protect their vulnerable customers through a combination of energy specific and social security measures. It was concluded that the definition of a concept of vulnerable customers as required in the 3rd Package does not

[3] Directive 2009/72/EC 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC and Directive 2009/73/EC 13 July 2009 concerning common rules for the internal market in gas and repealing Directive 2003/55/EC.
[4] See Article 3, paragraph 3 of Directive 2009/72/EC and 2009/73/EC.
[5] All EU Member States, Iceland and Norway are members of CEER.

reveal the actual state of vulnerable customer protection in a given CEER member country. In fact, the level of protection of vulnerable customers can ultimately only be assessed by examining the protective measures in place. Hence, the fact that a country does not have an explicit definition of a concept for vulnerable customers in its legal framework does not necessarily mean that vulnerable customers in such a country are less well protected than vulnerable customers in countries that establish a defined concept.

The analysis of the implementation of **customer information requirements** from the 3rd Package illustrates that customers are widely informed on the contribution of each energy source to the overall energy mix. Most countries also implemented single points of contact both in the electricity and the gas sector. However, only half of the countries contributed to the establishment of the required energy consumer checklist and only a few countries have started the coordination process with suppliers and Distribution System Operators in this respect.

The analysis of **ADR mechanisms** showed that nearly all CEER member countries have had such mechanisms in place for a fairly long time. In a majority of countries, the NRA is in charge of ADR, either as the sole institution or in combination with other institutions. The majority of existing ADR mechanisms are state funded, followed by a smaller number of industry funded mechanisms. The analysis showed that the average duration of out-of-court settlements varies greatly across countries. Therefore, the required three month settlement period as stipulated in the 3rd Package is still to be implemented in a number of CEER member countries.

The underlying Status Review also gathered information on **regulated end-user prices** in CEER member countries. Results showed that in roughly half of the member countries, regulated end-user prices exist. The household sector represents the highest number of eligible customers for regulated end-user prices and is closely followed by the small businesses sector. Regulated prices for medium and large businesses as well as for energy intensive industries are less common. While plans to abandon regulated electricity prices exist in a large number of CEER member countries, gas prices, where regulated, will continue to stay regulated in most cases in the near future.

Overall, the CEER Status Review of Customer and Retail Market Provisions shows that CEER member countries have made significant efforts to meet the provisions stipulated in Article 3 and Annex I of Directive 2009/72/EC and 2009/73/EC. As a matter of fact, CEER member countries have chosen various individual ways of putting the 3rd Package requirements into practice. Overall, the provisions have been implemented in many countries even in cases where the 3rd Package has not been transposed yet. Nonetheless, important gaps still remain in a number of CEER member countries, particularly when it comes to the fulfilment of specific time frame requirements such as maximum periods for switching suppliers and settling disputes.

1 Introduction

1.1 Background and aim of the Status Review

European energy regulators have closely followed and monitored the emergence of the 3rd Package given that it constitutes a fundamental set of legal provisions in the energy regulatory sphere. Given that European energy regulators ultimately dedicate their efforts to achieve benefits for final consumers, CEER has declared the year of 2012 as the 'year of customers' in order to highlight this important mission. CEER has worked on market developments in different areas including customer protection and customer empowerment. In addition, one of the structured thematic working groups within CEER is focussed on customers and retail markets and has actively worked on regulatory customer aspects for several years. The Customer Empowerment Task Force, a subgroup of the Customers and Retail Markets Working group, drafted the present Status Review with a view to determining the situation in relation to the implementation of Article 3 and Annex I of Directives 2009/72/EC[6] and 2009/73/EC[7] across CEER member countries. This Status Review can be considered as a follow up to a previous Benchmarking Report[8] developed by the same task force outlining the roles and responsibilities of NRAs with respect to customer empowerment and protection. The Benchmarking Report published in January 2011 provided information on the situation just before the 3rd Package had to be transposed into national law by EU Member States. Given the significant changes that came into effect with the 3rd Package in March 2011, the present Status Review attempts to capture a first snapshot of where, if and how selected customer provisions from the 3rd Package are handled across CEER member countries.

1.2 Methodology and content of the Status Review

In order to assess how far CEER member countries have progressed with respect to implementing the customer and retail market provisions from the 3rd Package, CEER developed a questionnaire which contained a number of specific questions on selected aspects stipulated in Article 3 and Annex I of Directives 2009/72/EC and 2009/73/EC. The questionnaire was targeted at all EU NRAs and the Norwegian NRA which is also a member of CEER. Answers were received from all NRAs except from the Maltese and the Cypriot NRAs. This Status Review is therefore based on a comprehensive and representative set of data. The CEER Customer Empowerment Task Force selected six different areas to examine in this context, five of which relate to specific provisions in Article 3 and Annex I of the mentioned directives. One area was dedicated to a more general but still related issue, namely regulated end-user prices. In short, the following six areas were analysed in this Status Review:

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[6] Directive 2009/72/EC 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC.

[7] Directive 2009/73/EC 13 July 2009 concerning common rules for the internal market in gas and repealing Directive 2003/55/EC.

[8] Benchmarking Report on the roles and responsibilities of NRAs in customer empowerment and protection as of 1st January 2011", CEER, [October2011], Ref. C11-CEM-46-03.

- universal service;
- switching suppliers;
- vulnerable customers;
- customer information requirements;
- alternative dispute resolution mechanism; and
- information on regulated end-user prices.

Each of the mentioned subject areas was analysed separately for the electricity and the gas sector. This Status Review particularly examined whether the respective legal provisions in the listed subject areas are implemented across CEER member countries and if so in what way. In some areas, CEER also attempted to find out whether legally implemented provisions also work in practice and vice versa. Each chapter of this Status Review is dedicated to one subject area. The main findings in the respective areas can be found at the beginning of each chapter so as to provide the reader with an overview at first glance.

The statements made in this Status Review reflect the situation on 1 January 2012. Cases where a new law entered into force soon after 1 January 2012 are marked as such[9]. This is the first CEER study assessing the state of play and the first study reviewing the implementation of customer and retail market provisions after the 3rd Package had to be transposed into national law by the EU Member States in March 2011.

As Norway is not a member of the EU, the 3rd package is not yet implemented in Norwegian law, pending EEA joint committee decision and subsequent Parliament approval.

Respondents to CEER's questionnaire	
Austria	E-Control Austria
Belgium[10]	CREG
Bulgaria	SEWRC
Czech Republic	ERU
Denmark	DERA
Estonia	ECA
Finland	EMV
France	CRE
Germany	BNetzA
Greece	RAE
Hungary	HEO

[9] Please note that the Belgian Federal Law of 8 January 2012 concerning the transposition of the 3rd package entered into force 10 days after its publication. Information on Belgium is based on this law throughout the paper.

[10] The Belgium case covers inputs from the three regional respondents: VREG for the Flemish region, CWaPE for the Walloon region and Brugel for the Brussels region.

Ireland	CER
Italy	AEEG
Latvia	PUC
Lithuania	NCC
Luxembourg	ILR
Norway	NVE
Poland	URE
Portugal	ERSE
Romania	ANRE
Slovak Republic	RONI
Slovenia	AGEN
Spain	CNE
Sweden	EI
The Netherlands	NMa
United Kingdom*	Ofgem

Table 1: Respondents to CEER's questionnaire

* In this report, the term United Kingdom refers to Great Britain and is exclusive of the situation in Northern Ireland.

2 Universal service

The chapter on universal service relates to Article 3, paragraph 3 and paragraph 4 of Directive 2009/72/EC; and Article 3, paragraph 5 of Directive 2009/73/EC.

Main Findings
• Almost all CEER member countries have a supplier-of-last-resort mechanism in place; • The preconditions for eligibility as well as the target groups of suppliers of last resort differ in the individual countries; and • The number of appointed suppliers of last resort in a single country varies greatly.

2.1 Electricity

Article 3, paragraph 3 of Directive 2009/72/EC requires EU Member States to ensure that all household customers and, where Member States deem it appropriate, small enterprises, enjoy universal service. To ensure the provision of universal service, Member States may appoint a supplier of last resort. In addition, Article 3, paragraph 4 of the same Directive requires Member States to ensure that all customers are entitled to have their electricity provided by a supplier.

2.1.1 Supplier of last resort

The vast majority of CEER member countries have a supplier-of-last-resort system in place in order to guarantee universal service in the field of electricity (23 out of 26 respondents). Yet results showed that authorities typically assign different definitions and responsibilities to suppliers of last resort.

A number of cases revealed that the supplier-of-last-resort mechanism is often applicable under certain conditions only. While a number of countries[11] mentioned supplier failings (according to their contractual obligations) as a precondition for the mechanism to work, others[12] cited insolvency as a specific criterion. In Portugal, supply by a supplier of last resort is only established for vulnerable customers defined by law and customers with contracted power up to 41.4kVA and this will remain in effect until the end of a transitory period for the elimination of regulated end-user prices. The same is true for Belgium. In Italy and Ireland, the NRAs establish the conditions to be met.
Default suppliers may step in and supply electricity to customers who have not freely selected a supplier in Belgium, Denmark, Ireland and Poland. Default suppliers may also be applicable without this precondition in Sweden.

[11] Hungary, Ireland, United Kingdom.
[12] Denmark, United Kingdom, Hungary.

Despite the fact that a number of CEER member countries[13] have not implemented the 3rd Package yet, there are plans in some of these countries to establish supplier-of-last-resort systems. In Slovenia for example, a supplier of last resort is already foreseen provided that certain conditions are met. It seems, however, that the way this mechanism is planned to be set up will not provide full universal service as required in the 3rd Package. In Finland by contrast, suppliers which hold major market shares in a given area are obliged to conclude contracts with all customers in this area and provide supply if needed. If this is not the case, the Distribution System Operator ensures universal service until the NRA has appointed a new supplier of last resort. In Norway, the Distribution System Operator acts as the supplier of last resort for customers who have not chosen a supplier.

The number of appointed suppliers of last resort varies from one single supplier in Lithuania, Luxembourg and Ireland to as much as 850 suppliers in Germany (this high number reflects the number of electricity Distribution System Operators active in the market). In other countries such as in Bulgaria, Greece, Hungary, Poland and The Netherlands[14], all suppliers are potential suppliers of last resort. Moreover, there are countries[15] in which the activities of the supplier of last resort are restricted to a defined geographical area. In several other countries[16], Distribution System Operators have been appointed to ensure universal service, such as in Portugal where a Distribution System Operator can only be a supplier of last resort, if the number of delivery points is lower than 100,000. If the number of delivery points is higher than 100,000, then the Distribution System Operator and the supplier of last resort should be independent entities (legal separation).

The situation in Spain is noteworthy; suppliers of last resort are requested to supply customers at a determined price set by the Government (“Last Resort Tariff”) particularly in cases where consumers are connected to low voltage and with a contracted power of less than or equal to10kW.

Results showed that CEER member countries use different criteria for appointing a supplier of last resort. While some countries such as Austria do not have specific prerequisites for suppliers of last resort and other countries such as Spain do not have selection process[17], a number of countries such as Denmark and Ireland take technical, financial and operational competencies into consideration. Estonia and Luxembourg choose the supplier of last resort on the basis of market dominance. The supplier of last resort may also be appointed by the Distribution System Operator for a specific time period (Germany) or by the law itself, as is the case in Belgium, the Czech Republic and Portugal. In France, suppliers of last resort are appointed following a tender procedure. In Poland, a tender is organised for default suppliers based on two prevailing criteria: 1) the experience of the offering party and economic efficiency of their business activity and 2) the technical conditions and sufficient financial assets to perform the tasks of a supplier of last resort.

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[13] Slovenia, Finland, Norway.
[14] The Netherlands have not formally implemented the 3rd package yet. However, many provisions were already in place in national legislation.
[15] Denmark, Slovakia, Italy.
[16] Belgium, Latvia, Lithuania, Slovenia, Sweden, Germany, Norway.
[17] The Spanish government appointed five suppliers of last resort which are the main incumbents in the electricity market.

Some countries apply more specific provisions both in the electricity and the gas sector. In the United Kingdom, the following criteria are taken into consideration: the ability of a supplier to continue the supply of its own customers, the speed at which customers can be transferred in order to minimise disruptions or the contracted rates the supplier is willing to offer for this purpose.

The number and type of beneficiaries from a supplier-of-last-resort mechanism varies greatly across CEER member countries. In some countries[18], all customers are eligible, whereas in others[19] eligibility is restricted to a determined annual consumption level varying from 10,000 kWh to 100,000 MWh. In Spain, the supply of last resort is restricted to consumers with less than 10kW of contracted power. In other member countries, the supplier-of-last-resort mechanism only applies to household consumers and small businesses[20], vulnerable customers[21], dropped residential customers[22] or to customers that fulfil an activity of general interest like hospitals or kindergartens as in the case of France. In the Czech Republic, Ireland[23] and Slovakia, customers can also become eligible for the scheme when their suppliers lose their licence for serious licence breach or when their suppliers fail to fulfil their contractual obligations, become bankrupt[24] or quit their activity[25]. In Poland, default supply only applies to household customers who did not decide to switch their incumbent supplier. If a household customer decides to go on the market and then returns back to its initial supplier, the default supplier is obliged to conclude a contract again.

In Sweden and Norway, all customers who have not made an active choice of a specific supplier can benefit from a supplier of last resort. This is also the case when no other supplier is willing to provide the service.

In Ireland, a supplier of last resort can be called upon (both for electricity and gas) in case of a supplier's unplanned exit (i.e. market insolvency), a supplier's planned exit (i.e. supplier exits the market of its own free will) or a serious license breach and a subsequent revocation of license.

In France, where no supplier of last resort is foreseen, customers can subscribe to offers under regulated prices by the incumbent suppliers. In the case of Spain, bills should also include an information box with a list of alternative suppliers.

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[18] Denmark, Hungary, Poland, United Kingdom.
[19] Germany, Greece, Luxembourg, Portugal, Spain.
[20] Austria, Germany, Portugal (In Portugal, only household consumers during a transitory period until the end of 2015).
[21] Lithuania, Portugal (In Portugal, vulnerable customers can be supplied by the supplier of last resort without any time limit).
[22] Belgium.
[23] Suppliers of last resort mainly act in cases of planned exits, unplanned exists – insolvency as well as serious licence breaches.
[24] Czech Republic, Ireland, Romania, the Netherlands.
[25] Czech Republic, Ireland.

2.2 Gas

Article 3, paragraph 5 of Directive 2009/73/EC requires Member States to ensure that all customers connected to the gas network are entitled to have their natural gas provided by a supplier.

2.2.1 Supplier of last resort

The vast majority of CEER member countries have a supplier-of-last-resort system in place in order to guarantee universal service in the field of gas (21 out of 26 countries).

Across CEER member countries, various definitions of when and how a supplier of last resort is appointed exist. However, in the majority of countries, a supplier of last resort is foreseen to step in in cases where the original supplier becomes insolvent[26], fails to supply gas according to its contractual obligations[27] or has its license is revoked by the national energy regulator[28] and the supplier of last resort is also foreseen to supply customers who have not actively chosen an individual supplier[29] and residential customers who have been dropped by their supplier[30].

In Portugal, supply of last resort is only established for vulnerable consumers who are defined by law and customers with an annual consumption of up to 10.000m³ until the end of a transitory period fixed for the elimination of regulated end-user prices.

By contrast, in Lithuania distribution companies have to ensure the service of a supplier of last resort whereas in Sweden the default supplier acts as the supplier of last resort.
<u>Appointment of supplier of last resort</u>

As regards appointment procedures for suppliers of last resort, a number of different approaches were identified. In the United Kingdom for example, the NRA appoints a supplier of last resort within a timeframe of 24 to 48 hours even though not every failure requires intervention. In Italy, the supplier of last resort is appointed on the basis of a competitive procedure in which the regulatory authority approves the criteria the Single Buyer[31] has to comply with.

Only a few countries have no plans to implement the concept of a supplier of last resort. In Finland for instance, all consumers are deemed active players in the market. Thus,all suppliers have the obligation to supply.

[26] Denmark, Hungary, Romania, the Netherlands, United Kingdom.
[27] Greece, Ireland, Hungary, United Kingdom.
[28] Hungary, the Netherlands.
[29] Denmark.
[30] Belgium.
[31] The state owned company in charge of handling this selection procedure.

Moreover, the number of suppliers of last resort in CEER member countries varies from one single supplier to up to 750 suppliers in Germany. In some countries[32], the activities of the supplier of last resort are restricted to a defined geographic area. In other countries[33], the number of suppliers of last resort is equivalent to the number of gas Distribution Network Operators active in the market. As for electricity, in some countries all suppliers can be potential suppliers of last resort.[34] Another group of countries[35] generally only allows the largest gas supplier to act as the supplier of last resort. As in the electricity sector, a couple of CEER member countries follow a tendering process in order to select a supplier of last resort. This is particularly the case in France, Greece and Ireland.

Similarly, in Hungary a call for suppliers to provide an offer is organised by the NRA. Thus, the supplier submitting the most favourable offer is chosen according to the quantity of available natural gas specified in the offer, the place (site) of available resources, the price and certified suitability of bidding natural gas traders for the supply of consumers.

In the United Kingdom, the most preferred option is to have suppliers agree to the role of supplier of last resort. Yet, if they are not willing to, then the most qualified licensees are selected by the NRA in order to fulfil the role of supplier of last resort.

In the case of Spain, suppliers of last resort are requested to supply at a determined price set by the Government ("Last Resort Tariff"). This is also applicable to bigger customers for a transitory period of one month. In general, criteria mentioned under the electricity section mostly also apply to gas.

Moreover, results showed that CEER member countries use different criteria for appointing a supplier of last resort. Typically, the technical and financial capacity of the supplier is taken into consideration, especially in Denmark and Ireland.

Results revealed that in a number of countries[36], regulators or national ministries determine the supplier of last resort whereas this mandate has been given to Distribution System Operators in several countries including Belgium[37], Germany, Lithuania and Sweden. Only a minority[38] has not established any criteria on how to choose their supplier of last resort. In Poland, the supplier of last resort is mentioned in the customer's distribution contract.

<u>Eligibility and applications of supplier-of-last-resort mechanism</u>

The number and type of beneficiaries from a supplier-of-last-resort mechanism varies greatly across CEER member countries. In some countries[39], all customers are eligible whereas in others[40] eligibility is restricted to those with a determined annual consumption level varying

[32] Denmark, France, Italy.
[33] Belgium, Germany, Hungary.
[34] Hungary, The Netherlands.
[35] Estonia, Greece, Luxembourg, Slovakia.
[36] Czech Republic, France, Luxembourg, Romania.
[37] In Belgium, this responsibility has been however set by law.
[38] Austria, Spain.
[39] Czech Republic, Denmark, Estonia, Hungary, Poland, Slovakia, Sweden, the Netherlands, United Kingdom.

between 10,000kW/h and 1 GW/h per year. In other member countries, the supplier-of-last-resort mechanism only applies to household consumers and small businesses[41], vulnerable customers[42], dropped residential customers[43] or to places of public interest like hospitals or kindergartens[44].

In countries where no supplier-of-last-resort mechanisms are in place, universal service is dealt with in various ways. In Slovenia, customers can choose an alternate supplier in case of a disruption but will remain without supply during the time of the switch. Under Bulgarian law, suppliers are obliged to supply household customers and enterprises up to 50 people and 19.5 million BGN[45]. Consumers can, however, also choose their supplier from the market.

In Spain, all gas bills should include information on alternative gas suppliers including contact data of the supplier of last resort.

[40] Czech Republic, Germany, Greece, Italy, Portugal, Spain, Romania.
[41] Austria, Germany.
[42] Lithuania, Portugal.
[43] Belgium.
[44] France.
[45] Bulgarian Leva (currency of Bulgaria) - 19.5 million BGN = ca. 10 million EUR.

3 Switching suppliers

The chapter on supplier switching relates to Article 3, paragraph 5 (a) and Annex I, (j) of Directive 2009/72/EC & Article 3, paragraph 6 (a) and Annex I, (j) of Directive 2009/73/EC respectively.

Main Findings
• Most of the CEER member countries have stipulated a three week maximum period for switching but only a minority of countries meet this provision in practice; • Measures to reduce long delays are only foreseen in a few CEER member countries; • The required six week maximum period for the receipt of a Final Closure Account is widely implemented in legal terms but only half of the countries meet this period in practice.

3.1 Electricity

3.1.1 Three week maximum period for switching suppliers

The 3rd Package contains a provision requiring operators to effectuate a switch of suppliers within three weeks.

<u>Legal implementation:</u>

CEER strongly emphasises the need to execute a switch as promptly as possible. This could be as quickly as within 24 hours and in any case within three weeks. In addition, a supplier switch should be possible at any day of the week.[46]

According to the results gathered by CEER, most of the respondent countries (23 out of 26) have legal provisions in place which determine a maximum time period for a switch of supplier. Only two countries have no such provisions in place, namely Slovakia and Luxembourg. In Bulgaria, specific time periods are already foreseen but will not be applied until they legally entered into force.

Results showed that the time periods stipulated for switching suppliers varies between two weeks and more than five weeks. Despite this divergence, the majority of responding regulatory authorities (16[47] out of 26) theoretically meet the three week maximum period foreseen by the 3rd Package.

[46] Guidelines of Good Practice on Electricity and Gas Retail Market Design, with a Focus on Switching and Billing, CEER, [January 2012], Ref. C11-RMF-39-03

[47] Austria, Belgium, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Portugal, Romania, Spain, UK.

Out of the countries that comply with the provisions of the 3rd Package, a small group requires a two week maximum switching period, namely the Czech Republic, Norway and Sweden. In a group of similar size comprising Bulgaria, Poland, Slovenia and the Netherlands, the process takes longer than the three weeks stipulated by the 3rd Package. However, current legislation in Bulgaria is expected to be modified soon in order to meet the provisions. In Poland, the three week provision must be applied by Distribution System Operators directly, i.e. without necessarily implementing the time period in national law. Some respondents[48] also indicated that in their respective countries the three week period starts at the point at which the Distribution System Operator receives the switching message.

Practical implementation:

A significant number of respondents (19 out of 26 countries) claimed not only to comply with the requirements of the 3rd Package from a legal point of view but also from a practical point of view. Portugal and France for example require a switch to be carried out de facto within one week or even less. In Belgium, depending on the switching channel[49], the switching process may range from three to more than five weeks. In Slovenia, the switching process starts when the customer submits its application. In case the date of submission is before the 10th of the current month, the supplier switch can be assigned to the 1st of the following month. Furthermore, in the Czech Republic, the switching time depends on how far in advance a switching request was filed.

The main reasons for delays are:

- Technical – due to wrong meter data, meter adjustments[50], for example;
- Legal – because, for example, the supplier did not provide the Distribution System Operator with sufficient information concerning the switch or the termination of contracts or due to insufficient legal provisions[51]; and
- Administrative – in a few countries switching is only possible on the first day of each month[52].

Measures to reduce long delays are foreseen in only some CEER member countries[53]. Yet a number of energy regulators, especially those from Luxembourg and Slovakia, anticipate a revision of current legislation which should include appropriate measures to reduce delays. Others, notably Denmark, Poland and Sweden are already more advanced in this respect as fines are charged in case of delays. In Austria, a new legal ordinance will abolish the restriction to switch suppliers only on the 1st of each month. However, the three week switching period starts when the supplier informs the DSO about the customer's wish to switch. This means that from a customer's point of view in Austria the switch takes longer than three weeks since the supplier may need some time to initiate the switch (due to

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[48] Belgium, Ireland, Poland.
[49] For online and remote selling, consumer protection law imposes a 'reconsideration period'.
[50] Hungary, Norway, Poland, Portugal, Slovenia, Romania.
[51] Belgium, Finland, Italy, Poland, Romania.
[52] Austria, Luxembourg.
[53] Austria, Denmark, Spain, Germany, Hungary, Lithuania, Luxembourg, Slovakia, Sweden.

internal, administrative reasons) or problems may occur with the identification of the customer before the supplier is able to initiate the switch. In Lithuania and Poland, the respective operator still needs to apply measures to ensure a switching process of three weeks. In Belgium, no measures are foreseen to be added to existing energy legislation in this regard.

3.1.2 Six week maximum period for the receipt of a Final Closure Account

Annex I of the Directive 2009/72/EC states that customers are to receive a final closure account no later than six weeks after the change of supplier has taken place.

CEER underlines the importance that the final bill should be received as soon as possible. This could be as quickly as within 2 weeks and in any case within six weeks.[54]

A majority of regulatory authorities (18 out of 26) stated that a specific maximum period for the receipt of a final closure account is already in place or currently about to be implemented (Finland). Only a few countries[55] still do not have any provisions in this regard. In Ireland, Codes of Practice specify the minimum level of customer service a supplier must meet which include a requirement to provide prompt and regular (final) bills – for example a final bill must be issued within 6 weeks. In Estonia, this requirement is not regulated by energy law. In Poland, the six week provision must be applied by Distribution System Operators directly, i.e. without necessarily implementing the time period in national law.

Around half of the respondent CEER member countries (15 out of 26) meet the six week period required in the 3rd Package. While Slovakia and the Netherlands do not meet this provision, the nine remaining countries did not provide any response on whether they fulfilled this requirement or not.

In Hungary, it normally takes 20 days to receive a final closure account after the contract has been terminated and after which a consultation with the end-user and the new supplier has taken place. Similarly, Belgium (only in the Walloon region) reported the average length to obtain a final closure account to be between two and three weeks. In France, the supplier should send the final bill within four weeks after the switch was requested and the payment should be settled within two weeks after sending the final bill.

[54] Guidelines of Good Practice on Electricity and Gas Retail Market Design with a Focus on Switching and Billing, CEER, [January 2012], Ref. C11-RMF-39-03.
[55] Estonia, Italy, Norway, Poland, Slovenia, Luxembourg, Bulgaria.

3.2 Gas

3.2.1 Three week maximum period for switching suppliers

The 3rd Package (Annex I) contains a provision requiring operators to effectuate a switch of suppliers within three weeks.

Legal Implementation:

CEER strongly emphasises the need to execute a switch as promptly as possible. This could be as quickly as within 24 hours and in any case within three weeks. In addition, a supplier switch should be possible at any day of the week.[56]

According to the results gathered by CEER, the greater part of responding countries (21 out of 26) put a specific switching period in place in their national contexts. Only three countries[57] reported not to have any provisions in place in this respect. Out of the countries with provisions for timeliness, most (13[58] out of 21) stipulated a three week period for the switching process. Two CEER member countries[59] foresee a two week period and one country[60] implemented a four week period. In Slovenia, the period for switching takes longer than five weeks. New laws still have to enter into force in Bulgaria, Estonia and Romania to meet these particular 3rd Package provisions.

Practical Implementation:

From a practical implementation point of view, the picture looks less optimistic. Only 12 countries have declared they meet the requirement for the three week maximum period while five[61] declare they do not.

For example, in Ireland, in practice the supplier switching process takes approximately two weeks or less to complete. In general in Ireland, a customer may switch supplier on any business day but where a customer has changed supplier they must await 20 business days before requesting another switch.

The main reasons for delays noted by the respondent national regulators are:

- Switching might be only possible on the first of each month (Austria, Ireland[62], Luxembourg);
- The Distribution System Operator lacks information (Hungary, Italy);

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[56] Guidelines of Good Practice on Electricity and Gas Retail Market Design with a Focus on Switching and Billing, CEER, [January 2012], Ref. C11-RMF-39-03.
[57] Slovakia, Luxembourg, Finland.
[58] Austria, Belgium, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Portugal, Spain, UK.
[59] Czech Republic, Sweden.
[60] The Netherlands.
[61] Austria, Hungary, Luxembourg, Poland, Slovenia.
[62] Only for the 264 largest customers, supply with a new supplier commences at the start of the month.

- IT systems need to be improved (Hungary);
- Inefficiency of the system or no legal provisions are in place (Romania);
- There is a regret period based on the channel the contract is concluded through (Belgium)[63]; or
- Lengthy customer identification processes exist (Austria).

Measures to reduce long delays are implemented in eight CEER member countries[64]. They comprise:

- The implementation of new legal provisions to abolish the restriction to switch supplier only on stipulated days such as only on the 1st of each month (Austria);
- Measures to reduce the time for negotiation between customers and traders (Hungary); and
- Measures to improve the switching process by means of fines (Denmark, Poland, Sweden) or through the review of communication flows between operators (Italy).

3.2.2 Six week maximum period for the receipt of a Final Closure Account

Annex I of the Directive 2009/73/EC states that customers are to receive a final closure account no later than six weeks after the change of supplier has taken place.

CEER underlines the importance that the final bill should be received as soon as possible. This could be as quickly as within 2 weeks and in any case within six weeks.[65]

Most of the CEER member countries (18 out of 26) implemented a specific maximum period for the receipt of a final closure account. Only a few countries[66] do not have any measure in place in this regard. In Italy, implementation is currently in progress but customers might still receive their final closure account before the six week limit.

Around half of the CEER member countries (14 out of 26) meet the six week period required in the 3rd Package. Slovakia and the Netherlands do not fulfil the requirements and the nine remaining countries did not provide any answer on whether they fulfilled this requirement or not.

In Hungary, it normally takes 20 days to receive a final closure account after the contract has been terminated and after which a consultation with the end-user and the new supplier has

[63] Customer protection law states that customers who are contracting through channels such as the internet or by phone can cancel their new contract during a 'regret' or 'cool-off' period of 10 days without any costs. Hence, to avoid having to turn back a switch, a new energy supplier tends to wait until this regret period is over before initializing the switch, but this means that between the moment of contracting and the actual switch, more than 21 days are needed.
[64] Austria, Denmark, Germany, Hungary, Luxembourg, Slovakia, Sweden, United Kingdom.
[65] Guidelines of Good Practice on Electricity and Gas Retail Market Design with a Focus on Switching and Billing, CEER, [January 2012], Ref. C11-RMF-39-03.
[66] Estonia, Greece, Italy, Luxembourg, Slovenia.

taken place. Similarly, Belgium (only in the Walloon region) reported the average length to obtain a final closure account to be between two and three weeks. In France, the supplier should send the final bill within four weeks of the date the switch was requested and the payment should be settled within two weeks of sending the final bill.

4 Vulnerable customers

The chapter on vulnerable customers relates to Article 3, paragraphs 7 and 8 of Directive 2009/72/EC and Article 3, paragraphs 3 and 4 of Directive 2009/73/EC.

Main Findings
• CEER member countries have different understandings of what a concept of vulnerable customers entails; • The level of protection of vulnerable customers can only be assessed by examining the protective measures in place in a given country; • The existence of a defined concept of vulnerable customers does not provide sufficient information as to how well customers are protected; • Vulnerable customers are protected through a combination of energy specific protection measures and social security benefits in most CEER member countries.

The present chapter discusses policies specifically targeted at vulnerable customers. General customer protection measures which apply to all customers (vulnerable or not vulnerable) will not be elaborated in this chapter. The measures outlined here are therefore to be understood as specific measures for vulnerable customers which apply in addition to general customer protection measures in place for all customers.

4.1 Electricity

4.1.1 Concept of vulnerable customers

The 3rd Package contains a provision requiring Member States to develop a concept of vulnerable customers which may refer to energy poverty and, inter alia, to the prohibition of disconnection of electricity to vulnerable customers in critical times[67]. As a consequence, CEER NRAs were asked whether such a concept was in place in their countries.

A majority of countries (17[68] out of 26) responded that a concept of vulnerable customers existed in either their energy laws or in other laws (or in a combination of both). Vulnerable customers are, thus, widely recognised as a population group in need of specific protective measures and/or assistance. Depending on whether energy customers are singled out or are accounted for in broader categories of vulnerable or socially disadvantaged population groups, the concept of vulnerable customers might be expressed in a more or less explicit fashion in different CEER member countries. In the Netherlands, for instance, every

[67] Article 3, paragraph 7 of Directive 2009/72/EC.
[68] Austria, Belgium, Bulgaria, France, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, Portugal, Romania, Slovenia, Spain, Sweden, The Netherlands, United Kingdom.

household customer is considered vulnerable by law.[69] While an ERGEG Status Review on vulnerable customers carried out in 2009 already revealed the variety of mechanisms in place to protect vulnerable customers across Europe, the term vulnerable customer was rarely used before the 3rd Package had to be transposed by EU Member States. [70]

A high level of caution is necessary with respect to interpreting the responses of NRAs that claimed not to have a concept of vulnerable customers in place in their country, in order to prevent inaccurate conclusions. Results showed that the absence or existence of a concept of vulnerable customers hardly provides any sort of indication about the level of protection afforded to such customers in the countries concerned. As a matter of fact, protective measures for vulnerable customers largely exist across the board regardless of whether a concept of vulnerable customers was defined or not. In fact, a number of CEER member countries without a defined concept of vulnerable customers turned out to have at least as many protective measures as members with a defined concept.

To further illustrate this phenomenon, a closer look at the arrangements and principles of vulnerable customer protection in Germany shall help to convey the complexity of the subject matter. German legislation does not provide definitions for 'vulnerable customers' or 'energy poverty'. All circumstances under which a person needs protection or support and all drivers which might make a person vulnerable are dealt with under social law. According to social law, every person is entitled to live in humane conditions and be able to participate in social life. Social law in Germany is, thus, not restricted to energy customers and does not only deal with 'energy poverty' however this might be defined. Furthermore, social law ensures that every person in need gets the financial means to pay for heating/lighting of living space. This is due to the fact that parts of the social as well as the housing benefits are dedicated to energy expenses in Germany. As far as energy law is concerned, everybody has the right to be connected to the low voltage/low pressure grid. In addition, the principle of a supplier of last resort prevents customers from being disconnected from energy supply during critical times.

Generally speaking, the analysis of results showed that the provision requiring Member States to define a concept of vulnerable customers in the 3rd Package seems to be perceived and interpreted differently across the countries in question. As the relevant text in the 3rd Package does not specify which criteria need to be met in order to fulfil the requirement of a defined concept, the impression gained is that Member States have room to decide for themselves if their national context provides for such a concept or not. This is the main reason why a clear cut conclusion cannot be drawn from simply comparing pro or contra answers in terms of the existence of a vulnerability concept. The analysis revealed that some countries felt they could not answer the question of whether a concept for vulnerable customers exists with ‘yes’ if such a concept was not defined in any of their national energy laws. These countries seemingly concluded that they did not fulfil this particular 3rd Package

[69] This is established in both the Dutch Electricity and Gas Act

[70] See ERGEG Status Review on the Definitions of Vulnerable Customer, Default Supplier and Supplier of Last Resort, Ref. E09-CEM-26-04.

provision given that their energy law does not mention a concept of vulnerable customers. Other countries, particularly those in which social security systems are well developed and the issue of vulnerability is treated in non-energy laws, were, in turn, convinced that they fulfil the underlying provisions.

It can therefore be concluded that, without information on the actual measures taken in each country to protect vulnerable customers, the degree to which these customers are protected cannot be assessed. Whether a concept of vulnerable customers exists or not is subject to different interpretations across individual countries. Therefore, the fact that a country claims to have a defined concept does not mean that vulnerable customers are better protected than in states without such a definition due to the subjective judgments across individual countries of what such a concept entails.

4.1.2 Protection of vulnerable customers

Protection of vulnerable customers is ensured in very different ways across CEER member countries. The picture is very diverse given that a multitude of combinations of different measures exist in the individual countries. While some states focus more on energy specific measures to protect vulnerable customers, others have a focus on overall social security benefits that comprise protection efforts for vulnerable energy customers as well. Yet, in most CEER member countries a combination of both energy specific and social security measures prevails.

The underlying survey examined which of the following measures are applicable in the individual CEER member countries. The following table provides an overview of the approaches examined.

Protection measures for vulnerable customers reported by CEER members	
Measures related to protecting customers from disconnection:	- General prohibition of disconnection; - Prohibition of disconnection at critical times; and - Adequate number of warnings and notifications before disconnection.
Specific protection for customers in remote areas	
Supplier of last resort (for vulnerable customers or for customers who are unable to find a supplier)	
Default supplier (for vulnerable customers or for customers who are unable to find a supplier)	
Support for energy efficiency improvements	
Social security benefits for vulnerable customers dedicated to support the payment of energy bills	
Other social security benefits	
Social tariffs for vulnerable customers	
Other specific assistance measures	
No provisions targeted at supporting/protecting vulnerable customers	

Table 2: Protection measures for vulnerable customers reported by CEER members

While the list contains a number of energy specific measures, it also contains social security measures which are part of broader social policies and therefore not explicitly part of energy laws, yet these still offer support to vulnerable energy customers amongst other vulnerable strata of the population. In the underlying survey, CEER member countries reported on their individual mixes of measures.

Whether the individual protection mixes tend more towards an overall social protection scheme or more towards a focused energy specific protection scheme is only clearly visible in cases where the balance is rather extreme. In Scandinavia, Germany and Austria for example, social security measures appear to dominate the protection mix. Yet, it is important to underline that a combination of both energy specific and social security measures is in place in almost all CEER member countries. Given that the individual combinations vary greatly and there are almost as many different mixes as member countries an overall statement on whether the tendency goes more towards social security measures or towards energy measures cannot be made. Yet, given that social security systems do play a significant role in the protection of vulnerable customers throughout CEER member countries, it can be concluded that a largely holistic approach towards the protection of vulnerable customers prevails. The subject matter is, thus, dealt with from various angles and not solely by means of energy specific provisions or social measures. The ERGEG Status Review on vulnerable customers carried out in 2009 confirms that protection strategies have traditionally incorporated social policies to a large extent.[71]

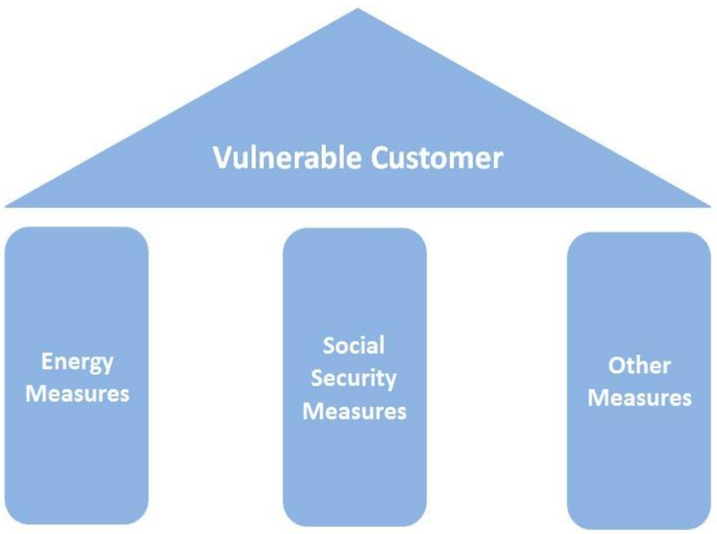

Figure 1: Typical protection scheme for vulnerable customers – holistic approach

The criteria defining, who is deemed vulnerable, also vary significantly across CEER member countries. While, for example, every household customer is deemed vulnerable in the

[71] See ERGEG Status Review on the Definitions of Vulnerable Customer, Default Supplier and Supplier of Last Resort, Ref. E09-CEM-26-04.

Netherlands, stricter criteria prevail in other countries. The underlying survey did not focus on examining who is deemed vulnerable in each CEER member country but rather inquired who the main beneficiaries of each above mentioned measure are. The focus is on household customers but detailed information on their status (elderly, unemployed, etc.) varies. The survey also aimed at gaining detailed insight on the number of customers benefitting from each measure. In this context, results showed that there is only very little information and data available to regulators as far as the shares of beneficiaries of each measure are concerned.

A detailed analysis of how widespread the measures mentioned above are in CEER member countries follows, together with an overview of who benefits from these.

<u>Measures related to protecting customers from disconnection:</u>

A majority of CEER member countries have protective measures in place in order to prevent or at least hamper disconnection from electricity supply. Apart from a few exceptions[72], all CEER member countries throughout Europe have warning mechanisms in place in order to allow for sufficient time and notification before potential disconnections can take place. In this context, many CEER member countries have a defined procedure which stipulates the amount and frequency of warnings that need to be effected before disconnection can take place. Most countries stated that this measure applied to all household customers at a minimum (if not all customers).

In addition to such warning procedures, a number of countries[73] reported to have measures in place which prohibit disconnection at critical times, particularly in winter months. Some of these states reported on the specific dates between which this measure is implemented.

The results revealed that a general prohibition to disconnect customers hardly exists anywhere in Europe[74]. In fact, CEER member countries typically mentioned certain conditions under which the prohibition of disconnection applies. Some of the most frequently mentioned groups that benefit from a general prohibition of disconnection are people with life threatening illnesses, hospitals or other specific population groups that are deemed particularly vulnerable in a given state (e.g. mostly elderly persons, households with children, cases in which there is a danger of severe property damage or residential customers dropped by their supplier). Poland is the only country that reported to have a general prohibition of disconnection in place.

[72] Lithuania, Romania, Slovakia (provisions on vulnerable customers will appear in Slovak legislation for the first time in September 2012).
[73] Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Lithuania, Norway, Slovenia, Sweden, the Netherlands, United Kingdom.
[74] The only exception is Poland.

Specific protection for customers in remote areas:

Protective measures for customers in remote areas exist only in very few cases. Other than Denmark[75] and Italy[76], no CEER member country has implemented a specific protection policy for customers in remote areas.

Supplier of last resort and default supplier:

The survey provided respondents with the option to indicate that a supplier of last resort and/or a default supplier was used as a tool to protect vulnerable customers. Around a third of the respondents[77] reported that both a supplier of last resort and a default supplier mechanism existed in their countries. While in some cases the supplier of last resort and the default supplier coincide, in others they are separate entities. In almost all cases, however, the existence of a supplier of last resort and a default supplier was reported not to necessarily be targeted at vulnerable customers. In fact, suppliers of last resort and default suppliers serve different purposes in the context of providing universal service and, thus, benefit various strata of the population among which vulnerable customers may fall as well. This is the main reason why most CEER member countries reported that either all customers or all household customers and small businesses benefit from these measures as long as they fulfil the eligibility criteria for receiving electricity from a supplier of last resort or from a default supplier. Vulnerable customers might fulfil these criteria and become eligible as well, yet are not singled out as specific target group.

Furthermore, a number of countries reported that they only have a supplier of last resort mechanism in place and no default supplier exists. The total number of countries with a supplier of last resort amounts to 15. This is still significantly lower than the number mentioned in chapter 2 on Universal Service. It can, thus, be concluded that some CEER member countries distinguished between a general supplier-of-last-resort mechanism and a measure to protect vulnerable customers while others did not. In addition, a small number of states[78] reported to have only a default supplier mechanism in place.

Exact figures on the number of customers supplied by a supplier of last resort or default supplier are largely missing. While many countries responded that all customers can benefit from the services of a supplier of last resort, concrete numbers and information could not be provided in most cases[79]. More information on eligibility and functioning of the supplier of last resort services can be found in chapter 2 on Universal Service.

[75] Geographical discrimination is prohibited in Denmark.
[76] In Italy specific rules are adopted in cases of natural disasters (earthquakes, flooding, etc.).
[77] Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Poland, Spain, Sweden, United Kingdom.
[78] Bulgaria, Germany, Lithuania.
[79] Only Belgium, Germany, Portugal and Spain provided data.

Support for energy efficiency improvements:

In less than a third of the examined states, measures which aim at supporting energy efficiency improvements are in place. Such measures are implemented as a tool to support vulnerable customers in six CEER member countries[80]. Energy efficiency improvement measures in Denmark are not particularly targeted at vulnerable customers but were named as a measure nonetheless, given its positive impact to potentially mitigate vulnerability. Mostly households subject to specific thresholds benefit from this measure (e.g. vulnerable households living in buildings that were built before a certain date or households below a specific income). The exact share of beneficiaries remains unknown.

Social security benefits for vulnerable customers:

Social security measures are implemented on a large scale throughout CEER member countries. They range from specific government support to pay energy bills to broader social security measures which comprise low income population groups and other socially vulnerable groups. Therefore, beneficiaries of social security measures vary across member countries. Depending on the overall mix of measures in place, social security support is more or less intense in the different states. Results showed that social security measures are mostly implemented alongside other energy specific measures. A relatively small number of countries mentioned that no social security measures are in place to protect vulnerable customers. Greece, Hungary and Slovenia for example do not offer any material support specific to energy through their social security networks but have a combination of other measures in place to support vulnerable customers. Poland reported that there are no social security measures particularly dedicated to vulnerable energy customers. Low-income customers in Poland are instead covered by the general social support system. The rest of the member countries do, however, provide active support for vulnerable customers through various social security measures as named above. Hardly any data could be made available with respect to the number of customers covered by social security schemes as this field of protection is subject to government policies (rather than policies enacted by national regulatory authorities).

Social tariffs for vulnerable customers:

Belgium, France, Italy, Portugal and Spain have social tariffs in place which apply under certain legal conditions. Social tariffs are regulated prices set by the government or the NRA[81]. In Italy, a specific discount is also granted to customers that require electricity-powered life-support equipment with severe health problems and diseases. Around 2.7 million households benefit from social tariffs in Spain, while around one million households benefit from social tariffs in Italy (around 17, 000 of them for severe health problems) and 8.2% of all residential customers benefit from social tariffs in Belgium. Figures for the remaining countries are not available.

[80] Belgium, France, Ireland, Latvia, Lithuania and the United Kingdom.
[81] In Belgium, the NRA sets social tariffs on the basis of a methodology fixed by law. In Italy, an annual discount is applied to the electricity expenses each year and special provisions can be optionally applied by the municipality and administrative local authority.

Other specific assistance measures:

Austria, Belgium, Greece[82], Hungary and the United Kingdom listed other targeted measures to protect vulnerable customers. In Austria for instance, the costs for disconnection are set at a minimum level in case a disconnection has to take place and customers receiving social welfare are exempt from parts of specific components of the energy tariff. Charges for late payments are also regulated in Austria. In the United Kingdom, energy efficiency programs funded by the government including insulation and heating improvements were listed as well as several monitoring activities by the national regulator with respect to consumer performance in terms of debt and disconnection. Suppliers in the United Kingdom are also required to establish a Priority Services Register which lists the vulnerable customers they have identified and provide rebates to. In Belgium, Hungary and Greece[83] there is a focus on favourable terms of bill payments and payment support as well as various other forms of assistance with respect to bill and meter reading. In Poland, Corporate Social Responsibility Programmes with special measures for vulnerable customers are in place at service providers and are strongly supported by the regulator. Data as to how many customers benefit from the mentioned measures were not made available.

Cases in which protection of vulnerable customers does not exist:

Given that provisions on vulnerable customers will appear in Slovak legislation for the first time in September 2012, explicit measures were not established in national law on 1 January 2012 in Slovakia. All statements made in reference to Greece are not yet in force on 1 January 2012 as these provisions are part of a new law still to be approved.

4.2 Gas

4.2.1 Concept of vulnerable customers

As in the electricity sector, a majority of countries responded that a concept of vulnerable customers existed in either their energy laws or in other laws (or in a combination of both). Those states that claimed not to have a concept in place still showed protective measures existed for vulnerable gas customers. While those are slightly less intense in nature as compared to the measures in place in the electricity sector, the same conclusions as in the electricity sector also apply in the gas sector. Whether a concept of vulnerable customers exists or not is subject to different interpretations across CEER member countries. Thus, the existence or absence of a concept of vulnerable customers does not provide an indication of how well vulnerable customers are protected in the various member countries.

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[82] The measure is not yet in force in Greece on 1 January 2012. The draft law in this respect still needs to be approved.

[83] The measure is not yet in force in Greece on 1 January 2012. The draft law in this respect still needs to be approved.

4.2.2 Protection of vulnerable customers

Protection of vulnerable customers is ensured in very different ways across CEER member countries. The picture is very diverse given that a multitude of combinations of different measures exist in individual countries. While some countries focus more on energy sector specific measures to protect vulnerable customers, others have a focus on overall social security benefits that comprise protection efforts for vulnerable energy customers as well. Yet, in a majority of states a combination of energy specific and social security measures prevails. The picture is, thus, largely the same as in the electricity sector apart from the fact that gas customers are slightly less protected than electricity customers given that electricity is treated as priority in some CEER member countries. Differences to the electricity sector, if any, are outlined below.

<u>Measures related to protecting customers from disconnection:</u>

The picture is largely the same as in the electricity sector. Differences were noted in three countries (Greece[84], Ireland[85] and Lithuania) which stated that a general prohibition of disconnection is not in place for gas customers. In these three countries, this measure is only in place for electricity customers. In Lithuania, gas customers also do not benefit from a prohibition of disconnection in critical times.

<u>Specific protection for customers in remote areas:</u>

As in the electricity sector, protective measures for customers in remote areas exist only in very few cases. These are different from the ones named in the electricity sector. The United Kingdom and Greece[86] have protective policies in place for gas customers in remote areas.

<u>Supplier of last resort and default supplier:</u>

The picture with respect to supplier of last resort and default supplier mechanisms in the context of vulnerable customers largely resembles the one in the electricity sector. A slight difference exists, namely in the case of Greece[87] which only has a default supplier but no supplier of last resort in the gas sector. In Italy, suppliers of last resort are appointed on the basis of a competitive procedure[88]. The NRA approves the criteria to which the 'Acquirente Unico Spa' (Single Buyer), the state owned company in charge of handling this selective procedure, has to comply.

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[84] The measure is not yet in force in Greece on 1 January 2012. The draft law in this respect still needs to be approved.
[85] Registered vulnerable customers are protected from disconnection for non-payment of their account in winter months (1 November to 31 March) as opposed to the electricity sector where customers on life support equipment can never be cut off.
[86] The measure is not yet in force in Greece on 1 January 2012. The draft law in this respect still needs to be approved.
[87] The measure is not yet in force in Greece on 1 January 2012. The draft law in this respect still needs to be approved.
[88] Italy is divided into five geographic areas in this respect.

Support for energy efficiency improvements:

In the gas sector, less CEER member countries provide support for energy efficiency improvement to vulnerable customers as compared to the electricity sector. In the gas sector, only five countries[89] have such measures in place. Latvia and Lithuania which support efficiency improvements in the electricity sector don't do so in the gas sector. In the countries which do offer energy efficiency measures for the gas sector, the beneficiaries are individual household customers (comparable to the electricity sector). The share of customers benefiting from this measure is largely unknown. Only Belgium provided concrete numbers for its Flanders region and stated that around 7% of households can potentially benefit from this measure in Flanders given that around 7% of households are vulnerable in this region.

Social security benefits for vulnerable customers:

Social security measures are widespread in the gas sector and, thus, comparable in intensity and number to the social security measures prevailing in the electricity sector. In addition to the list of countries mentioned in the electricity sector, Norway[90] and Latvia do not provide for any social security protection measures specific to the gas sector. Poland reported that there are no social security measures particularly dedicated to vulnerable energy customers. Low-income customers are instead covered by the general social support system.

Social tariffs for vulnerable customers:

Belgium, France, Italy[91] and Portugal have social tariffs in place which apply under certain legal conditions. Data on the number of beneficiaries are largely missing with the exception of Belgium where it is known that 8.5% of all residential customers benefit from social tariffs and Italy where around 600, 000 households benefit from social tariffs.

Other specific assistance measures:

The measures mentioned in the electricity section also apply to the gas sector.

Cases in which protection of vulnerable customers does not exist:

Given that provisions on vulnerable customers will appear in Slovak legislation for the first time in September 2012, explicit measures were not established in national law on 1 January 2012 in Slovakia. All statements made in reference to Greece are not yet in force on 1 January 2012 as these provisions are part of a new law still to be approved.

[89] Belgium, Denmark, France, Ireland, United Kingdom.
[90] Norway has a general social security support system which is not specific to the energy sector but targeted at customers on a low income.
[91] In Italy, an annual discount is applied to the gas expenses each year

5 Customer information requirements

The chapter on customer information requirements relates to Article 3, paragraphs 9, 12 and 16 as well as Annex I, (i) of Directive 2009/72/EC; and Article 3, paragraph 9 and 12 as well Annex I, (i) of Directive 2009/73/EC.

Main Findings
• Nearly all CEER member countries provide information to their customers on the contribution of each energy source to the overall fuel mix; • Most countries implemented a single point of contact for gas and electricity. These are subject to diverse organisational arrangements and financing; • Around half of the countries have contributed to the establishment of an energy consumer checklist but only a few have already started a coordination process with suppliers and Distribution System Operators;

5.1 Electricity

5.1.1 Availability of information to customers with their energy bill and in promotional material

The 3rd Package sets out provisions requiring Member States to ensure that suppliers make a set of information available to customers in or with their bills and in promotional materials.

CEER stresses that as an overall principle, the supplier should be the main point of contact for the customer.[92]

Legal Implementation:

Nearly all CEER member countries (24 out of 26) implemented the obligation to make information available to customers on the contribution of each energy source to the overall fuel mix of the given supplier in a comprehensive and, at a national level, clearly comparable manner.[93] Only two[94] responded not to have implemented the provisions in this regard.

[92] Guidelines of Good Practice on Electricity and Gas Retail Market Design, with a Focus on Switching and Billing, CEER, [January 2012], Ref. C11-RMF-39-03.
[93] Not specifically related to energy bills.
[94] Bulgaria, Finland.

Information on the product and the overall fuel mix has to be presented on the bills in a good number of countries[95] and on promotional material only in Austria, Belgium and Ireland. Furthermore, information has to be published on the internet, both on the regulator's and the suppliers' websites, in Lithuania and Portugal together with certain environmental impact information in the United Kingdom. In Portugal, the energy regulator also provides an online simulator on the labelling of energy.

Furthermore, the survey revealed that information is provided in energy bills and promotional material in a comprehensible and, at national level, clearly comparable manner in the majority of responding countries (25 out of 26). Bulgaria did not provide an answer to this specific question.

A few regulators[96] publish data on a national level every year and in some countries[97], special minimum requirements on how the information should be presented are defined by law. These may comprise:

- A visualisation of the contribution of each energy source in a comprehensible and non-misleading diagram (Austria, Portugal);
- Provisions for information regarding the mix of fuels used including percentage terms for coal, natural gas, nuclear and renewable energy as well as the remainder from any other sources (Portugal, United Kingdom) and
- A regulation targeted at all suppliers on how to apply the rules in practice (Sweden) as well as recommendations to ensure a better standardisation of content and the way information is communicated to the customer (Portugal).

In addition, an overwhelming majority of CEER member countries (24 out of 26) implemented the obligation to inform its customers directly or by providing references to sources where they could find information on the environmental impact of the overall fuel mix (at least regarding CO_2 emissions and radioactive waste). In Estonia, this is, however, still part of the draft act transposing the 3rd Package. Only two countries[98] do not comply with this duty.

[95] Austria, Belgium, Czech Republic, Ireland, Italy, Portugal, Spain, United Kingdom.
[96] Ireland, Norway.
[97] Austria, Belgium, Czech Republic, Ireland, Portugal, United Kingdom.
[98] Belgium (customers must be provided with references to sources with further information), Bulgaria.

Practical Implementation:

The obligation to make information available on the sources of energy is not only legally but also practically implemented in a wide range of countries (24 out of 26). Lithuania has not yet implemented this in full. In Lithuania for example, it is not mandatory to provide information unless the customer requests it. However, information is available both on the energy regulator's and the suppliers' websites.

Most of the respondents (20 out of 26) affirm that the information requirements in bills and promotional materials are not only fulfilled in legal terms but also in practice. Three countries[99] stated that they do not comply with the information duty in practice.

Regarding alternative dispute resolution schemes, consumers are notified of their rights through some of the following means:

- By an extra information leaflet along with the yearly bill distributed by the supplier and the Distribution System Operator (Austria);
- By a Code of Conduct which includes consumer notification on how to file a complaint and details on the energy ombudsman (Belgium); and
- By legal obligation through the general terms of the supply contract (Portugal).

This list applies to the majority of countries (19 out of 26) in practice. In three countries[100], this is not strictly the case. In Lithuania and Poland, the customer has to explicitly ask for any information in this respect.

In Portugal, contracts entail a paragraph on the means of dispute settlement. In Italy, according to existing regulation, suppliers are requested to inform customers as regards the means of dispute settlement available to them in the event of a dispute. In Belgium, full details on federal and regional mediation services are available on the bills. In the United Kingdom, the information is signposted on the back of the bills.

5.1.2 Single points of contact

According to Article 3, paragraph 12 of Directive 2009/72/EC, Member States shall ensure the provision of single points of contact to provide customers with all necessary information regarding their overall rights. Such contact points may be part of general consumer information points.

A large majority of countries (21 out of 26) have single points of contact or general consumer information points (Spain) in place. Five countries[101] do not have any institution of this sort in place. Portugal is currently considering the establishment of a single point of contact. In

[99] Belgium, Greece, Lithuania. (In Belgium, there's an obligation to mention the fuel mix on the bill but not the environmental impact of the fuel mix. However, some suppliers may make reference to relevant websites regarding the impact of CO_2 emissions and radioactive wastes).
[100] Spain, Lithuania, Poland.
[101] Finland, Luxembourg, Portugal, Slovenia, Slovakia.

Belgium, the single point of contact[102] is interpreted as the possibility for customers to file a complaint with any complaint handling service. If not admissible by the service, the complaint will be redirected to the competent authority. In Italy, a consumer helpdesk/call centre provides customers with information about the energy market and receives and handles customer complaints; a wide range of tools is also available on the web-site of the NRA (Consumer Atlas; Price comparison service, etc.) to inform customers, as well as publications providing basic and advanced explanations both of electricity and natural gas markets.

The organisational arrangements, under which the single points of contact operate, differ in the individual member countries as shown in the following table:

Organisational arrangements of the single points of contact		
a) NRA	12	Austria, Czech Republic, Estonia, Germany, Ireland, Latvia, Lithuania, Luxembourg (foreseen by law), Poland, Romania, Spain, The Netherlands
b) a consumer organisation	6	Denmark, Estonia, Germany, Latvia, Sweden[103], United Kingdom
c) an industry organisation	1	Latvia
d) other	8	Belgium, Bulgaria, France, Greece, Hungary, Italy, Portugal, Spain

Table 3: Organisational arrangements of single points of contact (electricity)

Table 3 shows that most single points of contact reside within the national regulatory authority, although various combinations exist.

Other arrangements consist of the following:

- An energy hotline for general information (Austria, Belgium, Poland);
- A website and hotline jointly operated by the national regulatory authority, the national energy ombudsman and the relevant government ministry (France);
- A consumer protection authority (Greece, Hungary);
- A consumer helpdesk on behalf of the national regulatory authority handled by the Single Buyer[104] which is a company entirely owned by the Ministry of Economics (Italy); or
- The responsibility to provide consumers with all necessary information is shared among the NRA and Regions (Spain). The general consumer information points managed by the regions should coordinate with the regulatory authority.

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[102] In Belgium, a federal ombudsman, regional mediation services, Federal Public Service of Economy as well as federal and regional regulators are in charge.
[103] In 2011, the Swedish Regulatory Authority appointed the Energy Markets Bureau to be the Single point of contact. The Bureau is funded by industry, but chaired by the Swedish Consumer Agency. Further to that, EI serves as a vice chair in the Board.
[104] Acquirente Unico.

Overall, single points of contact had been established in around half of the CEER member countries before the complete market opening in 2007 in both sectors. The case of Belgium, Latvia and Spain is noteworthy as single points of contact already existed in these three countries before 2000.

Year of the establishment of the single point of contact		
Before 2007	9	Austria, Belgium, Bulgaria, Denmark, Estonia, Latvia, Romania, Spain, The Netherlands
2007	2	France, Italy
After 2007	9	Czech Republic, Germany, Greece, Hungary, Ireland,, Lithuania, Poland, Sweden, United Kingdom

Table 4: Year of establishment of the single points of contact

The main sources of financing of the single point of contact consist of the following:

- Public funds/state budget (Belgium, Czech Republic, Germany, Greece, Hungary, Poland, Romania, The Netherlands, United Kingdom);
- National regulatory authority (Austria, Latvia, Lithuania, Poland);
- Jointly by the national regulatory authority and the industry (Denmark, Sweden);
- Industry, namely TSOs, DSOs, energy companies, etc. (Bulgaria, Ireland);
- Jointly by the national regulatory authority, the national energy ombudsman and the State (France);
- EU funds (Greece); or
- Through the tariff system (Italy).

Various combinations of the above listed sources of financing exist, particularly in the case of the French single point of contact. In Sweden, the single point of contact is financed by the electricity, gas and district heating industry but chaired by the Swedish Consumer Agency. The Swedish regulator serves as vice chair in the Board of the latter.

5.1.3 Energy consumer checklist

According to Article 3, paragraph 16 of Directive 2009/72/EC, the Commission shall establish an energy consumer checklist in cooperation with NRAs and other relevant bodies. Electricity suppliers and Distribution System Operators should take the necessary steps to provide consumers with the checklist in cooperation with the NRA.

Around half of the national regulatory authorities (15 out of 26) stated that they have contributed to the establishment of the energy consumer checklist required in the 3rd Package. The implementation process is, however, at different stages in the individual CEER member countries:

- Denmark is in contact with the European Commission (EC) but a final checklist has not yet been decided upon;
- The Greek regulatory authority completed the energy consumer checklist which was coordinated by the General Consumer Secretariat of the Ministry of Public Affairs and is now published on the regulator's website;

- The Hungarian Consumer Protection Authority shall update the energy consumer checklist established by the EC by providing further information on consumers' rights. Afterwards, the Consumer Protection Authority shall send a copy to all suppliers which are required to publish the final checklist on their websites;
- In Portugal, the national regulator was in charge of the coordination of this process which was supported by several consumer and alternative dispute resolution bodies. The consumer checklist was implemented in 2010 and
- In the United Kingdom, the National Consumer Council (Consumer Focus) has already established a consumer checklist with the help of the energy regulator.

Among those countries that have not yet established an energy consumer checklist, only some are planning measures for a future involvement:

- The Austrian regulator deems its current information (website, hotline, brochures, leaflets) sufficient; in addition energy companies are obliged to inform customers with contracts and bills about the most important issues;
- The Belgian regulatory authority was not contacted by the State yet to undertake any steps related to the checklist;
- The Italian regulator already provides all relevant information mentioned in the checklist on their website. Furthermore, when concluding a contract, or even before, household and small business customers receive all information provided by the checklist as a remainder;
- Similar to the Italian case, in France a communication which is foreseen to be in the checklist is already an obligation in the current legislation;
- No plans for this were expressed by the regulators of Spain and the Netherlands); and
- Only Lithuania is planning to engage, under certain conditions.

Out of the 15 national regulatory authorities that contributed to the establishment of an energy consumer checklist, only six[105] have started a coordination process with electricity suppliers and Distribution System Operators in order to provide consumers with a copy of this list. In the United Kingdom, the National Consumer Council has worked closely together with the suppliers to agree how and when the checklist will be provided. The Swedish regulator informed all market participants of the checklist which was made easily accessible to both Distribution System Operators and suppliers.

Among those that had not started any coordination process with their electricity suppliers and Distribution System Operators, a few regulators[106] intend to do so in the short-term whereas others[107] do not currently foresee any new measures being implemented. The Netherlands believes that the initiative for such a checklist should be taken by suppliers and Distribution System Operators.

[105] Czech Republic, Finland, Lithuania, Romania, Sweden, United Kingdom.
[106] Hungary, Lithuania, Poland.
[107] Belgium, Spain, the Netherlands.

5.2 Gas

5.2.1 Single points of contact

According to Article 3, paragraph 9 of Directive 2009/73/EC, Member States shall ensure the provision of single points of contact to provide consumers with all necessary information regarding their overall rights. Such contact points may be part of general consumer information points.

In the gas sector, almost all countries (21 out of 26) currently have a single point of contact in place, only very few[108] do not. In Portugal, new legislation foresees the creation of a single point of contact but this is not yet implemented. In Italy, a consumer helpdesk/call centre provides customers information about the energy market and receives and handles customer complaints; a wide range of tools is available on the NRA's web-site to inform customers.

Organisational arrangements of the single point of contact		
a) NRA	10	Austria, Czech Republic, Estonia, Germany, Ireland, Lithuania, The Netherlands, Poland, Romania, Spain
b) a consumer organisation	2	Estonia, Sweden[109]
c) an industry organisation	-	-
d) other	10	Belgium, Bulgaria, France, Germany, Greece, Hungary, Italy, Portugal, Spain, United Kingdom

Table 5: Organisational arrangements of the single points of contact (gas)

Regarding the organisational arrangements of the single points of contact in the gas sector, nearly the same picture applies as already portrayed in the electricity sector. Most single points of contact reside within the national regulatory authority.

Other arrangements consist of the following:

- Call centres organised by the federal and regional administrations (Belgium);
- A website and hotline jointly operated by the regulator, the national energy ombudsman and the competent ministry (France);
- Dedicated consumer bodies dealing with the complaints (Denmark, Sweden, United Kingdom),
- A consumer protection authority (Greece, Hungary)
- A consumer helpdesk handled by Acquirente Unico Spa (the single buyer) which is a non-profit organisation owned by the Ministry of Economics (Italy);
- A centralised platform (Portugal);

[108] Finland, Luxembourg, Slovakia, Slovenia.
[109] In 2011, the Swedish Regulatory Authority appointed the Energy Markets Bureau to be the Single point of contact. The Bureau is funded by industry, but chaired by the Swedish Consumer Agency. Further to that, the regulator serves as a vice chair of the board.

- The responsibility to provide consumers with all necessary information is shared among the NRA and Regions (Spain). The general consumer information points are managed by the regions and should coordinate with the regulatory authority; or
- The single point of contact resides within companies (Bulgaria).

The main sources of financing of the single point of contact consist of the following:

- Public funds/state budget (Belgium, Estonia, Germany, Hungary, Poland, The Netherlands);
- National regulatory authority (Austria, Lithuania, Poland, United Kingdom);
- Jointly the national regulatory authority, the national energy ombudsman and the State (France);
- Industry, namely TSOs, DSOs, energy companies, etc. (Denmark, Ireland, Sweden);
- Regions or towns (Spain);
- EU funds (Greece); or
- Through the tariff system (Italy).

5.2.2 Energy consumer checklist

According to Article 3, paragraph 12 of Directive 2009/73/EC, the Commission shall establish an energy consumer checklist in cooperation with NRAs and other relevant bodies. Gas suppliers and Distribution System Operators should take the necessary steps to provide consumers with the checklist in cooperation with the NRA.

Regarding the energy consumer checklist, nearly the same answers were given for the gas and electricity sector. Around half of the respondents (16 out of 26) indicated that they contributed to the establishment of the energy consumer checklist.

The same picture also applies to the coordination process. The same minority of countries[110] as already mentioned in the electricity sector started the coordination process with gas suppliers and Distribution System Operators. The same answers as for the electricity part were also given concerning plans for a future engagement of regulators if they have not started this process yet.

[110] Czech Republic, Finland, Lithuania, Portugal, Romania, Sweden, United Kingdom.

6 Alternative Dispute Resolution (ADR) mechanisms

The chapter on Alternative Dispute Resolution mechanisms relates to Article 3, paragraph 13 as well as Annex I, (f) of Directive 2009/72/EC; and Article 3, paragraph 9 as well as Annex I, (f) of Directive 2009/73/EC.

Main Findings
• Nearly all CEER member countries have ADR mechanisms in place; • In a majority of countries, the NRA is in charge of ADR either as the sole institution or in combination with other institutions; • ADR structures have existed for a fairly long time in CEER member countries; • The majority of existing ADR mechanisms are state funded, followed by a smaller group of industry funded mechanisms; • The average duration of out-of-court settlements varies greatly across CEER member countries.

6.1 Electricity

6.1.1 General characteristics of independent mechanisms for complaint handling and out-of-court settlements

The 3rd Package requires Member States to ensure that an independent mechanism such as an energy ombudsman or a consumer body is in place in order to ensure efficient treatment of complaints and out-of-court settlements. European energy regulators have repeatedly expressed the importance of independent and transparent ADR structures in order to allow customers to directly communicate their needs and concerns.[111]

Nearly all countries that participated in the survey indicated that mechanisms for complaint handling were present in their countries regardless of whether the 3rd Package was implemented or not. While the mandate and authority of the different mechanisms vary across CEER member countries, one single national regulatory authority (Poland) explained that there was no effective ADR mechanism in place in its country despite the fact that formal structures with respect to dispute settlement exist. The Polish regulator described its ADR mechanism to be imperfect given the high administrative costs that pose a serious barrier for household customers to take advantage of this service. This is the only country that reported any accessibility problems of this kind.

[111] CEER Position Paper on the Commission Proposal Directive on Consumer ADR, COM(2011) 793, Ref. C12-CEM-49-05.

Results showed that, in an overwhelming majority of member countries, one central institution is in charge for complaint handling. In most cases, it is the energy regulatory authority. However, other types of central institutions are almost as common. The picture is very mixed in this regard. Institutional arrangements range from customer complaint boards and boards for consumer disputes (Denmark, Sweden) to mediation boards (Hungary), regional authorities (Spain), arbitration centres (Portugal) and even ministries (Slovakia). Independent energy ombudsmen occur less frequently in number but prevail in large economies such as Germany, France and the United Kingdom and are also present in Belgium (together with the energy regulator) and Greece.

A number of countries[112] have a more decentralised complaint handling system in place with several institutions installed that work in parallel. Results in this context showed that the energy regulatory authority is involved as one of the institutions in all of the underlying decentralised cases. It was furthermore observed that consumer bodies act as ADR institutions very rarely and if they do, they only occur in countries where other mechanisms are in place as well.

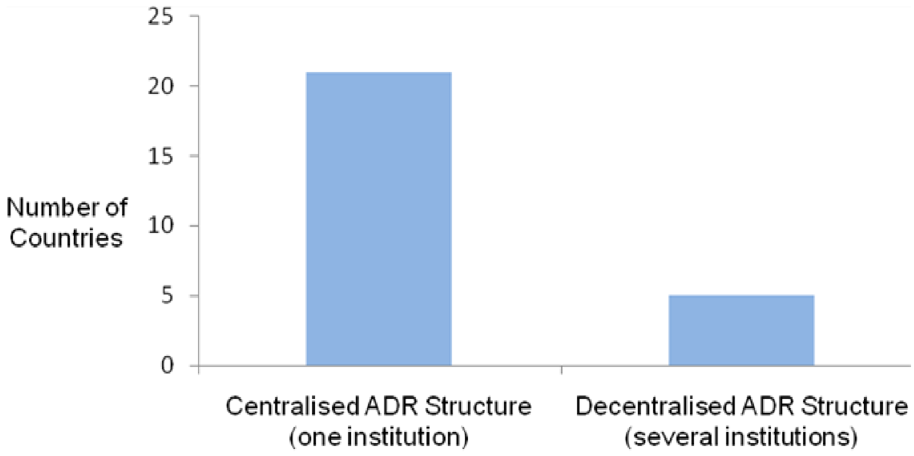

Figure 2: Distribution of centralised (one institution per country) versus decentralised ADR structures in CEER member countries

Moreover, the data showed that ADR mechanisms have existed for a fairly long time in many CEER member countries. While the bulk of ADR mechanisms were established between 2001 and 2009, it is important to point out that almost the same number of countries already had existing ADR mechanisms in place before 2000 (or in 2000 at the latest). The most recent establishment of complaint handling facilities took place in Germany (2011) and Slovenia (2012). Given the relatively long-standing presence of ADR structures in most member countries, the late establishment of such structures in Germany seems noteworthy in this context given its status as one of the largest European economies.

[112] Belgium, Bulgaria, Finland, Hungary, Portugal.

Given the multitude of complaint handling facilities across CEER member countries, the question of how the various ADR institutions are financed was also examined. The survey showed that the majority of ADR mechanisms receive state funds and are, thus, financed publically. The second largest category of ADR institutions is funded by the industry. In terms of weight, it is worth mentioning that the latter group is much smaller than the leading category of countries with state funded mechanisms. In more concrete terms, the industry funded ADR group comprises only about half the number of countries than the state funded ADR group. An even smaller number of countries uses contributions from TSOs/grid operators or have ADR mechanisms funded by consumer organisations. These funding types combined account for less than the industry led category. While this illustrates the big picture and the broad categories of funding in place in CEER member countries, arrangements in the individual states vary. While in some cases parts of energy consumption taxes are used to fund ADR mechanisms (e.g. France), in others the funds used are part of the overall regulatory authority's budget (which in itself consists of various of the above mentioned sources depending on the country). In some countries, only the participating companies pay in the event of a dispute (e.g. United Kingdom) whereas in other countries, there is a general levy on the industry (e.g. Ireland). A combination of different sources of financing also exists in some countries. In Germany for instance, ADR is partially financed by the industry and partially from the state budget.

Given that the 3rd Package requires complaint handling and out-of-court settlements to take place in the framework of an independent mechanism, the question remains whether it is possible to infer from the available data if mechanisms act in an independent manner or not. One of the possible indicative criteria to determine the nature of ADR structures in this respect could be the type of financing these structures receive. Given that most countries deal with alternative dispute settlement at their national regulatory authorities, as we have seen as a result of the survey, the underlying question is closely linked to the more general question of regulatory independence (this issue is, however, not the subject of this Status Review). Yet, given that the 3rd Package demands high standards for energy regulatory authorities in terms of independence, the tendency to have regulators involved as either the sole institution or in combination with other institutions presents a positive outlook. The level of independence is certainly more difficult to judge in cases where the industry is in charge of ADR, given that it often acts as a party in the dispute itself. Yet, different forms of industry participation exist and more studies and data are necessary to make adequate conclusions on the subject matter.

6.1.2 Average duration of out-of-court settlements

The average duration of out-of-court settlements varies greatly across CEER member countries. As a consequence, there is no explicit trend visible. Results have shown that there are several smaller groups with similar duration periods but no majority group exists. In a medium-sized group of countries[113], the duration of out-of-court settlements was reported to be less than three months or equal to three months. According to Annex I of the Directive 2009/72/EC, customers have the right to a fair and prompt out-of-court settlement preferably

[113] Austria, Belgium, Bulgaria, Estonia, France, United Kingdom, Greece, Hungary, Latvia, Luxembourg, Portugal (partially).

within three months. Conclusions on how well this provision is implemented remain difficult to assess given that another medium-sized group[114] of regulatory authorities comparable to the one already mentioned could not provide information on the average duration of out-of-court settlements in their countries. A number of reasons for the lack of data were stated, among which the most prominent one was that no information was available on average settlement periods in cases where the regulator was not in charge of ADR or only partially involved. Another reason that was stated referred to the fact that there was only very little experience with out-of-court settlements, especially in those countries where ADR mechanisms were established relatively recently, e.g. Slovenia. As a consequence, effective implementation of this provision is difficult to assess due to the lack of data.

Among the rest of the countries, namely those states that reported on higher settlement periods than the foreseen period of three months, a small group of countries[115] stated an average settlement period of four months. One country stated a five months period (Denmark) and three countries reported that out-of-court settlements take more than six months (Finland, Romania) or six months (Norway).

Given the fragmented picture and unclear information on average settlement periods in CEER member countries, we are, thus, left with three categories of information on average settlement periods:

- Countries in line with the three month period stated in the 3rd Package;
- Countries that could not provide information on average settlement periods and
- Countries with average settlement periods above the preferred three months noted in the 3rd Package.

6.2 Gas

6.2.1 General characteristics of independent mechanisms for complaint handling and out-of-court settlements

The overall characteristics of independent mechanisms for complaint handling and out-of-court settlements are largely the same in the gas sector as in the electricity sector. Only a limited number of differences exist. These are outlined in the following paragraphs.

With respect to the presence of ADR mechanisms in the gas sector, results are comparable with the electricity sector. The only exception is Lithuania where an ADR mechanism is in place in the electricity sector but not in the gas sector. This is especially the case for some of the Baltic States, i.e. Latvia and Lithuania. The Polish regulatory authority described its ADR mechanism to be imperfect for the same reasons already cited in the electricity sector. For the rest of the countries, the presence of ADR mechanisms for gas disputes is given in the same way as in the electricity sector.

[114] Czech Republic, Germany, Latvia, Poland, Portugal (partially), Slovakia, Slovenia, Spain.
[115] Lithuania, Sweden, the Netherlands.

With respect to organisational arrangements and institutions in charge, the situation is largely the same as in the electricity sector. Minor differences exist in Spain where a compulsory and more centrally organised ADR mechanism for gas is due to be implemented as of April 2012 as compared to the electricity sector where a more decentralised ADR system is currently in place.

Data for the gas sector also shows that there are only very few differences with respect to the founding date of ADR mechanisms in CEER member countries. Compared to the electricity sector, there were slightly less ADR Mechanisms in place in the gas sector before 2000 (and in 2000 at the latest). Yet, most of the absent mechanisms in this early period followed between 2002 and 2009. As in the electricity sector, the most recently established ADR mechanisms in gas are to be found in Germany and Slovenia.

ADR mechanisms in the gas sector are largely financed in the same manner as those in the electricity sector. Hardly any differences exist except slight variations in the institutional set up of responsible bodies in Italy and Spain where ADR mechanisms are less diverse in the gas sector and rather concentrated as compared to the electricity sector.

6.2.2 Average duration of out-of-court settlements

As in the electricity sector, the picture looks very mixed with respect to the average out-of-court dispute settlement periods. Results are very similar with even slightly less information available on settlement periods in the gas sector as compared to the electricity sector.

7 Regulated end-user prices

Main Findings

- In roughly half of the examined countries, regulated end-user prices exist;
- The household sector contains the highest number of eligible customers for regulated end-user prices and is closely followed by the small businesses sector;
- Regulated prices for medium and large businesses as well as for energy intensive industries are less frequent;
- While plans to abandon regulated electricity prices exist in a large number of CEER member countries, gas prices will likely continue to stay regulated in most cases in the near future.

7.1 Electricity

Regulated end-user prices are present in about half of the countries that took part in the survey. Out of the 26 countries that provided information, 14 responded that regulated end-user prices exist in the electricity sector[116]. These countries are: Belgium, Bulgaria, Denmark, Estonia, France, Greece, Hungary, Italy, Lithuania, Poland, Portugal, Romania, Slovakia and Spain.

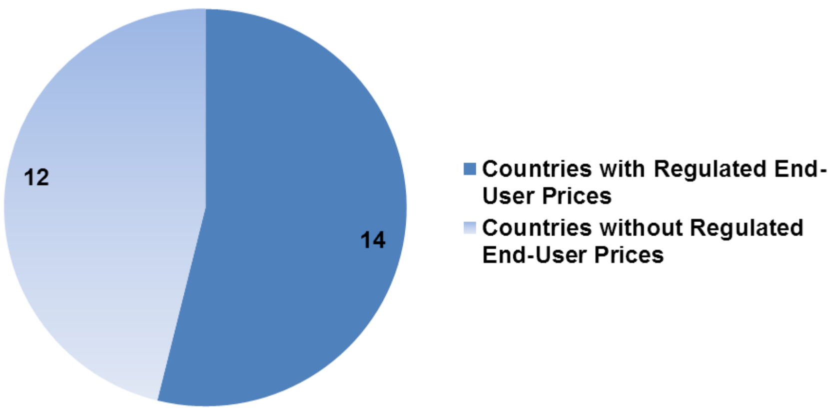

Figure 3: Overview of regulated versus non-regulated end-user prices

[116] In addition to these 14 countries, Cyprus and Malta also have regulated end-user prices for electricity. There are also regulated prices in Northern Ireland, however, as a general rule in this report the term United Kingdom refers to Great Britain and is exclusive of the situation in Northern Ireland.

7.1.1 Eligibility for regulated end-user prices and shares of beneficiaries

An examination regarding the principal beneficiaries of regulated prices was carried out in order to find out which sectors of the economy are most concerned with respect to regulated end-user prices in the individual member countries. The following four sectors were examined:

- Households;
- Small Businesses;
- Medium and Large Businesses; and
- Energy Intensive Industries.

Results showed that the household sector is subject to regulated prices in all of the 14 countries where regulated end-user prices exist. Almost all examined countries with the exception of a few[117] also regulate prices for small businesses. Moreover, there is a small group of countries[118] which also regulates prices for medium & large businesses and energy intensive industries in addition to households and small businesses. This latter group of countries, thus, regulates all sectors of its respective economies.

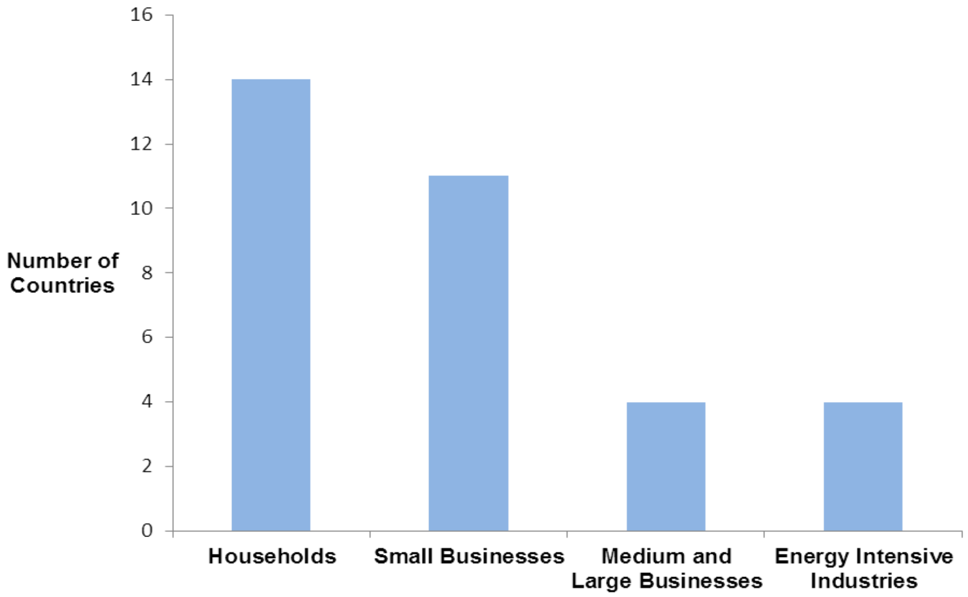

Figure 4: Eligibility for regulated electricity prices in economic sectors

Information on the individual shares of beneficiaries in each economic sector was also collected. Results showed that nearly all households[119] benefit from such prices where they exist. One exception is Belgium where only 7.7% of households receive regulated prices.

[117] Belgium, Poland, Slovakia.
[118] Denmark, Estonia, France, Romania.
[119] No information on Denmark due to unavailable data.

This is due to the fact that in Belgium only vulnerable customers and dropped residential customers are eligible for receiving regulated end-user prices[120]. For the rest of the countries, the share lies between 90 and 100%. In Spain, 74% of households are eligible for regulated prices.

The picture is more diverse with respect to small businesses. In this sector, three groups of countries could be identified with different shares. The largest of these three groups consists of four countries[121] with relatively high shares of beneficiaries in this sector (80 to 100%). The two remaining groups both consist of two countries each. While one group[122] reported on middle ranged shares (between 40-50%), the remaining group[123] regulates prices for less than 10% of their small businesses. Denmark and Romania[124] could not provide specific data.

The sector containing medium and large businesses is characterized by a more homogenous distribution. Results showed that 95 to 100% of medium and large businesses benefit from regulated end-user prices where these exist. Romania could not provide data[125].

The highest share of beneficiaries with respect to energy intensive industries can be found in France (82%). In strong contrast to France, Spain only modestly provides regulated end-user prices to energy intensive industries (1%). Estonia represents the medium range with 35% of its energy intensive industries benefitting from regulated end-user prices. Romania could not provide data[126].

This picture shows that there is no overall trend across member countries with respect to the number of beneficiaries in each sector. The mere fact of charging regulated prices to end users in a given sector does not reveal how many participants of a sector are effectively concerned. The small businesses sector and the energy intensive industry sector prove that numbers vary greatly (i.e. from almost everybody benefitting to almost no one benefitting from regulated end-user prices). In contrast, medium and large businesses are characterized by more homogenous shares. Results for the household sector have shown that this is probably the only sector where regulation of end-user prices equally means that this is true for nearly everyone in this sector across all concerned member countries (with the exception of Belgium where regulation of end-user prices applies only for vulnerable customers and dropped residential customers[127]).

[120] This holds as for 1 January 2012. Since then, the Belgian legislation has also introduced regulated prices for all residential consumers with variable prices in their contract from the first of April and for a maximum period of 9 months (for the moment).
[121] Estonia, France, Greece, Hungary.
[122] Bulgaria, Portugal.
[123] Lithuania, Spain.
[124] Non-household customers receiving regulated prices in Romania amount to 6.3% of the total number of customers.
[125] Data is unavailable.
[126] Data is unavailable.
[127] This holds as for 1 January 2012. Since then, the Belgian legislation has also introduced regulated prices for all residential consumers with variable prices in their contract from the first of April and for a maximum period of 9 months (for the moment).

7.1.2 Plans to abandon regulated end-user prices

In a position paper of ERGEG from 2007, energy regulators stated that end-user price regulation distorts the functioning of the market and jeopardize both security of supply and the efforts to fight climate change and should therefore be removed on the basis of concrete phase-out roadmaps or, where appropriate, brought into line with market conditions.[128] The Court of Justice of the European Union confirmed this line of thought in 2010 through its ruling of case C-265/08 (Federutility versus AEEG[129]) in 2010. The Court of Justice judged that regulated prices should generally be abandoned unless they serve the general economic interest, are proportionate, clearly defined, transparent, non-discriminatory and verifiable.[130]

Regulatory authorities in CEER member countries were asked whether plans to abandon the regime of regulated end-user prices existed. Results showed that an overwhelming majority of relevant CEER member countries[131] do indeed have intentions to phase-out regulated end-user prices. Yet, answers varied in their level of detail and ranged from very concrete ideas including specific phase-out dates to less concrete visions. In sum, only about half of the states[132] that expressed an intention to abandon regulated end-user prices do have very concrete to moderately concrete plans to do so. Estonia, Greece, Portugal and Romania for instance reported on concrete dates and plans for phasing out regulated prices. In some cases, roadmaps for certain sectors exist but not for others (e.g. France has phase-out dates for medium & large businesses and energy intensive industries but not for households and small businesses). Poland has a roadmap for phasing out regulated household prices based on the fulfilment of certain conditions such as improving supplier of last resort mechanisms and implementing vulnerable customer support systems. The remaining countries are still working on roadmaps and policies or provided little information respectively but none are currently in a position to present concrete plans. Denmark is, for example, planning to carry out an analysis of the Danish retail electricity market in order to find out where, when and if deregulation makes sense in specific areas. Despite the varying stages at which individual member countries find themselves in on the road to abandoning regulated end-user prices, the trend in the electricity sector is clearly going towards phasing out regulated prices[133]. In comparison to a Status Review carried out in 2010 on end-user price regulation, the number of countries with an intention to phase-out regulated end-user prices, increased overall.[134]

[128] End-User Energy Price Regulation - An ERGEG Position Paper, Ref. E07-CPR-10-03.
[129] Autorita per l'energia elettrica e il gas (Italian Energy Regulatory Authority)
[130] Court of Justice Case C-265/08 Federutility and Others versus Autorita per l'energia elettrica e il gas, 2010.
[131] Bulgaria, Denmark, Estonia, France, Greece, Italy, Lithuania, Poland, Portugal, Romania, Slovakia.
[132] Estonia, France, Greece, Lithuania, Poland, Portugal, Romania.
[133] With the exception of Belgium, where regulation of end-user prices applies only for vulnerable customers and dropped residential customers. This holds as for 1 January 2012. Since then, the Belgian legislation has also introduced regulated prices for all residential consumers with variable prices in their contract, from the first of April and for a maximum period of 9 months (for the moment).
[134] ERGEG Status Review on End-User Price Regulation as of 1 January 2010, Ref. E10-CEM-34-03.

7.2 Gas

As in the electricity sector, roughly half of the countries that took part in the survey expressed that regulated end-user prices exist in the gas sector. Yet, in contrast to the electricity sector, there are differences in the composition of countries with regulated end-user prices. Not all of the countries mentioned in the electricity sector also have regulated prices in the gas sector and vice-versa. Yet, out of the 26 countries that provided information, 15 responded that regulated end-user prices exist in the gas sector.[135] These countries are: Belgium, Bulgaria, Denmark, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia and Spain.

7.2.1 Eligibility for regulated end-user prices and shares of beneficiaries

As far as the principal beneficiaries of regulated end-user prices in the gas sector are concerned, the situation is comparable to the electricity sector especially with respect to the household and the small businesses sector. Minor differences exist in terms of the remaining sectors (medium & large businesses and energy intensive industries). While the number of countries with regulated prices in all sectors of the economy is the same as in the electricity sector (four CEER member countries[136]), their composition slightly varies. Moreover, there is one additional country with regulated end-user prices in all sectors except for energy intensive industries, namely Greece.

Individual shares of beneficiaries in each sector vary significantly from those presented in the electricity sector. The following paragraphs give more insight on the specific situation in the gas sector.

As far as households are concerned, slightly fewer gas households benefit compared to electricity households[137]. While in the majority of countries[138] the share of beneficiaries is still rather high (70-100%), there are two countries[139] in which only 40-60% of households receive regulated prices. As in the electricity sector, Belgium's share of household beneficiaries is the lowest and accounts for only 8.1% for the same reasons as stated in the electricity section.

[135] In addition to these 15 countries, Cyprus and Northern Ireland have regulated end-user prices for gas. However, as a general rule in this report the term United Kingdom refers to Great Britain and is exclusive of the situation in Northern Ireland.
[136] Bulgaria, Denmark, France, Poland.
[137] No information on Denmark due to unavailability of data; In Romania the share of small businesses receiving regulated end-user prices amounts to 5.78% of the total amount of Romanian customers but a precise number for the small business sector is not available.
[138] Bulgaria, France, Hungary, Ireland, Lithuania, Poland, Portugal, Romania, Slovakia.
[139] Greece, Spain.

The small businesses sector is characterized by heavily diverging numbers. While in two countries all small businesses (100%) benefit from regulated end-user prices[140], in Hungary close to 0% and in Greece 24% are subject to regulated prices. Although France regulates all its sectors, no specific number was provided under the section dedicated to small businesses. The numbers for small businesses are incorporated in the numbers of medium sized businesses as France only distinguishes between three economic sectors rather than four in the gas sector. In sum, this sector is still characterized by a rather diverse picture with respect to beneficiary shares.

As far as medium and large businesses are concerned, two countries show relatively high beneficiary shares (90-100%). One country reported on a medium ranged share of 60% and the remaining country charges regulated prices to 24% of its medium and large businesses. While this picture is also rather diverse, it is still more homogenous as the one displayed in the above mentioned small businesses sector.

As outlined earlier, four CEER member countries regulate end-user prices in their energy intensive industries sector. In half of the countries[141] with regulated prices, 90-100% of energy intensive customers benefit from such prices. Within the other half, the trend is towards 20%, however data is only available for one country, namely France. The remaining data for Denmark is missing.

Denmark was not able to provide concrete data on the shares of beneficiaries for the individual economic sectors. As outlined earlier, Denmark is, however, a country with regulated prices in all sectors of its economy. Yet, the only information available on Denmark is that in 2010, 84% of Danish gas customers received gas at regulated prices. In total, 17% of Danish gas consumption was regulated. Most of the Danish beneficiaries are household customers and small businesses, however, the exact number of beneficiaries by sector is not known.

Other noteworthy states are Poland and Bulgaria. In these two countries, all sectors are regulated with a beneficiary share of 100% in nearly all sectors.

Even more so than in the electricity sector, the overall picture shows that there is no homogenous trend across member countries with respect to the number of beneficiaries in each sector. The mere fact of charging regulated prices to end users in a given sector does not reveal how many participants of a sector are effectively concerned. In fact, the number of beneficiaries in the individual economic sectors varies greatly not only across but also within given sectors. In contrast to the electricity sector, not even results for the household sector have shown a balanced picture. Yet, the household sector still remains one of the most homogenous sectors also in the sphere of gas.

140 Bulgaria, Poland.
141 Bulgaria, Poland.

7.2.2 Plans to abandon regulated end-user prices

Regulatory authorities in CEER member countries were asked whether plans to abandon the regime of regulated end-user prices existed. In contrast to the electricity sector, results showed that a majority of examined countries will stick to regulated prices in the near future. Only six countries[142] in total reported that plans to phase out regulated gas prices existed. This number is only slightly higher than the one obtained as a result of a previously carried out Status Review on End-User Price Regulation in 2010.[143] Answers varied in their level of detail and ranged from very concrete ideas including specific phase-out dates to less concrete visions. In sum, only two of the member countries[144] that expressed an intention to abandon regulated end-user prices have very concrete plans to do so. While Portugal named concrete phase out dates, Ireland has published a roadmap on the removal of all remaining tariff regulation (domestic gas sector) and undertakes quarterly reviews of competition to determine if the roadmap criteria for deregulation have been met in the household sector.

The remaining countries are still working on roadmaps and policies or provided little information respectively but are not currently in the position to present concrete plans. An example is Denmark which is planning to carry out the same analysis for the gas retail market as for the electricity retail market. The overall result shows that plans to leave regulated prices behind are, thus, much less developed and frequent in the gas sector as compared to the electricity sector.

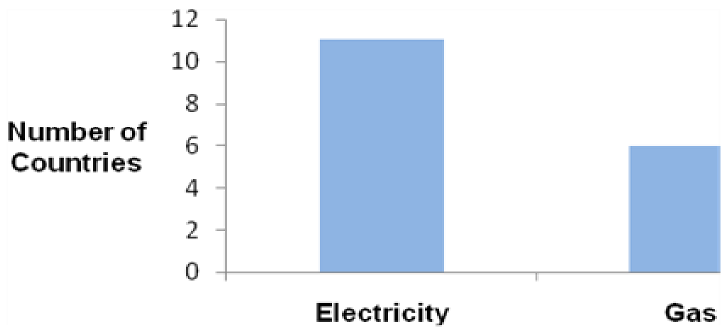

Figure 5: Plans to abandon regulated end-user prices in electricity and gas

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[142] Denmark, Ireland, Poland, Portugal, Romania, Slovakia.
[143] ERGEG Status Review on End-User Price Regulation as of 1 January 2010, Ref. E10-CEM-34-03
[144] Ireland, Portugal. In Poland, a Gas Release Programme was prepared by the national oil and gas company PGNiG in connection with the "Roadmap for Gas Price Release in Poland", a document that is currently being drafted by the Polish Energy Regulatory Office. The roadmap foresees that PGNiG will offer at least 70% of nationally consumed gas on the commodity exchange. The overall goal is to stepwise abandon regulated gas prices for industrial and commercial customers starting from 1 January 2013.

8 Conclusions

The CEER Status Review of Customer and Retail Market Provisions from the 3rd Package gathered information on the current state of implementation of Article 3 and Annex I of Directive 2009/72/EC concerning common rules for the internal market in electricity and Directive 2009/73/EC concerning common rules for the internal market in gas in CEER member countries. Given that all member countries except Malta and Cyprus provided information on their respective national frameworks, the results and conclusions drawn in this Status Review are based on a comprehensive and representative set of data.

Regarding the broad spectrum of issues examined in the present Status Review, the following paragraphs outline the main conclusions drawn in the context of the individual subject areas that were analysed.

In terms of the 3rd Package requirements related to **universal service**, we can conclude that the provisions have been implemented, even though different concepts and preconditions may apply throughout CEER member countries.

The analysis has shown that **switching suppliers** in CEER member countries takes three weeks on average. It can, thus, be concluded that the provisions are met from a legal point of view. Results, however, showed that in practice processes need to be improved, while still ensuring customer protection, as CEER member countries are often not able to de facto meet the stipulated periods. Furthermore, the receipt of a Final Closure Account takes six weeks on average as foreseen in the legislation. Contrary to the findings above, this maximum period is at least met by around a half of CEER member countries in practice as well as in legislation.

As far as **vulnerable customers** are concerned, we can conclude that the implementation of the legal requirements do not automatically ensure a certain level of customer protection. Hence, the presence of a definition of a concept for vulnerable customers does not necessarily mean that protection measures are in place and the reverse is true: some countries do not have a definition but they still have a range of measures in place to protect vulnerable customers. In fact, without information on the actual measures taken in each country to protect vulnerable customers, the degree to which these customers are protected cannot be assessed. CEER member countries typically have a combination of protective measures in place, consisting of both energy specific and social security measures. Hence, the intensity of these measures ultimately determines the level of vulnerable customer protection regardless of whether a concept of such customers was defined or not.

Moreover, the underlying Status Review examined the state of play with respect to the implementation of various **customer information requirements**. It can be concluded that CEER member states largely make information on the contribution of energy sources to the overall energy mix available and that single points of contact are established in the majority of countries. As far as the energy consumer checklist is concerned, CEER member states are lagging behind the legal provisions set by the 3rd Package as only around half of the countries had contributed to the establishment of the energy consumer checklist on 1 January 2012 and only very few had started a coordination process with suppliers and Distribution System Operators.

As far as **ADR mechanisms** are concerned, we have seen that their presence has been widespread throughout Europe for a fairly long time (many for over 10 years). Despite this fact, there is only limited information on whether CEER member countries comply with the three month out-of-court settlement period foreseen in the 3rd Package. As a consequence, it still remains unclear in a number of countries if customers can count on settling their disputes within three months, mostly due to the scattered picture of responsibilities and the resulting lack of data. Given that a number of states reported on settlement periods longer than three months, the requirements stipulated in the 3rd Package still do not seem to be implemented on a broad scale.

The information collected on **regulated end-user prices** revealed that in roughly half of the CEER member countries regulated prices still exist, especially in the household and small businesses sector. Yet, the available data and trends also showed that CEER member countries, although not all, are more and more determined to abandon regulated prices in the near future, particularly in the electricity sector. Despite this trend, relatively few countries have formulated concrete roadmaps to do so. This process will take longer in the gas sector given that CEER member countries expressed less commitment to abandoning regulated gas prices. Nonetheless, a number of states have actively started working on planning the phase out of regulated gas prices. It can be concluded, that the overall trend shows a high degree of willingness to move away from regulated prices although concrete roadmaps are still missing in a number of cases.

To sum up, the CEER Status Review of Customer and Retail Market Provisions shows that CEER member states have worked hard to meet the provisions stipulated in Article 3 and Annex I of Directive 2009/72/EC and 2009/73/EC. In this context, the examined states have chosen various individual ways of putting the 3rd Package requirements into practice. Overall, the provisions have been implemented on a rather broad scale even in cases where the 3rd Package has not been transposed into national legislation yet. Nonetheless, important gaps still remain in a number of CEER member countries, particularly when it comes to the fulfilment of specific time frame requirements such as maximum periods for switching suppliers and settling disputes. In certain cases, we have seen a divergence between legal and practical implementation of requirements. Other cases proved that goals can be met even without having implemented specific provisions (i.e. in the case vulnerable customer protection). Hence, the CEER Status Review did not only show the nuances and differences with respect to the various ways the customer provisions stipulated in the 3rd Package are implemented but also drew a number of important conclusions as outlined above.

Annex 1 – CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. Through CEER, a not-for-profit association, the national regulators cooperate and exchange best practice. A key objective of CEER is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest.

CEER works closely with (and supports) the Agency for the Cooperation of Energy Regulators (ACER).

ACER, which has its seat in Ljubljana, is an EU Agency with its own staff and resources. CEER, based in Brussels, deals with many complementary (and not overlapping) issues to ACER's work such as international issues, smart grids, sustainability and customer issues.

The work of CEER is structured according to a number of working groups and task forces, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat.

This report was prepared by the CEM Task Force of CEER's Customers and Retail Markets Working Group.

Annex 2 – List of abbreviations

Term	Definition
ADR	Alternative Dispute Resolution
CEER	Council of European Energy Regulators
DSO	Distribution System Operator
EC	European Commission
ERGEG	European Regulators Group for Electricity and Gas
GW/h	Gigawatt hours
kWh	Kilowatt hours
MWh	Megawatt hours
NRA	National Regulatory Authority
SoLR	Supplier of last resort
SPoC	Single point of contact
TSO	Transmission System Operator