



E-CONTROL

WORKING FOR YOU – WHEREVER YOU NEED ENERGY.



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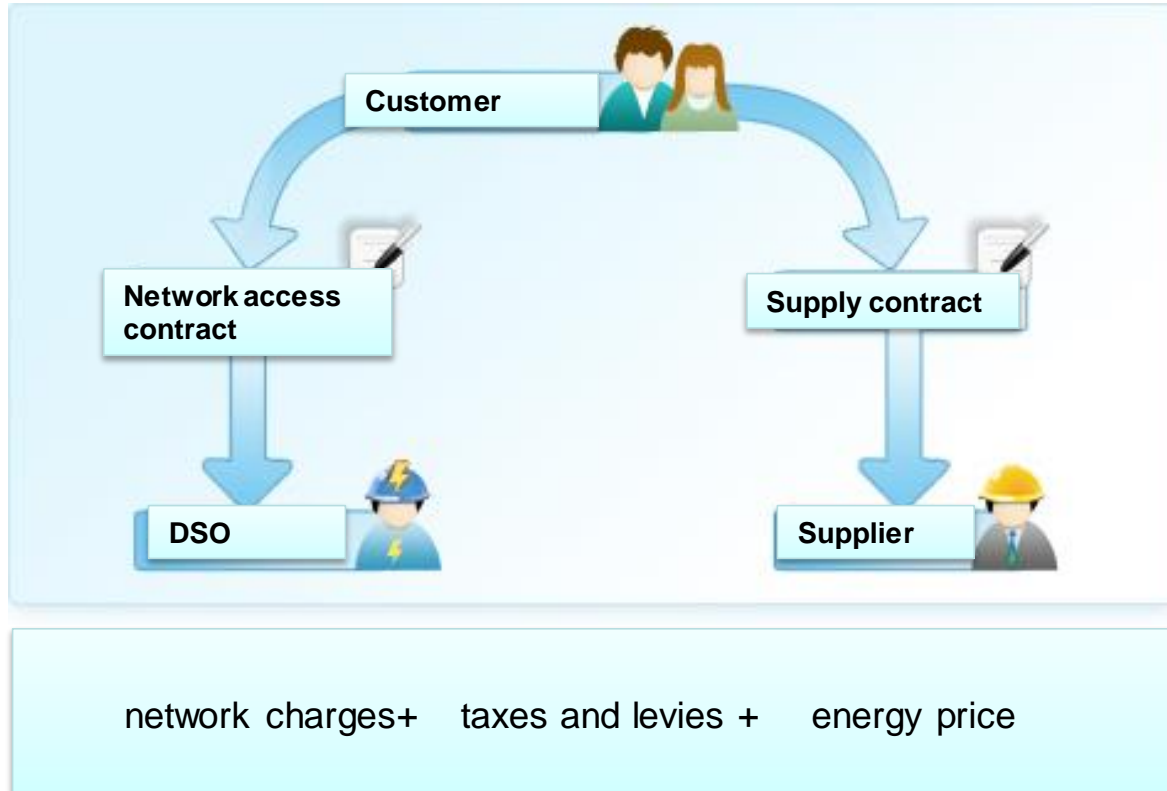
Alternative Dispute Resolution at E-Control – The role of service Quality

Gabriele Guggenberger

Market Participants in Austria



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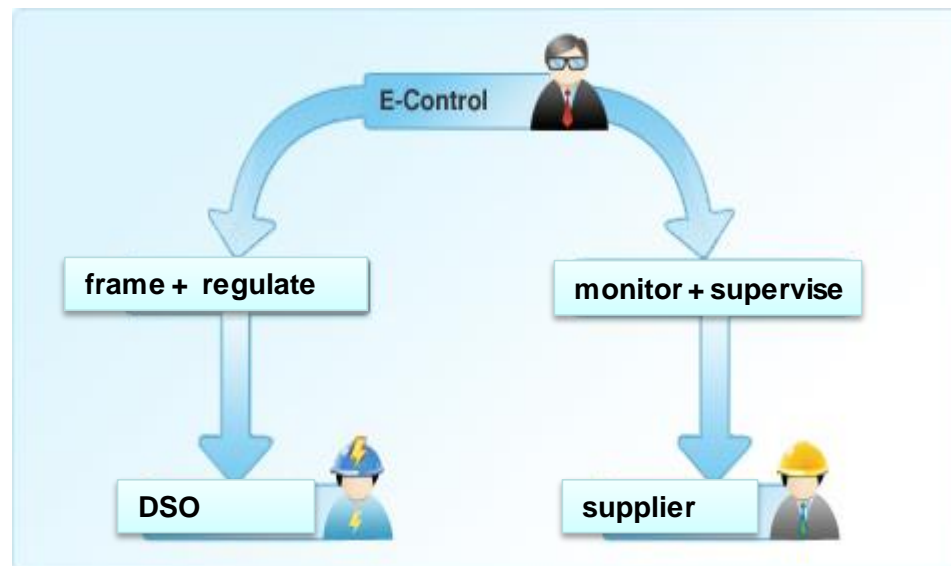
- Open end contracts
- Cent/kWh + basic charge
- 2 weeks term of notice for household customers
- 1 year max binding period

Role of E-Control



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- Regulation of Network charges
- Framework for quality of supply of DSOs
- Approval of general terms and conditions
- Supervision of competition
- Monitoring
- Design of processes e.g. supplier switching process
- Rules for disclosure (energy mix)
- Customer services
- etc...



E-Control and Consumers: Legal Framework



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E-Control has to

- Ensure that customers profit from **efficient functioning of the market**
- **Promote** effective functioning of the market
- Help to ensure that **consumer protection measures** are effective and enforced
- Contribute to a **high standard of universal service** and **protection of vulnerable customers**
- Be the **single point of contact** to provide consumers with all necessary information concerning their rights, means of dispute settlement available on a regulat basis



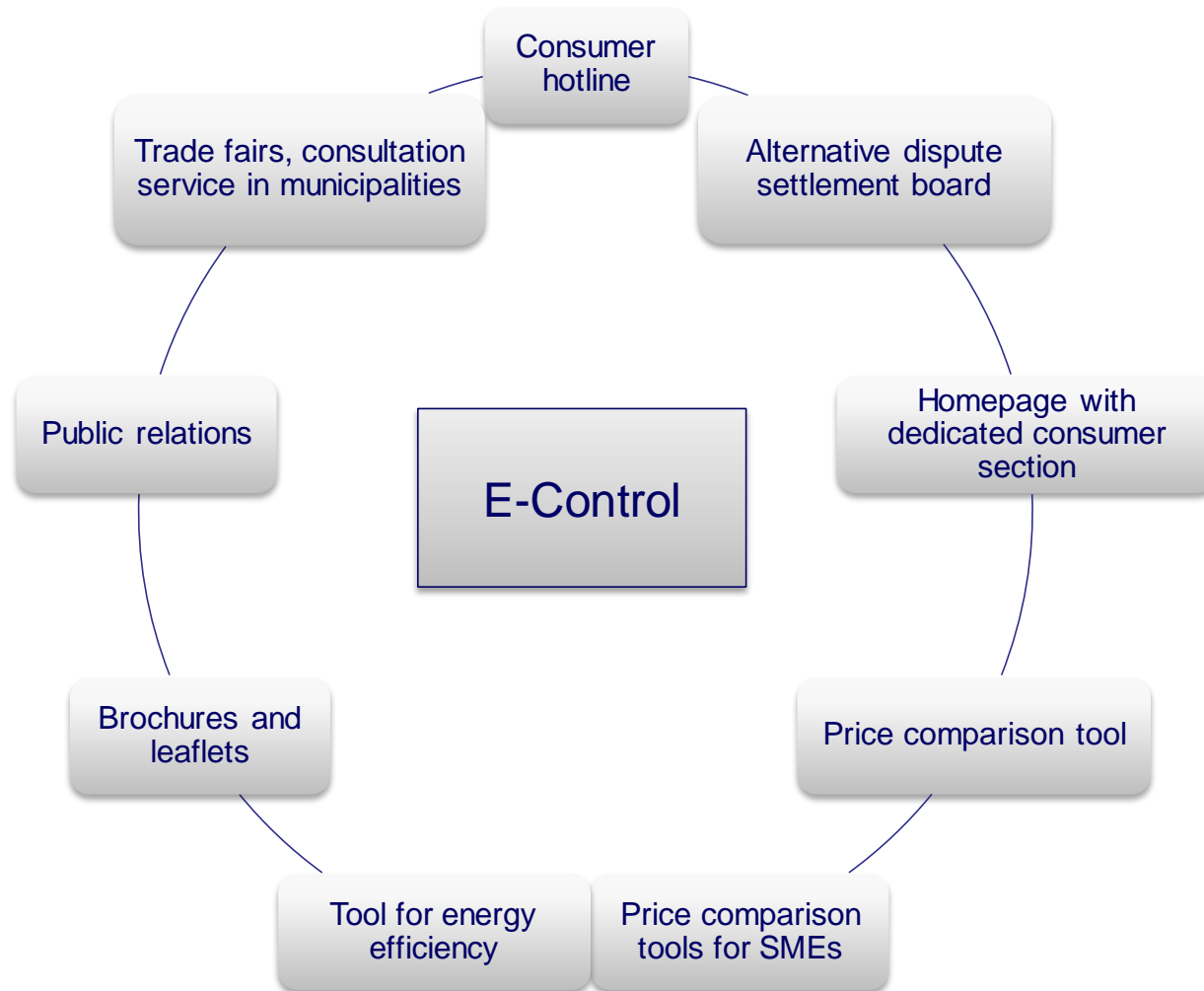
Single point of contact (I)

- Article 3 (12) of Directive 2009/72/EC obliges MS to ensure the provision of a single point of contact to provide customers with all necessary information regarding their overall rights
 - Different organisational arrangements across MSs:
 - NRAs, Consumer organisations, industry organisations may act as single point of contact
 - Different instruments across MSs:
 - energy hotlines, website, consumer protection authority, consumer helpdesk

Single Point of Contact for all Consumers



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Customer Services



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- Consumer Hotline
- Alternative Dispute Settlement Board
- Homepage with dedicated consumer section
 - Most important issues in 3 languages available
- Price calculation tool „Tarifkalkulator“
- Price comparison tools for SMEs
- Tool for energy efficiency
- Brochures and leaflets
- Public relations
- Trade fairs, consultation service in municipalities

Alternative Dispute Settlement Austria- overview



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- All customers eligible
- Free of charge service for all customers
- About 1.600 complaints/inquiries 2016
- Most disputes can be solved beforehand
- Very often the complaints turn out to be a lack of information
- Outline of what has happened in written form
- Main topics:
 - Problems with the bill
 - Supplier switching problems
 - Questions regarding network access
 - Disconnection, financial difficulties paying the bill



Legal Basis

- § 26 E-Control Act (Energy Regulatory Authorities Act)
- Settlement of disputes or complaints between
 - grid operators
 - suppliers
 - end-consumers
 - interest groups
 - other gas and electricity companies

- Article 3 (13) and Annex 1 (f) of Directive 2009/72/EC state that independent mechanism (energy ombudsman, consumer body, etc.) has to be in place to ensure efficient treatment of complaints and out-of-court dispute settlements

Austria:

- E-Control as competent body
- every concerned individual (system users, suppliers, network operators, consumers, etc.) can submit a claim to E-Control
- E-Control has to endeavour to reach a mutually agreed solution within six weeks
- electricity undertakings are obliged to participate in the dispute resolution

Dispute Settlement Procedure

the role of E-Control



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- Disputes between electricity/gas undertakings and market participants
- Billing disputes as regards energy supply and network tariffs
- Integration of Chamber of Labour when consumers are concerned
- Cooperation obligation for undertakings
 - Provision of relevant data
 - Submission of solutions
- Procedure
 - Rules of procedure by E-Control
 - Due date is suspended
 - 6 weeks for an amicable solution
 - Report to ministries

- Dispute Settlement Unit is part of End-consumer department
- 5 employees
 - one head of unit
 - 2 part-time employees
- Most of employees are with E-Control since its beginning in 2001
- „overview“ knowledge in energy liberalisation and experts in the field of end-consumer topics
- Special cases are solved with help from experts from other E-Control departments (economics, tariff, gas and electricity technicians)



Dispute Settlement in general

- Alternative dispute resolution
- Unbureaucratic, cheap and quick procedure
- Members of the Dispute Settlement Unit are experts in the field of electricity and gas
- Target: Settlement in the interest of all parties (<> verdict by a judge)



Procedure I

- Complaints and inquiries must be received in writing by E-mail, post or fax
- Complaints should include
 - detailed information on account of events, surroundings for complaint
 - copies or attachment of all relevant documents
 - prior to the complaint consumers should have tried to find a solution with the company
- Starting of procedure or clarification of matter based on provided information



Procedure II

- Procedures are not laid down by law, but E-Control has drawn up unbureaucratic and transparent rules
- E-Control is required to seek a solution within 6 weeks
- Companies are obliged to participate in the proceedings and to provide all information required
- In cases concerning consumers E-Control is obliged to involve the Federal Chamber of Labour



Procedure III

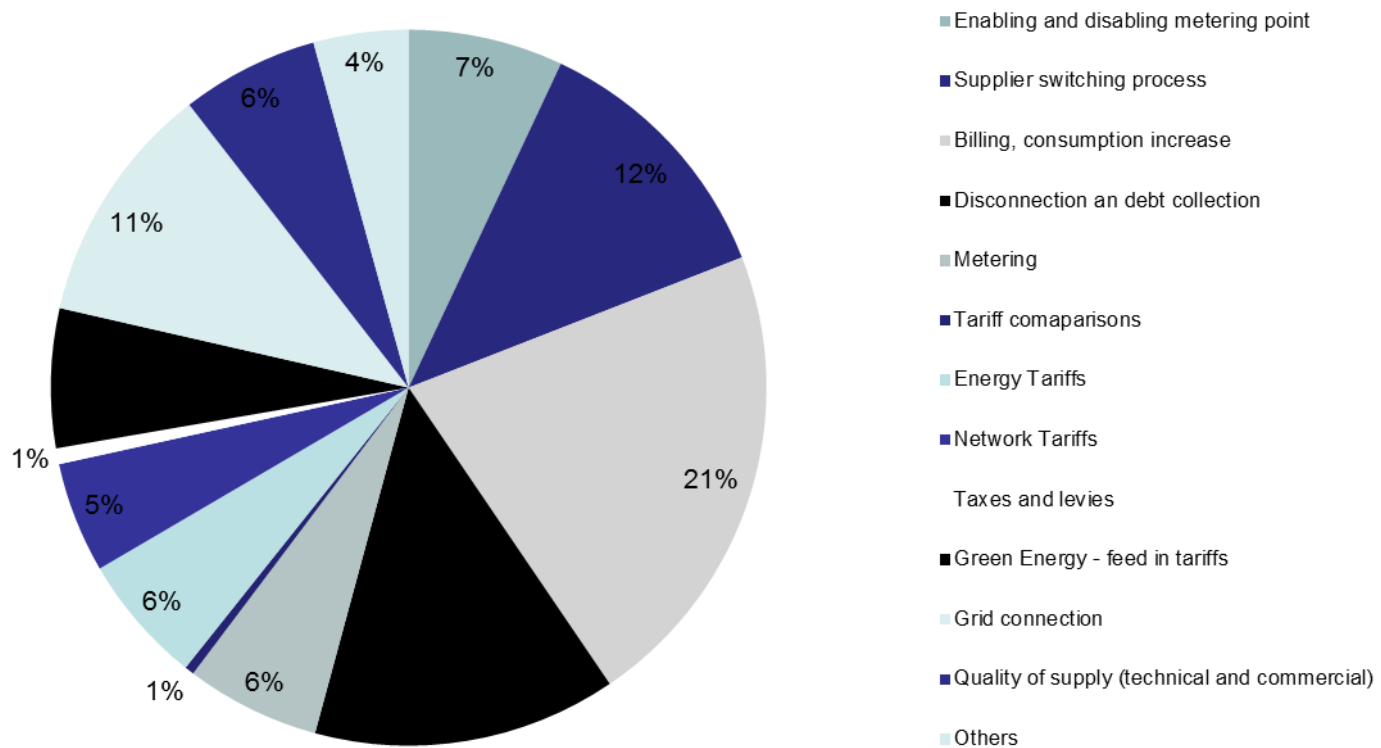
- If parties apply to the Dispute Settlement Unit because of billing problems, the payment date of the invoice is postponed until the end of procedure
- On receipt of the complaint E-Control writes to the companies asking for information and for a solution proposal
- Dispute settlement negotiations if necessary
- Positive end of proceeding: settlement
- Every year Dispute Settlement Unit has to publish a report on the cases dealt with and its experiences

Complaint Topics 2016



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Complaint categories 2016





Topics of complaints and inquiries

- cost of energy bill (grid and energy tariffs), increase of consumption
- service quality
- Energy prices
- switching supplier
- grid connection fee for private customers
- monopoly problems
- disconnection from energy supply and debt collection



Payment Difficulties

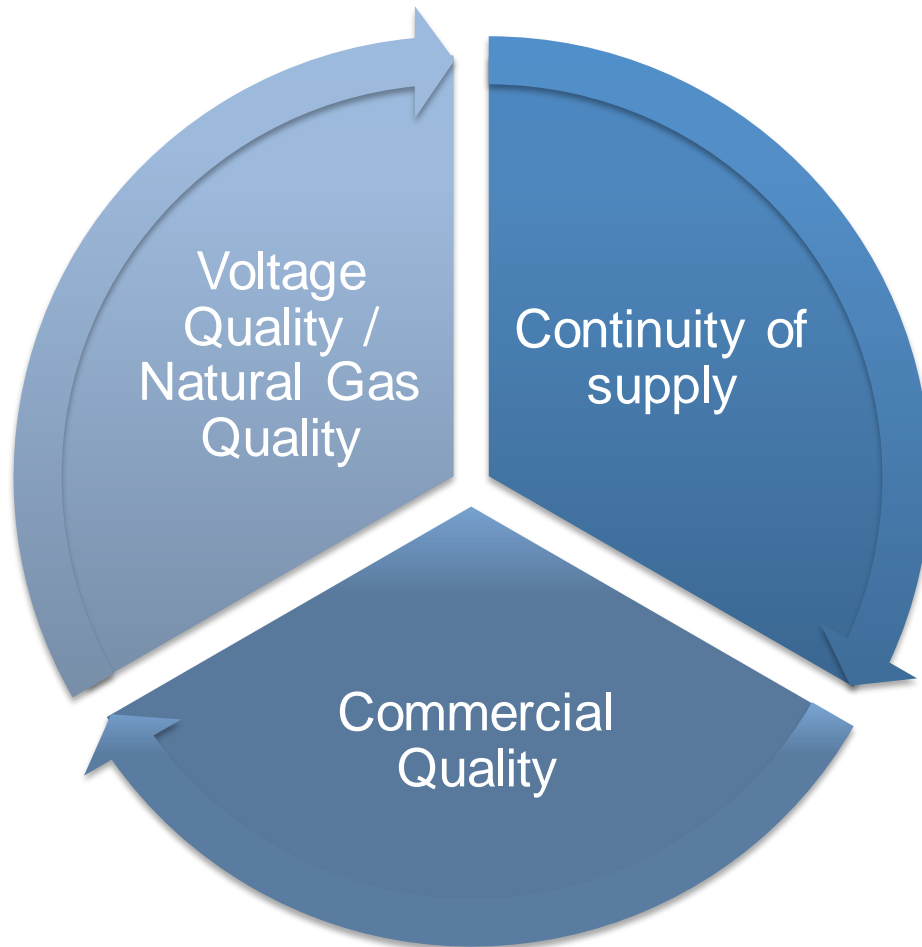
- Dunning procedure, Disconnection
 - Two reminders, grace periods of two weeks
 - Disconnection has to be announced by registered letter
 - Costs for reminders and disconnection regulated
- Supplier of last resort
 - Second chance for customers in debt
 - Standard price
 - Deposit of max. installment for 1 month
- Financial support
 - Exemptions from part of costs of green energy
 - Heating benefits
 - Social system

The high-quality energy product

The main pillars of the high-quality supply

- Continuity of supply („interruption-free“)
- Technical quality (voltage, frequency, natural gas components)
- Service quality or customer oriented quality of the performance (response time, billing, information, advisory)

Three areas of Quality of Supply



Each one of the three areas are indispensable components for the definition of the energy product.

DSOs have to provide evidence about the technical and commercial service they have rendered to the system users.

Legal framework Electricity

Electricity act 2010 Art. 19 Para. 1 defines:

- ...the regulatory authority shall by ordinance set standards regarding the safety, reliability and quality of the services rendered to system users and other market participants, and define indicators for monitoring compliance with these standards.

Electricity Quality Ordinance sets up:

- Standards for DSOs regarding security, continuity and quality of the services rendered to system users:
- operational security and reliability, including the duration and frequency of supply interruptions
- deadlines for the establishment of system connections, for repairs and for the announcement of interruptions of supply;
- deadlines for reacting to queries relating to the provision of system services including complaint handling;
- the voltage quality indicators to be complied with.
- The system operators shall submit the indicators defined in the ordinance to the regulatory authority each year and publish them.

Legal framework Gas

Natural Gas Act 2011 Art. 30 Para. 1 defines:

- ...the regulatory authority shall set standards by ordinance regarding safety, reliability and quality of the services rendered to system users and other market participants and defining indicators for monitoring compliance with these standards.

Gas Quality Ordinance sets up:

- Standards for DSOs regarding security, continuity and quality of the services rendered to system users:
 - operational security and reliability, including the duration and frequency of supply interruptions
 - deadlines for the establishment of system connections, for repairs and for the announcement of supply interruptions
 - deadlines for reacting to applications for the provision of system services
 - complaint handling
- The system operators shall submit the indicators defined in the ordinance to the regulatory authority each year and publish them.

CQ: legal framework

Natural Gas Act 2011 Art. 30 Para. 1 / Electricity Act 2010, Art. 19 Para. 1 defines that:

- ...the regulatory authority shall set standards by ordinance...

Ordinance on Gas / Electricity System Service Quality sets up:

- System operators are deemed **compliant** with the standards defined [...] if they comply with each individual standard in at least **95%** of the cases.
- The standards for DSOs regarding
 - System admission
 - System access
 - Billing for system service
 - Disabling and re-enabling system access
 - Meter reading
 - Appointments
 - Customer information and complaint handling
 - Security and reliability of system operation
- That the system operators shall submit the indicators defined in the ordinance to the regulatory authority each year and publish them.

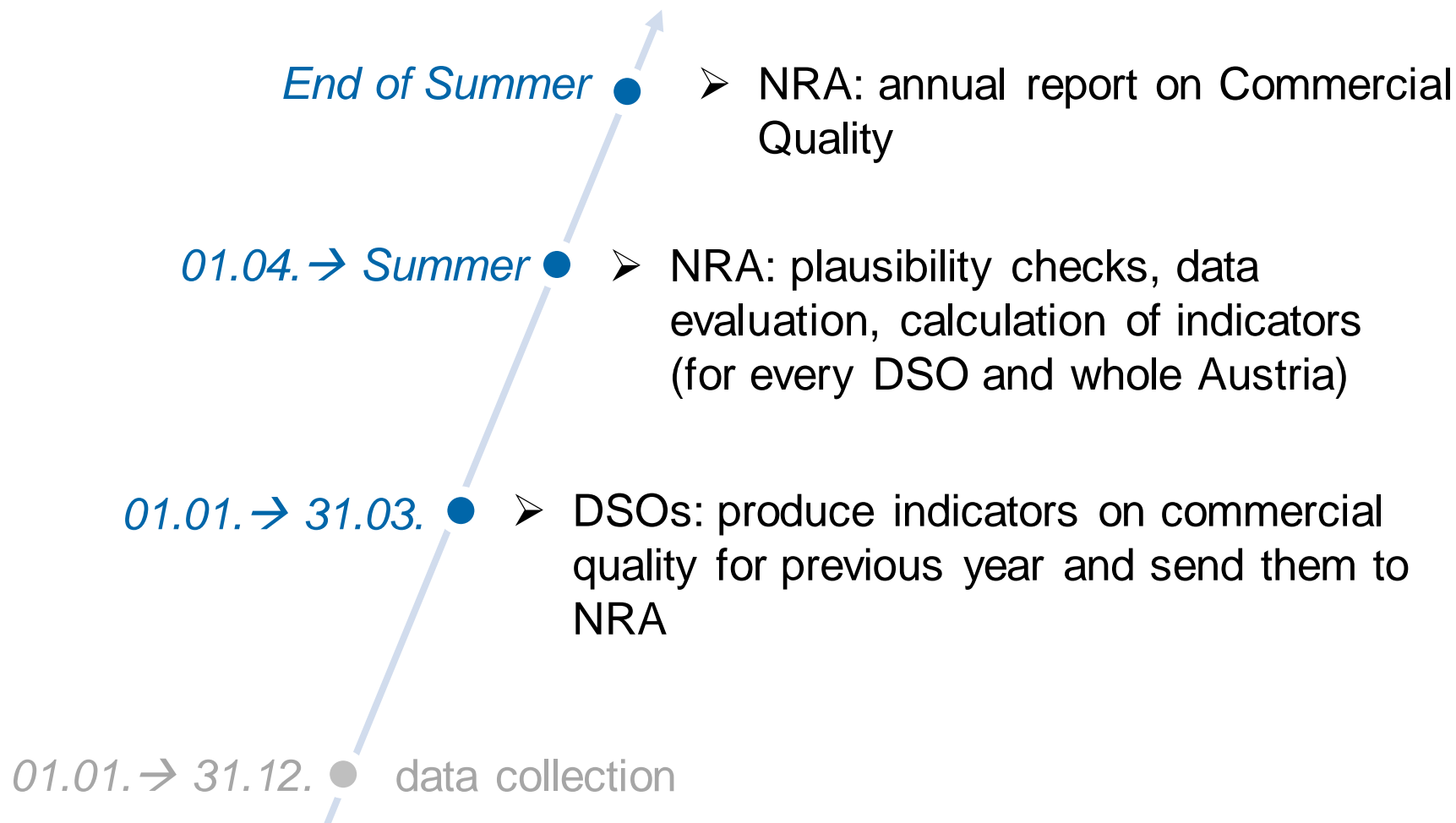
CQ: legal framework

Natural Gas Act 2011 Art. 159 Para. 2 / Electricity Act 2010 Art. 99 Para. 2 defines that:

- Unless an act constitutes a criminal offence which is subject to the jurisdiction of a court, [...], whosoever [...] fails to comply with any stipulation set by an ordinance of the regulatory authority issued pursuant to [...] shall be deemed to have committed an **administrative offence** and shall be **fined up to 75,000 EUR**.



CQ: annual process





CQ data gathered

System admission	→	Time for answering a system user's request and sending cost estimations, ...
System access	→	Time for reacting on system access applications, deadlines for installing a metering device, ...
Billing for system service	→	Time for issuing an invoice to final customers or suppliers (in case of integrated invoice), time for correcting an invoice, ...
Disabling and re-enabling system access	→	Time for disabling or re-enabling system access due to none payment, option for paying open debt in cash, ...
Meter reading	→	Announcement of meter readings in due time, information if meter reading took place in absence of the system user, possibility for system users to submit meter data online,...
Appointments	→	DSO shall agree with system user on a 2-hour time window, ...
Customer information and complaint handling	→	Publication of call number for natural gas emergencies, time for reply to customer requests and complaints, availability of billing information, information about commercial quality indicators, ...
Security and reliability of system operation	→	certificate issued by an auditing, control or certification body,...

The customer's view on (the supplier's) service quality in Austria has been changing.....



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.....for 15 years of liberalisation energy tariff most important criteria for supplier switching

- But now service quality is getting more and more important
 - Time and correctness of billing
 - Customer Information
 - Complaint handling



Contact

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