

Rights and obligations of DSOs and suppliers in the customer interface

Evaluation of responses from the public consultation

Report 5/2011

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1 Public consultation

During May and June 2011 NordREG arranged a public consultation on the draft report on *Rights and obligations of DSOs and suppliers in the customer interface*. Below is a list of the respondents to this consultation.

Altogether 102 responses were received:

AB Piteenergi	Energy Norway	Sata-Pirkan Sähkö Oy, Imatran Seudun Sähkö Oy, Parikkalan Valo Oy, Esse Elektro-Kraft Ab, Oy Herrfors Ab,
Agder Energi as	Enkla Elbolaget i Sverige AB	Herrfors Nät-Verkko Oy Ab,
Ale El Elhandel AB	Etelä-Savon Energia Oy	Jakobstads Energi, Korpelan
Ale Elförening	Falu Elnät AB	Voima kuntayhtymä, Verkko Korpela Oy, Kronoby Elverk, Nykarleby
Ale Elförening Ek. Förening	Filipstad Energinät AB	Kraftverk, Vetelin Sähkölaitos Oy,
Arvika Teknik AB	Finnish Energy Industries (ET)	Kuoreveden Sähkö Oy, Ålands
Bengtsfors Energi Nät AB	Fortum Distribution (Fin/Swe/Nor)	Elandelslag, Valkeakosken Energia Oy and Rovakaira Oy.
Bjärke Energi ek för	Fortum Markets (Fin/Swe/Nor)	Karlshamn Energi AB
Boo Energi ekonomisk förening	GodEl	Karlskoga Elnät AB
Boo Energi Försäljnings AB	Grästorps Energi AB	Konsumenternas elrådgivningsbyrå
Borås Elnät AB	Grästorps Energi ek för	Kristinehamns Elnät AB
Brenderup Netselskab A.m.b.a.	Göteborg Energi DinEl AB	KS Bedrift Energi og Defo
C4 Elnät AB	GÖTEBORG ENERGI NÄT AB	Kvänum Energi AB
Dala Kraft AB	Herrljunga Elektriska AB	Kvänumbygdens energi ek för
Danish Energy Association	Hjo Energi AB	Landskrona Energi AB
Degerfors Energi AB	Hjo Energi Elhandel AB	LEVA i Lysekil AB
Dong Energy Eldistribution	Joint position of 30 local energy companies in Finland:	Lidköping Elnät
E.ON Elnät Sverige AB	Etelä-Savon Energia Oy,	Ljungby Energinät AB
E.ON Försäljning Sverige AB	Haminan Energia Oy,	Logica Utilities Software
E.ON Suomi Oy	Keravan Energia Oy, Kokemäen Sähkö Oy, KSS Energia Oy,	Mariestad Töreboda Elförsäljning AB
E.ON Sverige	Köyliön-Säkylän Sähkö Oy,	Mariestad Töreboda Energi AB
Elitkraft Sverige AB	Lammaisten Energia Oy,	Mälarenergi AB
EMIX	Lankosken Sähkö Oy,	Mälarenergi Elnät AB
Empower Oy	Leppäkosken Sähkö Oy,	NOE Net A/S
Energinet.dk	Mäntsälän Sähkö Oy,	Nurmijärven Sähkö Oy
	Nurmijärven Sähkö Oy,	
	Paneliankosken Voima Oy,	
	Porvoon Energia Oy,	
	Vatajankosken Sähkö Oy,	

Näckåns Elnät AB	Skövde Elnät	Varberg Energi AB
Näckåns Energi AB	Sollentuna Energi AB	Varberg Energimarknad AB
Oberoende Elhandlare	Sollentuna Energi Handel AB	Vattenfall AB
Olofströms Kraft Nät AB	Sundsvall elnät	Vattenfall Eldistribution AB & Vattenfall Verkko Oy
Olsersöds Elektriska Distributionsförening	Svensk Energi - Swedenergy - AB	VOKKS Nett AS
Oulun Sähkönyyhtiö Oy	Tidaholms Elnät AB	Västra Orusts Energitjänst
Rovakaira Oy	Tidaholms Energi AB	Ystad Energi AB
Savon Voima Oyj	Tieto	Ålands Elandelslag
SFE Kraft AS	Ulricehamns Energi AB	Öresundskraft AB
SFE Nett AS	Umeå Energi Elhandel AB	Österfärnebo El ek.för
Sjogerstads EDF	Utsikt Katrineholm Elnät AB	Österfärnebo Kraft AB
Skara Energi AB	Utsikt Nät AB	Österlens Kraft AB
Skellefteå Kraft AB	Vallebygdens Energi ekf	Österlens Kraft Försäljning AB
Skellefteå Kraft Elnät AB	Vallebygdens Energi Marknad AB	
	Vara Energi	

2 Introduction

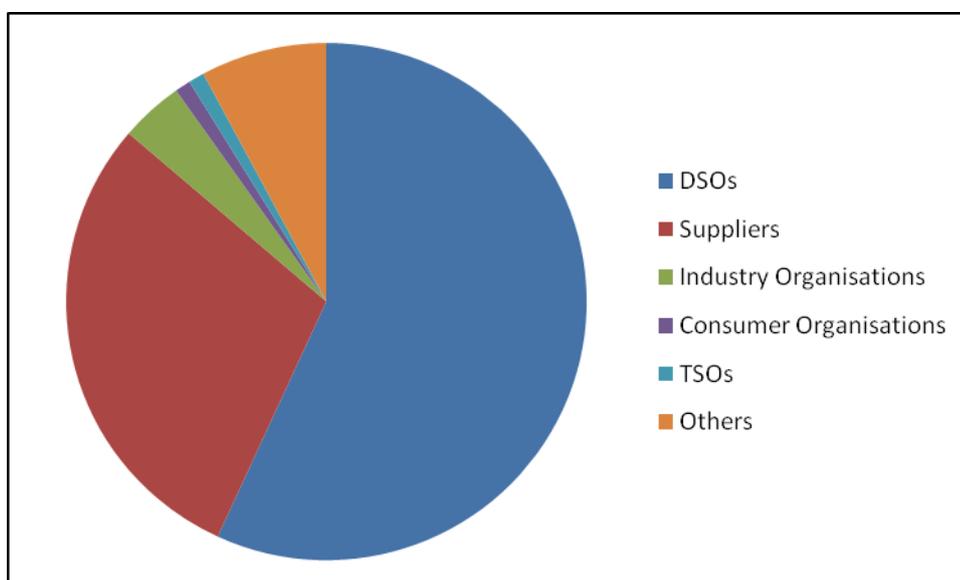
In May 2011 NordREG published a report on right and responsibilities for suppliers and DSOs in the customer interface to the electricity market. The intention of the report is to make proposals for a common Nordic definition of a supplier centric market model that allows for a more customer friendly, competitive and efficient organisation of the end user market. The main principle behind the suggested organisation is that suppliers should be customers' primary point of contact for most issues, while DSOs shall be the primary point of contact only for network issues.

This evaluation report includes a summary of the stakeholders' responses and in addition some NordREG comments on the views presented by the stakeholders.

The evaluation of the responses will be taken into account during the finalization of the report on rights and responsibilities in the customer interface.

2.1 General findings from stakeholders' responses to the draft report

NordREG received altogether 102 answers to the public consultation from different stakeholders. From these answers 58 was from DSOs, 30 from suppliers, 1 from a consumer organisation, 4 from industry organisations, 1 from a TSO and 8 from other stakeholders (mainly IT-providers and integrated energy companies).



Graph 1. Distribution of respondents

The majority of comments were sent by Swedish stakeholders – altogether 78 responses. However, 45 of the Swedish comments – 31 of these from local DSOs and 14 from suppliers - were identical including also the exact same comments.

Nine responses were received from Finland. However, concerning the Finnish comments it should be noted that one the comment from Finland included joint views from 30 local electricity companies.

There were six responses from Norway and five responses from Denmark.

It should also be noted that all of the four industry organisations responded to the consultation as well as a few it-companies but unfortunately only one respondent that represents consumer interests. The lack of consumer interest reflected in the respondents is also the main cause for concern regarding this public consultation.

It could be argued that the identical responses and comments from the group of Swedish companies should be statistically treated the same way as the single joint answer from the 30 Finnish companies. Another issue is the fact that some companies operating in more than one country or companies with both DSO and supply businesses have sometimes provided joint answers and sometimes separate but identical answers. NordREG has however focused on analysing the stakeholders' answers solely from a qualitative perspective, not from a quantitative perspective.

3 Summary of the responses

Topic	Stakeholders' view	NordREG's comment
<p>1. Overall recommendations – how will the different proposed options effect the overall objectives of the common Nordic retail market, namely customer friendliness, well-functioning common market, improved competition, improved efficiency, compliance with EU regulation and neutrality of DSO.</p>	<p>Most of the respondents that answered that the proposed options in the report will fulfil the described objectives predicted that the market will be simpler for the customers and the customer friendliness will also increase in other ways. This category of respondents especially mentions that the efficiency will increase with a supplier centric model.</p> <p>A large share of the respondents that answered that the different proposed options in the report do not fulfil the described objectives to this questions are a group of smaller integrated companies from Sweden that provided identical answers and comments. This group of companies together with other small integrated companies, DSOs as well as suppliers, are worried for more consolidation of companies and also less competition. They also say that the proposal counteract with EUs recommendation of regional development, small companies and rural development. About customer friendliness the small integrated companies for instance states that proximity to the customer is reduced when DSOs no longer work with customer inquiries.</p> <p>Some respondents call for more detailed analysis in this topic because of that the detailed design of the common Nordic market will have an impact on efficiency, competition and function of the market.</p> <p>Yes 28, No 69</p> <p>Don't know or no reply 5</p>	<p>NordREG is sharing the opinion with all the respondents that conclude a common Nordic retail market with a higher amount of customer friendliness and a market that is simpler for the customer to understand and be active in.</p> <p>NordREG believes that the recommendations of this report will increase competition among suppliers. At the same time we see no reason why the proposal should lead to more consolidations of DSOs or utilities with strong support from their local communities.</p> <p>NordREG also foresee that the recommendations will improve the other described objectives in this report such as customer friendliness and compliance with EU regulation and development. It is important to appreciate that NordREG's proposed recommendation do suggest that DSOs roles and responsibilities also in a future common Nordic retail market will include customer service and customer contact, although in limited scale compared to today.</p> <p>NordREG members are actively participating in the Council of the European Energy Regulators (CEER),</p>

Topic	Stakeholders' view	NordREG's comment
		<p>and our perception is that the proposed recommendations do not divert from any general direction that is intended for the future European electricity market.</p> <p>NordREG takes note of the call for more detailed analysis. This is in line with NordREG's ambition. At NordREG's webpage there are a summary of all on-going and planned projects.</p>
<p>2. Customer friendliness – how will the proposed recommendation affect the customer friendliness in the common Nordic retail market.</p>	<p>Among the respondents that answered that the customer friendliness will increase the prediction that it will be easier for the customer are common. This arisen from the fact that the customer will only have to be in contact with one party (the supplier) in most situations and that the new role of the supplier will clarify market roles to customers and force all suppliers a customer friendly approach which also will include new service concepts. Customers that are unhappy with the services that the supplier provides will easily be able to switch supplier. Also this category of respondents calls for more analysis. One example that is mentioned is to remove the risk of dual roles between suppliers and DSO.</p> <p>Almost all of the respondents that answer that the customer friendliness will decrease are representatives from a smaller integrated company. For instance they states that local electricity companies have the most satisfied customers and some of them also states that there are no customer knowledge held by a distant supplier. Another prediction is that the customer will have difficulties knowing where they should turn to and that the customer friendliness will be affected by less competition.</p> <p>Strongly increase 8, Increase 23, Neither decrease or increase 3, Decrease 8, Strongly decrease 49</p> <p>Don't know or no reply 11</p>	<p>NordREG believes that the suppliers in the competitive end user market have stronger interest than DSOs to find ways to keep their existing customers. Furthermore, they have to provide customer friendly services and products to attract new customers.</p> <p>NordREG also takes note of the respondents concerns that the customers can have difficulties knowing who they should turn to different issues, the DSO or the supplier. Therefore NordREG will take this into account in future work and projects.</p>

Topic	Stakeholders' view	NordREG's comment
<p>3. Possibility to enter the market – how will the proposed recommendation affect the possibility for competitive stakeholders to enter the market.</p>	<p>Among the respondents that predict that the possibility to enter the market will increase with NordREGs proposed recommendations the most common opinion is that the common Nordic end user market will become more attractive for new kind of market actors. Some of the respondents points out that the Nordic retail market will become larger and that harmonized processes and harmonized interface will do it more attractive to enter. Another prediction from this category of respondents is that the supplier centric model will create a stronger market position for the supplier and therefore the service provided from the supplier becomes a part of the competition. Another positive consequence that are pointed out from some of the respondents is that companies that today acts as both DSO and supplier will not have the same advantage as earlier and that this change will have a positive effect for new entrants. Some of the respondents also say that the entry barriers will vary depending on how business processes will be developed and another stakeholder suggest a licence for acting as a supplier in the common Nordic retail market.</p> <p>The small integrated companies are also in this question overrepresented in the categories of the opinion that the proposed recommendation will decrease the possibility for competitive stakeholders to enter the market. This category of small integrated companies predicts that small and local suppliers might be reduced in the market due to increased complexity and due to higher cost when the technical systems need to be updated. The predictions say that the market will consolidate and there will only be a number of larger companies remaining. Another common opinion among this category of small integrated companies is that the proposed recommendations also will produce higher barrier to enter the market. The barrier arises from the prediction that the supplier has an increased responsibility in the supplier centric model and that this responsibility generates costs. Among many of this small integrated company there is a positive opinion of the opportunity for small companies to</p>	<p>NordREG takes note of all the answers and agree to the notion that a clear separation between monopoly and competitive business will lead to positive effects on the Nordic retail market.</p> <p>NordREG takes note of the concern that small and local suppliers might be reduced in the market due to increased complexity and due to higher cost. It is our belief that these recommendations will improve the competitive terms for all suppliers. Whether or not some market actors are able to compete depends on their ability to operate efficiently and not on the terms of competition.</p>

Topic	Stakeholders' view	NordREG's comment
	<p>cooperate with ESCO/companies.</p> <p>Strongly increase 6, Increase 22, Neither decrease or increase 8, Decrease 49, Strongly decrease 6</p> <p>Don't know or no reply 11</p>	
<p>4. Compliance with EU regulations and development – how will the proposed recommendation correspond with EU regulations and development.</p>	<p>Among the respondents that think that the proposed recommendation corresponds with EU regulation, written comments are not that common. Some of the respondents however points out that it is important to closely observe development in EU also in the future and that national implementation of EU directives will be harmonized at the Nordic level.</p> <p>Among the respondents that have a negative opinion about this question almost every one of the answers are identical answers. The identical answers are performed by members to the group of smaller integrated companies from Sweden, both DSOs and suppliers. They states that the proposed recommendation obstructs what EU recommend, namely “regional development, small companies and rural development”.</p> <p>Yes 37, No 47</p> <p>Don't know or no reply 18</p>	<p>NordREG takes note of all the respondents' opinions. However, NordREG sees no reason why the recommendations should somehow be in conflict with current or future EU regulations and development. This includes regional and rural development which should not be affected adversely by NordREG's recommendations. After all, none of the recommendations will remove the advantage that local utilities have from being oriented towards their local communities.</p>
<p>5. Neutrality of DSOs – how will the proposed recommendations effect the neutrality of DSOs?</p>	<p>Comparable to the other questions a large share of the respondents have answered that the proposed recommendations either will decrease or increase the effect of the neutrality of DSOs in the future common Nordic retail market. Among this category of respondents some of those states that the DSOs already today are neutral or that the proposed recommendation will do no visible differences compared to today's system. Also the opinion that the report “exaggerates misgivings concerning the current neutrality among DSOs” is mentioned and these stakeholders also state that this topic can be solved in other ways.</p> <p>Among the respondents that states that the proposed recommendations will affect the neutrality of the</p>	<p>NordREG takes note of all the respondents' answers. From a customer point of view and from a competitive point of view this is an important question for NordREG to solve within the work for a common Nordic retail market.</p> <p>Regarding the concern about more analysis about data hub solutions and the supplier of last resort schemes, NordREG is at this moment working with a project that</p>

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	<p>DSOs the most common opinion is that the supplier centric model naturally leads to an increase in the neutrality of the DSO, namely because of that the customer mostly are in direct contact with the supplier. In addition to this question some of the stakeholders also suggest a closer look into the system of the supplier of last resort and some of the stakeholders also call for a data hub solution in the future common Nordic retail market.</p> <p>Strongly increase 4, Increase 23, Neither decrease or increase 65, Decrease 1, Strongly decrease 0</p> <p>Don't know or no reply 9</p>	<p>analyses a need for a data hub solution in the Nordic level and will in near future also analyse whether there supplier of last resort schemes will have a negative impact on competition in the Nordic end user market.</p>
<p>6. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to supplier switching.</p>	<p>Almost every one of the respondents answered that they agree in the proposed solutions on how to handle roles and responsibilities between the DSOs and the suppliers when it comes to the switching process. Especially Swedish and Finnish respondents' states that the current processes in the Nordic region already comply with proposed recommendation. However many stakeholders states that the proposed solution is natural in a common Nordic retail market.</p> <p>Strongly agree 17, Agree 74, Neither agree nor disagree 2,</p> <p>Disagree 0, Strongly disagree 2</p> <p>Don't know or no reply 7</p>	<p>NordREG takes note of the great support among the respondents regarding this question.</p>
<p>7. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to move in/move out process.</p>	<p>Among the respondents that agree with the suggested division of responsibilities regarding move in/move out process some of them see the proposed solution as a natural choice for a supplier centric model. Some of the respondents call for further investigations, for instance about contractual issues, roles of supplier of last resort and customer protection (“A mechanism is needed to make the customer take notice if he has no supplier, without disconnecting the site”).</p> <p>Within the category of respondents that have a contrary opinion the group of smaller integrated companies from Sweden are in clear majority. They suggested that the primary contact (item 2.6 in the report) should also cover the DSO when it comes to new contract with Grid Company and/or supplier. Other suggestions proposed among this category of</p>	<p>NordREG states as well as many of the respondents that this proposed suggestion is a natural choice for a supplier centric model. NordREG will in on-going and planned projects analyse the question of contractual issues, supplier of last resort schemes and customer protection.</p> <p>NordREGs answer to the proposed changes in item 2.5 and 2.6 is that the DSO should be able to contact the customer regarding strictly network related issues such</p>

Topic	Stakeholders' view	NordREG's comment
	<p>respondents were that the DSO also should have the possibility to inform the customer about disconnection and reconnection (item 2.5).</p> <p>Strongly agree 13, Agree 24, Neither agree nor disagree 8,</p> <p>Disagree 45, Strongly disagree 4</p> <p>Don't know or no reply 8</p>	<p>as metering systems, quality of supply, outages and disconnections.</p>
<p>8. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to queries and complaint handling related to the energy supply and contractual issues.</p>	<p>Some of the respondents that agree with the suggested division of responsibilities between DSOs and suppliers when it comes to queries and complaint handling related to the energy supply and contractual issues explicit stated that this kind of issues should be part of the competitive market so that the suppliers can compete and create advantages against other actors. A relatively high amount of respondents took the opportunity to express whether they prefer a system of one or two contracts and which kind of billing system they prefer. In this discussion and when waiting for finally completed reports about these topics some of the respondents suggested that it should be TBD (to be decided) also in item 3.8 and 3.12.</p> <p>Among the respondents that do not agree the most common answer were that the actor who sends the invoice also should be the primary contact point.</p> <p>Strongly agree 9, Agree 23, Neither agree nor disagree 6,</p> <p>Disagree 9, Strongly disagree 48</p> <p>Don't know or no reply 7</p>	<p>NordREG takes note of all the respondents' answers. About the suggestion to decide item 3.8 and 3.12 at a later date NordREGs states that both items treats queries and complaints related strictly to energy supply and contractual issues. Thus the proposed recommendation at item 3.8 and 3.12 will remain unchanged.</p>
<p>9. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to queries, complaint handling and</p>	<p>Almost every one of the respondents agrees with suggested division of responsibilities regarding queries, complaint handling and compensation issues on the DSO. Among the respondents that agree to this specific recommendation a common answer are that this is an area which is naturally handled by the DSOs. However there is a risk that this will be unclear to the customer if the customers do not have contact with the DSO in any other questions. Some of</p>	<p>NordREG takes note of the great support that there is among the respondents in this question. NordREG is, however, taking the risk with unclearness for the customer very seriously and will of course include this perspective in future and on-</p>

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<p>compensation issues on the DSO.</p>	<p>the comments from those stakeholders specifically mention a need for a common database for handling all information, a need for standardized handling of power of attorneys and a need for clear information to the customer, especially when it comes to reduce the risk of confused consumers about which actor they should contact in specific questions (the supplier or the DSO).</p> <p>The respondents that disagree with the proposed recommendation about this topic stated that the supplier centric model also should contain this area of responsibilities that is now proposed to be handled by the DSOs. In other words they do not think the supplier centric model should contain any expectations.</p> <p>Strongly agree 20, Agree 70, Neither agree nor disagree 1, Disagree 3, Strongly disagree 0</p> <p>Don't know or no reply 8</p>	<p>going projects.</p> <p>According to NordREGs earlier definition of supplier centric model it should be clear that the purpose of the model is to make it easier for the customers to act in the electricity market. This will give the suppliers the main role in the market, while the DSOs have the role of market facilitators. In the Nordic market it should always be a possibility for the suppliers to make an agreement with the customer (with a power of attorney) that concludes that the supplier handles all the contacts with the DSO. This can be an advantage for the supplier in the competitive market. NordREG does not at this stage exclude a solution with standardised handling of power of attorneys.</p>
<p>10. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to providing information on various price components.</p>	<p>Most respondents agree with the suggested division of responsibilities regarding provision of information on various price components. Few respondents disagree with the report's recommendations. A majority of the respondents also comment that their preferred billing regime is separate billing, which clearly separates the price components related to supply or network charges. There are also a few respondents that suggested that combined billing should lead to the supplier acting as a single or primary point of contact for all customers.</p> <p>Several of the respondents noted that the choice of billing regime should have an impact on the definition of the customer interface, but opinions differ regarding what this means for the customer interface. Some suggest that combined billing will make it easier for customers to understand which party to contact, while others suggest that combined billing should lead to a singular customer interface,</p>	<p>The issue of billing regime has been treated in a separate report, and the final decision on which regime to implement has not yet been made. Although combined billing may change the customer focus further towards suppliers, the report's conclusion still holds. It is therefore important to underline that combined billing does not imply that the customer interface will be based on a single point of contact model.</p>

Topic	Stakeholders' view	NordREG's comment
	<p>with the billing party as the only responsible party.</p> <p>One respondent comment that point 5.5 and 5.6 is agreeable in terms of making it the DSOs responsibility. However the table does not explain that suppliers are able to give such information and that they may forward the customer to the DSO if there are more complex issues regarding grid tariffs.</p> <p>Strongly agree 11, Agree 66, Neither agree nor disagree 6, Disagree 6, Strongly disagree 1</p> <p>Don't know or no reply 12</p>	
<p>11. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to connection of customers to the distribution network (new connections and change of connection).</p>	<p>Most respondents agree with the suggested division of responsibilities regarding network connection. Very few respondents disagree with the report's recommendations.</p> <p>Strongly agree 23, Agree 65, Neither agree nor disagree 1, Disagree 4, Strongly disagree 0</p> <p>Don't know or no reply 9</p>	<p>NordREG maintains the suggested division of responsibilities in the customer interface regarding connection (new and change of connection).</p>
<p>12. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to quality of supply and unplanned outage.</p>	<p>Most respondents agree with the suggested division of responsibilities regarding quality of supply and unplanned outage. Very few respondents disagree with the report's recommendations.</p> <p>Strongly agree 29, Agree 61, Neither agree nor disagree 3, Disagree 2, Strongly disagree 0</p> <p>Don't know or no reply 7</p>	<p>NordREG maintains the suggested division of responsibilities in the customer interface regarding quality of supply and unplanned outage.</p>
<p>13. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to</p>	<p>Most respondents agree with the suggested division of responsibilities regarding planned interruption of electricity supply. Very few respondents disagree with the report's recommendations.</p> <p>Strongly agree 25, Agree 61, Neither agree nor</p>	<p>NordREG maintains the suggested division of responsibilities in the customer interface regarding planned interruption of electricity of supply.</p>

Topic	Stakeholders' view	NordREG's comment
planned interruption of electricity supply.	disagree 7, Disagree 2, Strongly disagree 0 Don't know or no reply 7	
14. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to disconnection due to non-payment or non-compliance.	<p>Most respondents agree with NordREGs recommendations on responsibility and primary contact with customers regarding disconnection due to non-payment or non-compliance. However, many respondents state that they disagree with NordREGs proposal. The comments to this table are mainly discussing that there should be only one primary contact point, and some suggest that this should be the supplier. Several notes that this will be a natural consequence if the supplier is performing combined billing. Others note that the DSO should be the primary point of contact considering that the DSO has the responsibility for disconnections and the obligation to protect vulnerable customers.</p> <p>Strongly agree 13, Agree 15, Neither agree nor disagree 11, Disagree 51, Strongly disagree 4</p> <p>Don't know or no reply 8</p>	<p>It is possible that combined billing could make it easier for suppliers to handle customers regarding disconnection due to non-payment. However, NordREG has not yet analysed if it is possible to harmonise supply of last resort which is strongly linked to the issue of disconnection due to non-payment. It is therefore not given that mandatory combined billing will make suppliers the primary point of contact regarding these issues.</p>
15. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to metering and meter value reporting.	<p>Most respondents neither agree nor disagree to NordREG recommendations on responsibility and primary contact with customers regarding metering and meter value reporting. Some of the respondents comment that it is very customer unfriendly if DSO has to forward customers to suppliers if they have questions regarding meter values. Others believe that the supplier should be first/primary contact in all cases regarding metering and meter values.</p> <p>Strongly agree 9, Agree 25, Neither agree nor disagree 48, Disagree 6, Strongly disagree 6</p> <p>Don't know or no reply 8</p>	<p>Although NordREG proposes that suppliers are primary contact for customers regarding questions about meter values, that does not mean that DSOs are not allowed to advise its customers regarding meter values and energy consumption.</p>
16. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers	<p>Many respondents believe that with combined billing, the supplier should take care of tax collection. On the other hand, some state that the DSO should handle tax collection if there is separate billing.</p> <p>One respondent comments that the supplier should answer questions about taxes while the DSOs take</p>	<p>Most comments to the question are related to the choice of billing regime. Considering that the billing regime has not been decided on yet, NordREG finds that it</p>

Topic	Stakeholders' view	NordREG's comment
<p>when it comes to collection of taxes.</p>	<p>care of the rest. Another respondent states that the supplier should take care of everything.</p> <p>Another approach is that the provider of the invoice should take care of taxes.</p> <p>Some suggest that as long as national tax structures differ, DSOs should take care of tax collection.</p> <p>One respondent highlight that VAT collection incurs liquidity risks if the supplier has to collect VAT for both electricity and grid fees. In addition, there could be currency risks.</p> <p>One respondent state that earlier governments in Norway have had bad experiences with letting the suppliers collect taxes, and have therefore transferred these responsibilities to the DSOs.</p>	<p>is too early to determine the division of responsibilities in the customer interface regarding collection of taxes.</p>
<p>17. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to demand response.</p>	<p>Many respondents disagree with NordREGs proposed division of responsibility regarding demand response. The group of smaller integrated companies from Sweden that gave the identical answer to the public consultation believes that customers wants a response from the DSO concerning meter reading, energy consumption, energy efficiency, alternative energy carriers etc. They also question if they should not be allowed to cooperate with energy service companies in order to provide demand response services to customers as the do currently.</p> <p>Some respondents have commented that the supplier should have responsibility for answering questions and handle complaints regarding metering and grid issues. Others believe that the choice of billing regime should determine who should be the primary contact point regarding metering and grid issues.</p> <p>Some of the respondents strongly disagree with NordREGs suggested division of responsibility in the customer interface. It is argued that DSOs have an important role to play since they have to ensure quality of supply in connection to demand response and since they have to be information providers for the market. Furthermore, the DSO should use demand response in order to reduce grid investments and critical situations in the grid. Some also comments that it is too early to discuss this issue and that</p>	<p>The report on rights and responsibilities does not suggest provisions that will hinder customers from contacting DSOs. Rather, the current and future need for contact between customers and DSOs are clearly stated in this report.</p> <p>NordREG believes that the DSOs role should be as a market facilitator rather than as a market player. Cooperation between DSOs and service providers is a critical prerequisite for the success of competitive services such as demand response.</p> <p>Furthermore, the principle of DSO neutrality must secure that all market actors have the same access to metering systems and customer data as integrated suppliers. DSOs should therefore not be allowed to hinder</p>

Topic	Stakeholders' view	NordREG's comment
	<p>NordREG should not be included in the current work with a common Nordic retail market.</p> <p>Strongly agree 12, Agree 27, Neither agree nor disagree 6, Disagree 4, Strongly disagree 45</p> <p>Don't know or no reply 8</p>	<p>competition in the demand response market, for instance by taking advantage of exclusive access to metering systems or metering/customer data.</p>
<p>18. Primary contact and responsible part – how will roles and responsibilities be divided between DSOs and suppliers when it comes to micro generation.</p>	<p>The majority of respondents disagree with NordREGs proposed division of responsibility regarding micro generation. Several respondents note that customers need to be in contact with the DSO because they are able to provide local knowledge, technology, and security. Another argument is that DSOs should also be allowed to buy excess production to cover their losses. Others agree that the DSOs have an important role to play but that they should rather be second line of customer service or back office for suppliers/ESCOs.</p> <p>Others comment that micro generation regimes have not yet been designed, which makes it too early to discuss responsibilities in the customer interface.</p> <p>Strongly agree 14, Agree 24, Neither agree nor disagree 3, Disagree 7, Strongly disagree 44</p> <p>Don't know or no reply 10</p>	<p>Although many respondents state that they disagree with NordREGs proposal, few clearly express that either DSOs or suppliers should handle all customer contact regarding micro generation. Both DSOs and suppliers/ESCOs obviously have important parts to play when it comes to micro generation. When it comes to the customer interface, NordREG find that there is a natural boundary between DSOs and suppliers/ESCOs between strict network issues and commercial issues regarding commercial aspects of micro generation. In this way, customers should be encouraged to get in contact with the relevant part depending on their specific needs.</p> <p>Whether DSOs are allowed to buy excess production or not is not determined by this suggested division of responsibility in the customer interface. While it is still early to discuss micro generation issues, NordREG sees that it is important to establish that DSOs as regulated network operators</p>

Topic	Stakeholders' view	NordREG's comment
		shall have an obligation to handle customers' queries regarding network issues.

4 Summary of general comments

Quotes¹ from the respondents general comments to the Rights and Obligations report:

Utsikt Nät AB

Customers will be referred from suppliers to the DSOs for their questions. This is just another nuisance to the customers.

Identical comment from the group of integrated companies from Sweden

We feel that the customer should choose which contact he/she would like to have and that the authorities should not control this with regulation to a supplier centric model and common invoicing. Many small grid companies have excellent customer relations and are close to the customer. The proposed model worsens customer service, increases the price for customers, and delays the local community in the development of energy efficient and environmentally friendly systems.

It is our assessment that the customer will choose more local electricity production. This will mean that grid companies will have to talk to the customer. Many customer questions are of local nature.

Skellefteå Kraft AB

It is important to create a monitoring and regulatory framework so that everyone is carrying out its obligations and comply with the regulations that apply.

Vattenfall Eldistribution AB & Vattenfall Verkkö Oy

Vattenfall finds it crucial that the customer interface is designed as clearly as possible to make sure that the customer knows who to contact in different issues. However, clarity and other benefits to the customer must be balanced with the increased costs resulting from the suggested changes. The harmonisation of standard industry terms will have a key role in designing the new processes in a customer friendly and a cost-effective way.

Agder Energi AS

Agder Energi believes that there must be a competent B2B (2nd line) contact centre at DSO. In most cases, we believe that the Supplier or ESCO will be the primary contact (the part that invoice will always be the primary contact).

Finnish Energy Industries

In Finland small and medium-sized DSOs and suppliers have concerns about the supplier centric model, especially as far as billing is concerned, and its effect on their possibilities to act and the amount of market participants. They see that their operational precondition might be endangered due to the costs of massive technical system requirements and bigger collateral and solvency requirements. The bigger market increases supplier's risks and also profit expectations (currency risks, price area risks, etc.).

¹ This is not a comprehensive list of all the stakeholders comments, but is meant to be seen as examples of some of the stakeholders general comments.

E.ON Försäljning Sverige AB

E.ON supports in principle all propositions and actions that promote increased competition and added value for our customers. E.ON is in general in favour of market mechanisms and does call for more integrated and more harmonized European electricity markets. E.ON therefore supports the proposal of making the supplier the primary contact for our customers, with regards to the comments made in the questionnaire above.

Fortum Markets

As starting point, the SCM is OK as target market model, but a lot of details are still to be solved. The attractiveness of SCM is dependent of the benefits compared to the change efforts and risks. The feasibility (including cost benefit analysis) needs to be evaluated during the work. There should be a true opportunity to re-evaluate the solution if further analyses show that the implementation is not feasible. Potential showstoppers are negative cost/benefit for society and high implementation risk.

Varberg Energi AB

If the suppliers are to charge their customers network charges the financial risk increases for the suppliers. There is an increased amount of money the suppliers must charge, and risk not getting paid for by the customers. They must in turn pay to the DSO, although they have not been paid by the customer.

Danish Energy Association

Many decisions are still outstanding in the draft report. When more studies have been done more comments can be given. On this very important issue about the future division of roles and responsibilities between DSOs and suppliers it is important not to take hasty decisions without finished studies. We look forward to comment on the report again when all the outstanding issues have been worked through.

Oulun Sähkönyyinti Oy

In general too many open questions are unsolved. Costs-benefit analysis cannot be done. System costs are in our experience usually higher than estimated, also time limits have exceeded. Thinking about Nordic common retail market also in each country should be in same technical, legislative and operational level. One bill or two bills is not crucial problem. Language requirements in international customer base, currency risks, bottleneck risks between price areas -new price areas decrease liquidity in financial market are bigger problems to be solved before billing harmonisation. Now integration of market can be done by establishing Supplier Company to target country, as it is happening. Deadline to 2015 is too soon, tight schedule raises costs.

Oberoende elhandlare

In terms we consider the report as a very positive report. But it is very important to have a mandatory combined billing with one contract. By implanting that we will get rid of the "anvisningsleverantör". Today it helps integrated companies to get huge amount of customer without any competition. For the customer it means a very high price and a bad

product. By introducing one contract and one bill this problem will be solved and the competition for customers moving in would be fair!

Joint position of 30 local energy companies in Finland

The basis for harmonizing and integrating Nordic end-user markets hinges on the assumption that currently markets are uncompetitive and customers lack choice. This is categorically untrue. In Finland there are over 40 suppliers of electricity and end-user electricity prices are amongst the lowest in Europe. Moreover, markets in other sectors, such as telecommunications and insurance, exhibit far less competition with a higher degree of market concentration. What is required is an apolitical re-assessment of the present market situation that puts the end-user electricity market into a broader perspective. Narrowly focusing on marginal issues, such as billing regimes, will not help remove the larger obstacles – namely, a common wholesale market without price areas along with variations in legislation, currency and taxation - impeding the creation of an integrated Nordic retail market for electricity.

Göteborg Energi DinEl AB

When reading this report it becomes very clear that the devil is in the details. It is easy to discuss the future common Nordic market on a high level but each table presented in the report raises a load of questions concerning how the work process will go and how the responsibilities between the parties will be specified.

Ale Elförening

This is a panic approach in order to please customers, after high price media focus. The reform will give more confusion for customers. I can see that customers want to have this market more simply. Focus on production instead. This gives no more energy to the market. Who are happier with 500 suppliers when the price not will change? The supply market is a margin market. I strongly believe that local companies are best in customer services. With this reform together with "one contact" reform it will give less local companies in the future, benefits for large companies (decreased service level).

Swedenergy

SWEDENERGY welcomes the ambition to create a common Nordic retail market. We believe however that the basic market model used in the Nordic countries should in principle be maintained when entering into a common market and harmonization should be focused solely on core processes. The basis to take a stand for a more developed model is insufficient and too uncertain, since we so far have not been able to survey the cost of conversion, running costs and implications for customers.

GodEL

Comment for all tables: from what I know it seems logic that the supplier would handle ALL customer interaction/contact with the exception of technical grid related issues as well as grid tariff questions of they're on a very detailed level.

Energinet.dk

Energinet.dk would like to commend NordREG for making such a well-structured report on the customer interface model. The interface model towards the customers in a

harmonised Nordic retail market is an important decision, which deserves the structured approach.

Nurmijärven Sähkö Oy

The Nordic including the Finnish retail market is very competitive, e.g. in Finland there are tens of suppliers of electricity and end-user electricity prices are amongst the lowest in Europe. Compare that to e.g. banking, telecom or insurance. Do not look at marginal issues, such as billing regimes, but the larger obstacles, like a common wholesale market without price areas along with variations in legislation, currency and taxation. Local and regional electricity suppliers have traditionally been close to their customers and provide a high-quality, reliable service at an affordable price. Proposed model with complexity and extra costs may lead to oligopoly in the Nordic retail market which will be not beneficial for the end-customers.

Tieto

Based on the findings made in the report, we propose an even stronger supplier centric model, where the supplier becomes the primary contact in all customer related activities and single point of contact where the DSO is not a natural counterpart for the customer.

KS Bedrift Energi og Defo

We agree with the comment on page 25 that the DSO should refer the customer to independent sources of information such as independent price comparison websites. The customer must be reassured that he/she will get the help from the DSO that's needed. It's critical that rules ensure that all stakeholders get the information they need to be able to fulfil the customers' wishes.

Energi Norge

Energy Norway believes that the proposals in the report in general support the objectives of the common Nordic end-user market. The definition of the various roles and responsibilities seems both logical and in line with the aims of a customer centric model. We would like to stress that the proposals underline the importance of the DSOs' responsibility to function as a neutral facilitator of the market. This also increases their ability to focus on other important issues with regard to Smart Grid functionalities like the connection of micro-/distributed generation facilities, implementation of AMR etc. However, there are several roles and responsibilities that are not discussed in the report. One of these is the definition of the rights and obligations related to supplier of last resort and default supplier. Differences between regimes with regard to default supplier will have a huge impact on competition and market efficiency. Therefore, we urge NordREG to give this issue additional consideration before any decisions are made.

EMIX

Shared responsibility could lead to that no one is responsible.

5 Annex

5.1 Questionnaire

Public consultation for the NordREG report on rights and obligations for DSOs and suppliers in the customer interface.

Information about the Respondent

Name of company/organisation:

Type of company/organisation: -- choose --

Name of respondent:

Email address:

1. Do you think the overall recommendations in this report will fulfill the objectives (described in chapter 1.4.1)?

- Customer friendliness
- Well-functioning common market
- Improved competition
- Improved efficiency
- Compliance with EU regulation and development
- Neutrality of DSOs

- Yes
- No
- Don't Know

Please comment your choice (max. 75 words):

2. To what extent do you think the recommendations in this report will increase/decrease the customer friendliness?

- Strongly increase
- Increase
- Neither decrease or increase
- Decrease
- Strongly decrease
- Don't Know

Please comment your choice (max. 75 words):

3. Do you think the recommendations in this report will increase/decrease the possibility for competitive stakeholders (such as suppliers and Energy Service Companies) to enter the market?

- Strongly increase
- Increase
- Neither decrease or increase

- Decrease
- Strongly decrease
- Don't know

Please comment your choice (max. 75 words):

4. Do you think the recommendations in this report are in line with EU regulations and development?

- Yes
- No
- Don't Know

Please comment your choice (max. 75 words):

5. Will the recommendations in this report increase/decrease the neutrality of DSOs?

- Strongly increase
- Increase
- Neither decrease or increase
- Decrease
- Strongly decrease
- Don't Know

Please comment your choice (max. 75 words):

6. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 1 in the report ? (Supplier switching)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

7. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 2 in the report ? (Move in/move out process)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

8. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 3 in the report? (Queries and complaint handling related to the energy supply and contractual issues)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

9. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 4? (Queries, complaint handling and compensation issues on the DSO)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

10. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 5 in the report? (Providing information on various price components)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

11. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in Connection in table 6 in the report (Connection (new and change of connection))

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

12. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 7 in the report? (Quality of supply and unplanned outage)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

13. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 8 in the report? (Planned interruption of electricity supply)

- Strongly agree

- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

14. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 9? (Disconnection due to non-payment or non-compliance)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

15. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 10 in the report? (Metering and meter value reporting)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

16. Do you have any view as to how the division of primary contact and responsible part between the DSO and the Supplier should be allocated in table 11 in the report? (Collection of taxes) (max. 150 words):

17. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 12 in the report? (Demand response)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

18. To what extent do you agree on the division of primary contact and responsible part between the DSO and the Supplier in table 13 in the report? (Micro generation)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't Know

Please comment your choice (max. 75 words):

19. General comments to the draft report? (max 500 words)

Submit Answers



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