



Energy Community Regulatory Board

Status Review of Complaint Handling Practices in the Energy Community

Table of Contents

1	INTRODUCTION	3
1.1	The Energy Community	3
1.2	Scope	3
1.3	Methodology.....	4
2	FINDINGS	6
2.1	Transposition of the Complaint Handling Provisions of the Electricity and Gas Directives	6
2.1.1	Legal Background.....	6
2.1.2	Analysis.....	6
2.2	Tasks of the Regulatory Authorities with Respect to Households' Complaint Handling.....	7
2.3	Institutions Dealing with Energy Related Customer Complaints	8
2.4	How are Customers Informed About Their Right to Complain?	10
2.5	Complaint Handling Standards	12
2.6	Is it Necessary to have Complaint Handling Procedure with a Service Provider before Entering Into a Complaint Handling Procedure with the Regulator?	13
2.7	How can Customers Submit their Complaints to the Regulator?	14
2.8	Access to Complaint Handling Data	15
2.9	Time to Issue a Decision after Receiving a Complaint	16
2.10	Charge for Submitting a Complaint to the Regulator	17
2.11	Redress Schemes.....	17
2.12	Regulatory Monitoring of Complaints.....	19
3	SUMMARY OF RESULTS AND CONCLUSIONS	22

Tables

Table 1 Tasks of RAs regarding handling of complaints for household customers	7
Table 2 Other institutions dealing with energy related customer complaints and their tasks.....	8
Table 3 How are the customers informed about their right to complain?.....	11
Table 4 Cases eligible for compensation by service provider	19

Figures

Figure 1 Availability of complaint handling standards	13
Figure 2 Is it necessary to have complaint handling procedure with a service provider first?	14
Figure 3 Channels for submitting complaint to the NRA	15
Figure 4 Guaranteed deadline for issuing a decision after receiving a complaint	16
Figure 5 Requirement of complaint handling charges	17
Figure 6 Availability of redress schemes	18
Figure 7 Collection of complaint handling data by NRAs from service providers	20
Figure 8 Collection of complaint handling data by NRAs from other institutions (ADR bodies)	21



1 INTRODUCTION

1.1 The Energy Community

On 25 October 2005 the Treaty Establishing the Energy Community (hereinafter: “the Treaty”) has been signed by the European Community and the authorities of Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Romania, Serbia, Montenegro and the United Nations Interim Mission in Kosovo (UNMIK¹)². Following signature and ratification of the Treaty Moldova and Ukraine joined the Energy Community as of 1 May 2010 and 1 February 2011, respectively.

By signing the Treaty the signatory parties agreed to implement the *acquis communautaire* on electricity, gas, environment, competition and renewables³ with a view to realizing the objectives of the Treaty and to create a regional gas and electricity market within South East Europe (SEE).

The Energy Community Regulatory Board (ECRB)⁴ operates based on Article 58 of the Energy Community Treaty. As an institution of the Energy Community the ECRB advises the Energy Community Ministerial Council and Permanent High Level Group on details of statutory, technical and regulatory rules and should make recommendations in the case of cross-border disputes between regulators.

1.2 Scope

Meaningful and serious handling of customer complaints is not only a necessary tool for customer protection but also an instrument for improving market performance. The number and nature of customer complaints are among most important indicators of customers’ satisfaction and serve also to screening retail markets from a customer perspective.

The Energy Community *acquis communautaire* i.e. Electricity and Gas Directives⁵ define consumer protection, including dispute settlement mechanisms and dealing with customer complaints as part of their legislative requirements⁶. The third legislative package for the internal gas and electricity market (“third package”)⁷ includes new provisions on customer protection and, in particular, as regards customer complaint handling. The 3rd package Electricity and Gas Directives require that Member States enable proper informing of customers with regard to

¹ Pursuant to United Nations Security Council Resolution 1244.

² Following ratification, the Treaty entered into force on 1 July 2006. For details on the Treaty and the Energy Community see www.energy-community.org.

³For details of the relevant *acquis* see: http://www.energy-community.org/portal/page/portal/ENC_HOME/ENERGY_COMMUNITY/Legal/Treaty.

⁴ For details see www.ecrb.eu

⁵ OJ L 176 of 15.7.2003, p. 37 et seqq (“Electricity Directive”); OJ L 176 of 15.7.2003, p. 57 et seqq (“Gas Directive”).

⁶ Art 3 (5) and 23 (8) Electricity Directive, Art 3 (3) and 25 (8) Gas Directive and Annex A of both directives.

⁷ OJ L 211, 14 August 2009.

means of dispute settlement, to ensure provision of single points of contact to provide customers with all necessary information concerning their rights as well as to establish independent mechanism, such as energy ombudsman or consumer body to efficiently handle complaints and to perform out-of-court dispute settlement.⁸ Furthermore, the regulatory authorities are obliged to monitor the level and effectiveness of market opening and competition at wholesale and retail levels and complaints by household customers⁹. On European level, regulators developed recommendations on customer complaint collection, handling and reporting in the electricity and gas sectors¹⁰ and performed a status review of their implementation¹¹. The 4th Citizens' Energy Forum called upon EU Member States to grant the regulatory authorities the powers and resources needed to exercise duties in the field of customer complaint handling¹².

The ECRB Customer Working Group's (CWG) Work Program 2011¹³ foresees the CWG Task Force Customer Protection (TF1) to prepare a status review of complaint handling practices in the Energy Community. The status review shall include the assessment of their compliance with Energy Community *acquis*, primarily the 2nd package Electricity and Gas Directives. The implementation of the third package in the Energy Community Contracting Parties is to be completed by 1st January 2015¹⁴, but its provisions certainly require consideration in the framework of the present report.

1.3 Methodology

The present paper is based on data collected via a questionnaire completed by the regulatory authorities of Energy Community Contracting Parties (Albania, Bosnia and Herzegovina, Croatia,

⁸ Directive 2009/72/EC of the European Parliament and Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC ("new Electricity Directive"), Art. 3 (9, 12, 13) and Annex I. For the gas market Directive 2009/73/EC of the European Parliament and Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC ("new Gas Directive") defines in Art. 3 (3, 4) and Annex I.

⁹ New Electricity Directive, Art. 37 (1, 2, 11) and new Gas Directive, Art. 41 (1, 2, 11).

¹⁰ ERGEG GGP on Customer Complaint Handling, Reporting and Classification, June 2010

(http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_ERGEG_PAPERS/Guidelines%20of%20Good%20Practice/Other/E10-CEM-33-05_GGP-ComplaintHandling_10-Jun-2010.pdf)

¹¹ CEER Status Review of the Implementation of GGP on Customer Complaint Handling, Reporting and Classification, September 2011 (http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab2/C11-CEM-45-03_SR-GGP-Complaint%20Handling_05-Sept-2011.pdf)

¹² 4th London Forum Conclusions,

http://ec.europa.eu/energy/gas_electricity/doc/forum_citizen_energy/20111027_citizens_energy_forum_conclusions.pdf

¹³ ECRB Work Programme 2011 available at http://www.ecrb.eu/portal/page/portal/ECRB_HOME/ECRB_DOCUMENTS/WORK_PROGRAMME/ECRB%20WP%202011_FINAL_excl%20timelines_%20PUBLIC.pdf

¹⁴ Decision of the Ministerial Council of the Energy community, available at <http://www.energy-community.org/pls/portal/docs/1146182.PDF>



former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia, Ukraine and UNMIK) and three neighboring EU Member States (Greece, Romania and Slovenia).

Where results for Bosnia and Herzegovina differ for its entities (the Federation of Bosnia and Herzegovina and the Republika Srpska), they are displayed separately in this survey.

The focus of the survey is on **household** customers. The term service provider is used for both suppliers and DSOs.

2 FINDINGS

The analysis follows the structure of the questionnaire (see chapter 1.3) and summarizes the answers received for each question.

2.1 Transposition of the Complaint Handling Provisions of the Electricity and Gas Directives

2.1.1 Legal Background

Article 3(5) of the Electricity Directive and Article 3(3) Gas Directive¹⁵ prescribe measures for protection of final customers, including a provision requiring a high level of consumer protection with respect to transparency of contractual terms and conditions, general information and dispute settlement mechanisms. As regards household customers, these measures are accomplished by more detailed list of requirements in Annex A of both directives. Item (f) of the annexes requires that customers benefit from *transparent, simple and inexpensive complaint handling procedures*, that enable *disputes to be settled fairly, promptly and with reimbursement or compensation*, if warranted. Furthermore, the complaint handling procedures need to follow principles set out in Commission Recommendation 98/257/EC on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes¹⁶, in particular relating to principles of independence, transparency, effectiveness, legality, liberty, representation and the adversarial principle.

For regulatory authorities, Article 23(5) Electricity Directive and Article 25(5) Gas Directive oblige them to act as dispute settlement authorities for complaints against transmission, distribution and LNG operators and prescribe deadline for dealing with these complaints.

2.1.2 Analysis

The regulatory authorities were asked whether the provisions of Articles 3(5), 23(5) and Annex A(f) Electricity Directive and Article 3(3), 25(5) and Annex A(f) Gas Directive have been transposed into the national legislations. According to the answers received:

- **Articles 3(5) and Annex A(f) Electricity Directive and Article 3(3) and Annex A(f) Gas Directive are transposed into the legislation of the great majority of investigated markets. The exception is Bosnia and Herzegovina- Federation BIH.**

¹⁵ Unless differently stated, the legal references in the present report refer to the Gas and Electricity Directives of the “2nd package”.

¹⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1998:115:0031:0031:EN:PDF>

- **Articles 23(5) Electricity Directive and 25(5) Gas Directive are transposed into national legislation of all investigated markets.**

The following chapters of this status review explain in more details the complaint handling procedures in analyzed markets.

2.2 Tasks of the Regulatory Authorities with Respect to Households' Complaint Handling

As mentioned in chapter 2.1.1, the Electricity and Gas Directives require regulators to act as dispute settlement authority for transmission, distribution and LNG operation related complaints. However, there is no explicit obligation for regulatory authorities to deal with complaints regarding supply of electricity and gas. On the other side, the 3rd package Electricity and Gas Directives oblige the regulators to monitor both wholesale and retail markets, including complaints by household customers. This still does not mean that they are entitled to handle these complaints, but they may do so, especially if established also as independent mechanism for out-of-court dispute settlement.

The following table presents the lists of tasks given to regulatory authorities of Energy Community Contracting Parties and several Participants with respect to complaints of household customers.

Table 1 Tasks of RAs regarding handling of complaints for household customers

	Tasks of the regulatory authority regarding handling of complaints of household customers
Albania	Provides recommendations for licensees, sends complaints to licensees for verification, performs verification in place, organize hearing sessions
Bosnia and Herzegovina	<ul style="list-style-type: none"> - BIH-Federation BIH (electricity only): access to the grid, right and obligation for electricity supply, tariffs, QoS - BIH-RS: for electricity: equal to FBIH, for gas: connection and access to the transmission and distribution network.
Croatia	TPA and conditions for access
FYR of Macedonia	Related to the regulated activities performance, application of stipulated terms and conditions, methodologies or tariffs for connection, access to network
Greece	Related to proper implementation of the electricity and gas law and distribution license.
Moldova	Connection to networks, conclusion of supply contract, QoS

Montenegro	TPA, connection, calculation of electricity volume in case of unauthorized consumption, suspension of electricity and gas delivery for final customers
Romania	Electricity: disputes concerning the conclusion of agreements between electricity sector operators, electricity supply agreements and network connection agreements; gas: TPA
Serbia	TPA for transmission, distribution and storage, connection
Slovenia	Access to network, price for network use, infringement of supply conditions, connection
Ukraine	Related to connection, prices/tariffs and QoS, bills
UNMIK	Related to services provided: metering, billing, connection etc. (the service is related to both network and supply)

According to the results presented in the table above, **the majority of regulatory authorities deal with households' complaints in the field of third party access to the network and connections, some of them also with complaints related to energy prices/tariffs.** In some cases, complaint handling related tasks of the regulators are based on more general legislative provisions, such as dealing with complaints in relation to breach of license provisions.

2.3 Institutions Dealing with Energy Related Customer Complaints

Beside regulatory authorities typically dealing with TPA, connections and tariffs related complaints, there are other institutions in charge of energy related customer complaints. The table below lists those institutions and their tasks in the energy field.

Table 2 Other institutions dealing with energy related customer complaints and their tasks

	Other institutions dealing with energy related customer complaints	Tasks of the institutions
Albania	Ombudsman, National Commission on Consumer Protection	
Bosnia and Herzegovina	- BIH-FBIH: inspectorates at different levels; - BIH-RS: court	
Croatia	Ministry of economy, courts and competition authority	
FYR of Macedonia	Appeals Commission for matters in the Energy Field; administrative court, ombudsman, consumer organization	- Appeals Commission: appeals against acts of the RA; - Consumer organization: general informative and educational

		functions, following of consumers' law, etc.
Greece	Ombudsmen and consumer organizations	Ombudsmen: receive complaints and deals with specific demands. Also acts on its own initiative, following indications in the market. Consumer organizations: Information, appeals to the government against company practices, campaigns on specific issues, complaint handling of their own members
Moldova	State energy inspectorate and state inspectorate for market surveillance and consumer protection	
Montenegro	Ministry of economy, Inspectorates within Ministry of economy (electrical energy inspector and thermal energy inspector), Energy company, Basic Court and Administrative Court, Center for consumers protection	
Romania	National Authority for Customer Protection	Harmonization of national legislation with EU consumer rights regulations, protection of customers against unfair trade practices and promotion of good business practices
Serbia	Inspectorates within Ministry of Energy; inspectors within Ministry of Trade; courts and competition authority	Supervision of quality of energy delivered and monitoring of metering equipment; supervision of billing; energy prices/tariffs, abuse of dominant position
Slovenia	Suppliers; court	
Ukraine	Antimonopoly Committee; Ministry of energy; State Inspectorate on energy supervision of electricity and heat consumption regimes; State Office of Technical Regulation; courts	Min. of energy- handling issues related to norms of consumption; State inspection- issues related to technical operation conditions between companies and consumers; State office- takes part in state policy in the field of standardization, quality management, monitors compliance with customer protection legislation etc.
UNMIK	Public Energy Company, public supplier, municipality courts	

The analysis shows that customer protection organizations and ombudsmen play an important role in the field of energy related complaints in half of analyzed markets. The relevant ministries together with accompanying inspectorates usually handle complaints related to technical performances of services provided. Finally, courts are still a relevant option for customers' complaints in almost half of the cases.

2.4 How are Customers Informed About Their Right to Complain?

A crucial prerequisite for enabling customers to file their complaints is the availability of information on how and to whom to complain. Increasing transparency related to the complaint handling process, as required by Annex A (f) of the Electricity and Gas Directives at the first place means raising awareness among customers about their right to complain. Also the new Electricity and Gas Directives in their Annexes I.1(a) state that the contracts with electricity/gas service providers need to include the information relating to consumer rights, including on the complaint handling and all of the information referred to in the relevant points, clearly communicated through billing or web sites of service providers.¹⁷ In its *GGP on Customer Complaint Handling, Reporting and Classification* European regulators included two recommendations for service providers:

- *Customers should be provided, on their bills, with the contact details of the service provider's customer service and*
- *Customers should be provided by their service provider with the relevant contact information of the relevant third party body in case they want to complain.*

These recommendations certainly represent the most efficient way of informing customers about their right to complain, but other channels of providing this information may also be helpful and are very welcomed.

The regulatory authorities were asked to provide information on how are the customers informed about their right to complain, i.e. how they are informed to whom to file the complaint. Furthermore, they were required to explain whether there is a legal basis for this.

¹⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0055:0093:EN:PDF> and <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0094:0136:en:PDF>

Table 3 How are the customers informed about their right to complain?

	How are the customers informed about their right to complain?	Legal basis
Albania	Energy bill, supply contract	
Bosnia and Herzegovina	<ul style="list-style-type: none"> - BIH-FBIH: electricity law and general conditions for electricity supply; web page of RA, regular notices by NRA; - BIH-RS: distributor/supplier are obliged to inform customers about their right to complain to NRA or to the court 	
Croatia	Energy related laws, General Conditions, distributor/supplier are obliged to inform customers about their right to complain to NRA or to the court	
FYR of Macedonia	Energy Law, rulebook on dispute settlement in energy sector, supply rules, public campaigns	
Greece	Websites and call centers of service providers, ministry and media	Does not exist yet in details, it will be specified in the upcoming new version of the supply code. However, it is stated in the law 4001/2011 for the transposition of the “third package”, that suppliers should give information (probably when asked but it is not clear) on how customers can file a complaint and the out of court settlement procedures.
Moldova	By the public authorities (regulation authorities, non-governmental institutions), by media, organized public meetings, consumer relations centers	Law on Petitioning, Law on Consumer Protection, Electricity and Gas Law
Montenegro	Energy Law, Law on General Administrative Procedure, secondary legislation, Center for contact with customers-through the website, direct contact at the counter and telephone call (within Energy company), energy bill	
Romania	Various actions of the suppliers in compliance with the NRA’s Regulation	NRA regulation on information of residential customers in the electricity and gas sector (ANRE Order 86/2009)
Serbia	Websites and call centres of service providers and website of regulatory authority, legal advice on complaint	Law on General Administrative Procedure and Law on Administrative Litigation

	included in the first degree decision	
Slovenia	Law, internet	
Ukraine	<ul style="list-style-type: none"> - For electricity: Informational Consultancy Centers for customer affairs (ICC) for electricity obliged to inform customers about, among other, complaint handling issues; ICC uses media, bills, etc. - For gas: legislative acts 	ICC established by NRA Regulation: rules on operation of ICC (2009); Law on Citizens' appeals, Law on natural gas, Rules on gas supply to households.
UNMIK	Energy bill	General conditions of energy supply and rule on dispute settlement procedure in energy sector

In general, customers in the Contracting Parties and analyzed EU neighboring countries are informed about their right to complain. However, the way of informing them is not always very efficient (e.g. customers normally do not read legislative acts). The most practical way to inform customers via the energy bill, is used in only three cases (Albania, Ukraine and UNMIK). Websites of service providers serve as information platforms also in several cases, as well as the media and/or regular written notices to the customers. **Taking into consideration the need for transparency in relation to complaint handling procedures, there is certainly room for improvement regarding informing customers about their right to complain.**

2.5 Complaint Handling Standards

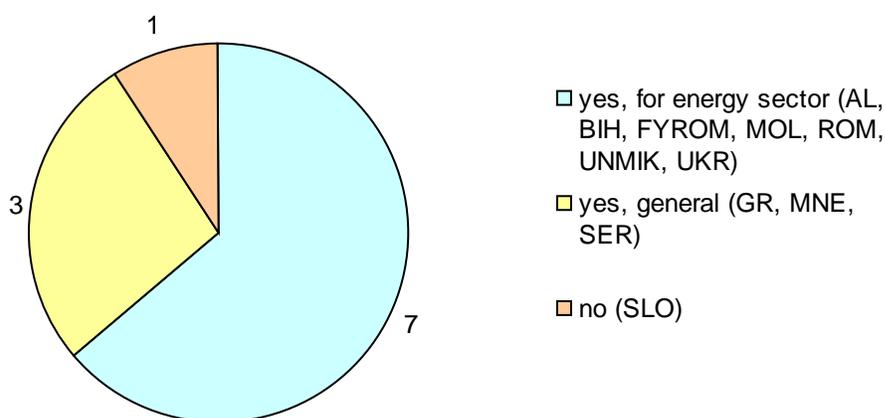
The introduction of complaint handling standards on national level is not part of the formal requirements of the Energy Community *acquis* (2nd package), but may contribute to proper and fair treatment of customers with respect to their complaints. The 3rd package however foresees that all consumers shall be provided with good service and complaint handling standards by their electricity/gas service providers¹⁸. These are also the reasons why the European regulators' GGP on *Customer Complaint Handling, Reporting and Classification* proposes not only their implementation but also stipulate minimum content requirements, such as prompt first answer to a complaint, lead time to deal with complaint, registration of all complaints.

¹⁸ Annex I.1(f) of Directive 2009/72/EC of the European Parliament and Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0055:0093:EN:PDF>) and Annex I.1(f) of Directive 2009/73/EC of the European Parliament and Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0094:0136:en:PDF>)

In the majority of the analyzed markets the standards for complaint handling procedure are established, either specifically for the energy sector or in the form of common administrative rules¹⁹.

The figure below presents the availability of complaint handling standards in investigated markets.

Figure 1 Availability of complaint handling standards



2.6 Is it Necessary to have Complaint Handling Procedure with a Service Provider before Entering into a Complaint Handling Procedure with the Regulator?

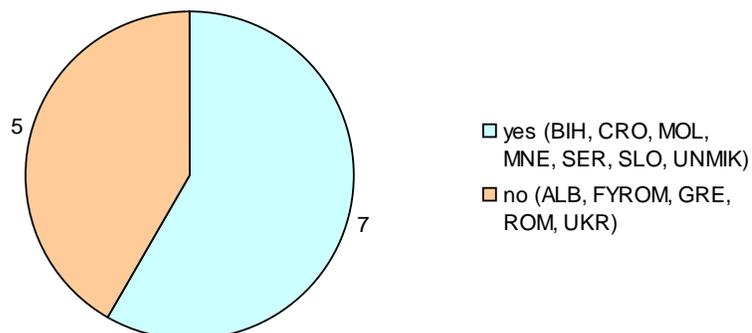
Explaining the complaint to the service provider before addressing some other institution would be the logical first step for complaint handling procedure, mostly in order to eliminate eventual misunderstanding, but also because the service provider has easier access to relevant data.

The regulatory authorities were asked whether it is necessary for customers to have complaint handling procedure with a service provider before they are entitled to start a complaint handling procedure with the regulator. The responses are presented at the chart below.

The results show that the customers have to address their complaints to service providers first in the majority of analyzed markets.

¹⁹ Both administrative law and electricity related regulations in Ukraine

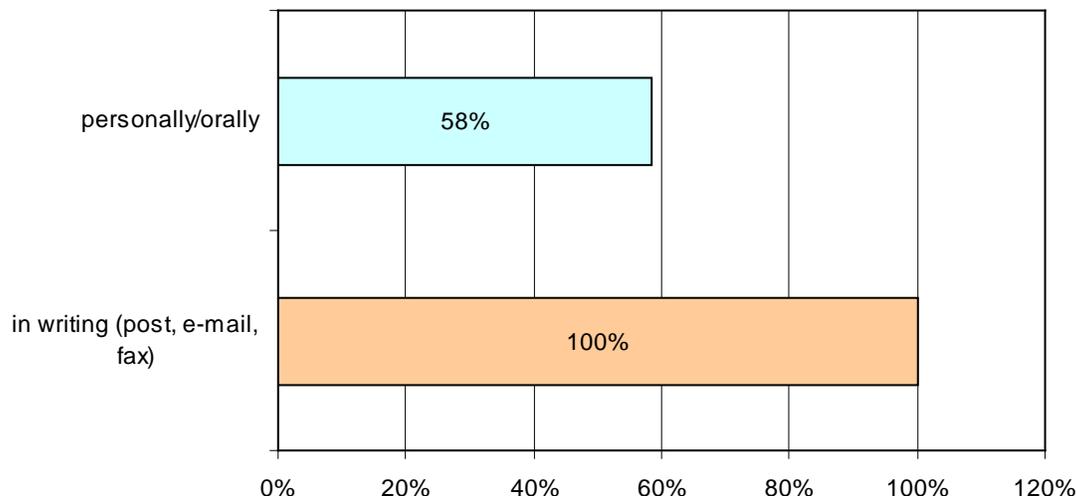
Figure 2 Is it necessary to have complaint handling procedure with a service provider first?



2.7 How can Customers Submit their Complaints to the Regulator?

Different options for filing complaint to the regulatory authority (and other institutions) contribute to the equal treatment of all customers (avoiding discrimination against customers with disabilities, with low literacy, etc.) and simplicity of the process. This is the reason why the European regulators' *GGP on Customer Complaint Handling, Reporting and Classification* recommend that there should be a *wide range of channels available, and, in any case, more than one, even if- at a later stage- a written document may be necessary for a formal procedure.*

Figure 3 Channels for submitting complaint to the NRA



Submitting complaints in written form to the regulatory authority is implemented in all analyzed markets. In FYR of Macedonia, a complaint has to be submitted only by ordinary mail. **Nevertheless, in more than a half of the markets** (Albania, Bosnia and Herzegovina, Slovenia, Serbia, Romania, UNMIK and Ukraine) **the customers are allowed to submit a complaint orally, in person or by telephone.**

2.8 Access to Complaint Handling Data

In order to handle customer complaints related to energy services the regulatory authorities, as well as other dispute settlement authorities, need to have effective access to complaint related data, provided by service providers. The access to this kind of data should not depend on sole decision of a service provider but there should be a legal requirement introduced for service providers to provide requested data within reasonable deadline. Of course, sensitive commercial data should be treated in proper way.

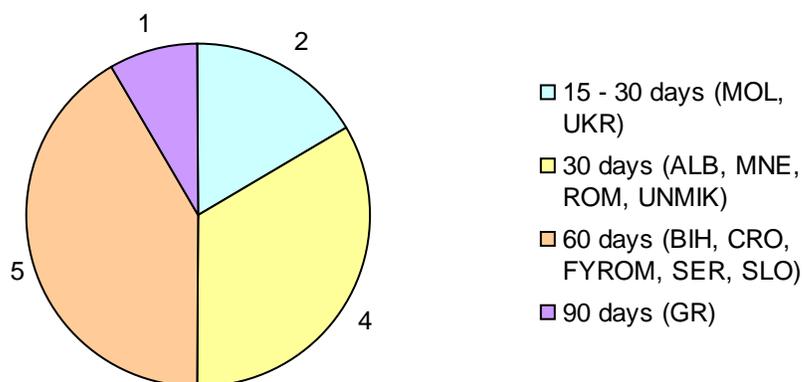
Service providers in all Contracting Parties and analyzed neighboring EU Member States are obliged to provide complaints related data to the regulatory authority. The legal basis for this usually is the relevant laws (on energy, electricity, gas, natural monopoly or administrative procedure), the license rules or regulations.

2.9 Time to Issue a Decision after Receiving a Complaint

As required by Annex A of the Electricity and Gas Directives, complaint handling procedures need to be accomplished promptly. Annex I of the 3rd package Electricity and Gas Directives contain more precise provision, namely out-of-court dispute settlement procedures shall be preferably settled within three months.

The regulatory authorities have been asked within which period they issue a final decision on the complaint, which is the legal requirement and how long it normally takes to solve a complaint. The figure below shows the legally guaranteed deadline for issuing decision after receiving a complaint in investigated markets.

Figure 4 Guaranteed deadline for issuing a decision after receiving a complaint



A very short timeline for issuing a decision after receiving complaints from customers is implemented in Moldova and Ukraine, namely only 15 to 30 days, depending on the nature of complaint. In Albania, Montenegro, UNMIK and Romania²⁰ the prescribed deadline for regulatory authorities to resolve a complaint is one month. However, in the majority of markets the deadline is longer, namely two months. In most of the markets the deadline may be extended under predetermined conditions. Regulators therefore have been asked how long it normally takes to issue a decision. Answers have been only provided by Montenegro and Serbia: the regulatory authority of Montenegro usually resolves complaints in 30 days, while in Serbia the regulatory procedure might be shorter or longer than prescribed, depending on the complexity of case (if longer, in any case not more than 90 days).

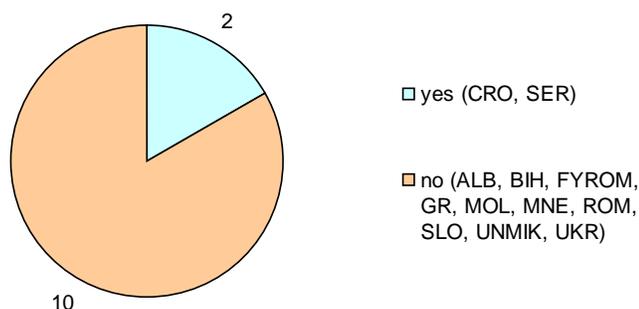
²⁰ For gas TPA refusal the deadline for resolving disputes is 60 days.

2.10 Charge for Submitting a Complaint to the Regulator

Involvement of customers in liberalized energy market also means that they can exercise their right to complain as inexpensive as possible, ideally without any charge being paid to the complaint handling authority. This would also contribute to avoiding discrimination among customers, since their willing to file a complaint would not depend on the level of income. This is also stipulated in Annex A of the Electricity and Gas Directives. The European regulators' *GGP on Customer Complaint Handling, Reporting and Classification* recommend to alternative dispute settlement bodies that *dispute settlement process should be made available for all household customers, preferably without charge or as inexpensively as possible irrespective of the financial amount of the dispute.*

The figure below presents the presence of complaint handling charges requested by regulatory authorities in the Contracting Parties and analyzed Participant countries.

Figure 5 Requirement of complaint handling charges



In the great majority there is no charge required for filing complaints with the regulatory authorities. In Croatia and Serbia there is administrative tax for submitting complaint and the applicable amounts respond to around 27EUR in Croatia and 3EUR in Serbia.

2.11 Redress Schemes

Both the 2nd and 3rd legislative package require that dispute settlement procedures include, where warranted, a system of reimbursement and/or compensation. Additionally, the 3rd package Electricity and Gas Directives require compensation and refund arrangements if contracted service quality levels are not met, including inaccurate and delayed billing. The wording of the first mentioned requirement means that there should be defined cases where compensation/redress

schemes are warranted. Recommendations 5 and 13 of the European regulators' *GGP on Customer Complaint Handling, Reporting and Classification* state that service providers should offer fair compensation to customers whose complaints have been resolved in their favour, either by the service provider itself or by an alternative dispute settlement authority (e.g. regulator). Fair compensation should be determined by taking into consideration the damage and/or cost suffered by customer.

The availability of compensation schemes for customers whose complaints have been resolved in their favour in the analyzed markets is shown at the chart below.

Figure 6 Availability of redress schemes



Where applicable, redress schemes are based on relevant laws, supply contracts and/or secondary legislation, such as supply rules.

The cases for which compensation schemes are introduced are presented in the table below.

Table 4 Cases eligible for compensation by service provider²¹

	Cases eligible for compensation scheme by service provider
FYR of Macedonia	damage
Greece	compensation of 15 EUR if guaranteed service failed, only for electricity, by the dominant supplier and the DSO (PPC)
Montenegro	In case supplier unreasonably suspended delivery of power, the customer is entitled to receive compensation for suffered damage
Romania	<ul style="list-style-type: none"> - For electricity: when the provider fails to meet deadline when answering to a complaint, when DSO fails to meet deadline for restoring electricity supply after interruption, for submitting contract and its terms, for reconnecting customer, in case of damage - For gas: similar to electricity, plus when gas supplied is proven to have inadequate quality
Serbia	If supplier fails to supply electricity or gas, in case of inadequate quality of service or damage, compensation issue can be resolved by agreement between customer and service provider, otherwise the customer may exercise compensation right through the courts. If the connection costs are wrongly calculated, regulatory authority may, upon appeal, request from provider to recalculate them.
Ukraine	Energy not supplied, inadequate quality, delay in providing information (gas), damage (gas).
UNMIK	non-supply of energy and damage (actual compensation procedure for damages under development and for non- supply in planning phase)

In the majority of the analyzed markets redress schemes for customers are introduced and are applicable to various cases, mostly for failure to supply electricity or gas, inadequate quality of service or damage.

2.12 Regulatory Monitoring of Complaints

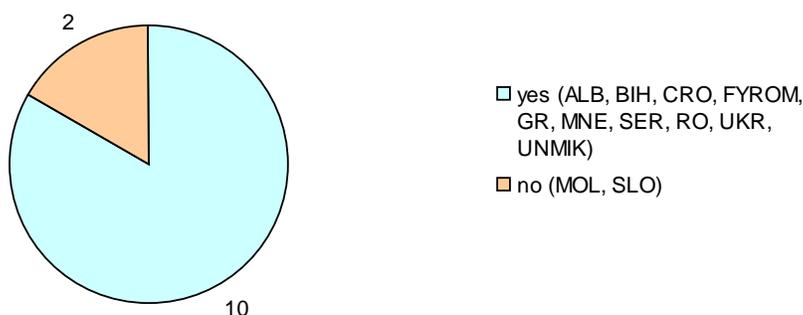
Having said earlier that one of the most important roles of regulatory authorities, introduced as obligation by the 3rd package Electricity and Gas Directives, is to monitor the level and effectiveness of market opening and competition of both wholesale and retail markets, it may be also stated that this role assumes that the regulator needs to collect relevant complaint handling data from service providers and/or other alternative dispute resolution bodies, analyze them and publish the results. Publication of complaint handling data (submitted to service providers, the regulator or other third party body) would also put pressure on service providers to improve their performance.

²¹ Data not available for all markets where compensation schemes introduced.

In the Energy Community Contracting Parties and in most of the analyzed EU neighboring Member States (the exception is Greece) the regulatory authorities are obliged to report about the number and nature of received and resolved customer complaints. The reports are usually submitted to the Parliament or Government²², once or twice a year, most often in the annual reports (if once a year). **Energy laws, supply and distribution license rules and/or dispute settlement regulations oblige service providers to provide complaint handling data to the regulatory authorities in the majority of markets.**

The figure below shows in which markets the regulators collect complaint handling data from service providers.

Figure 7 Collection of complaint handling data by NRAs from service providers



Different from collecting data from service providers, **the regulatory authorities of the analyzed markets normally do not obtain complaint handling data from other institutions** (alternative dispute resolution bodies). Only three regulatory authorities (those of Albania, former Yugoslav Republic of Macedonia and Greece) collect data from other institutions, but not a regular basis. This is also presented in the chart below.

²² To the President in Ukraine or additionally to the State administrative inspectorate in former Yugoslav Republic of Macedonia.

Figure 8 Collection of complaint handling data by NRAs from other institutions (ADR bodies)



3 SUMMARY OF RESULTS AND CONCLUSIONS

The present status review of complaint handling practices in the Energy Community provides an overview of the applicable legislation related to complaint handling/dispute settlement as well as of how complaints are handled. Special focus has been put on the role of regulatory authorities in complaint handling/dispute settlement.

1. The analysis shows that Articles 3(5) and Annex A(f) Electricity Directive as well as the Articles 3(3) and Annex A(f) Gas Directive, related to the basic requirements in dispute settlement processes, are transposed into the legislations of almost all investigated markets.
2. Regarding the role of regulators in dispute settlement procedures, it can be concluded that the Article 23(5) Electricity Directive and Article 25(5) Gas Directive are implemented also in all analyzed markets. This also means that the main tasks of regulatory authorities are limited with dispute settlement procedures in the field of transmission, distribution and LNG (mainly third party access to the networks), as required by both the 2nd and 3rd legislative package.
3. The regulatory role in monitoring retail markets, including customer complaints foreseen by the 3rd package is still to be gradually introduced in line with dynamics of 3rd package implementation.

Although the 3rd package offers the possibility for establishing regulatory authority also as alternative dispute settlement body, it is recommended that the primary role of regulators with respect to customer complaint handling should focus on network operations, together with increasing competences in retail market monitoring.

4. In addition to regulatory authorities - typically dealing with third part access, connection and tariff related complaints-, there are also other institutions in charge of energy related customer complaints in the Energy Community, such as customer protection organizations, ombudsmen and various inspectorates handling complaints related to technical performances of service providers.
5. Taking into consideration the need for transparency in relation to complaint handling procedures, there is room for improvement regarding informing customers about their right to complain. In general, customers are informed about their right to complain. However, the way of informing them is not always very efficient. The most practical way to inform customers via the energy bill, is used in only three cases.

It is therefore recommended that energy bill or some other kind of written notice directly addressed to customers is implemented for informing customers about their right to complain.

6. Complaint handling standards are established in the majority of analyzed markets, either specifically for energy sector or in the form of general administrative rules.
7. In the majority of Energy Community Contracting Parties and analyzed EU neighboring countries the customers have to have complaint handling procedure with a service provider before starting the complaint handling procedure with the regulator. However, there is also a certain number of cases allowing to file the complaint immediately with the regulator.

Taking into consideration that service provider have easier access to relevant data, it is generally recommended that customers file their complaints to the service before addressing the regulator.

8. Submitting complaints in written form to the regulatory authority is implemented in all analyzed markets. Nevertheless, in half of the markets the customers are allowed to submit a complaint orally, in person or by telephone.

Having in mind the importance of equal treatment of all customers, it is recommended to allow the possibility for customers to file their complaints orally, with presenting supporting documents where necessary.

9. For the purpose of dealing with customer complaints, the regulatory authorities of almost all investigated markets have access to the complaint related data, provided by the service providers.
10. The guaranteed deadlines for issuing decision after receiving a complaint are very short (15 - 30 days) or relatively short (two months) and generally in line with the requirements of the 2nd and, also, 3rd package.

In the great majority cases regulatory authorities do not require a charge for filing complaints. In order to avoid discrimination of customers, it is recommended to avoid charging complaints or to, at least, apply very cheap administrative fees that would not prevent customers from active participation in market.

11. Compensation schemes for customers whose complaints have been resolved in their favour are available in the majority of the analyzed markets and are applicable to various cases, mostly for failure to supply electricity or gas, inadequate quality of service or damage.

In relation to this, it is recommended that the cases for which the redress schemes are applicable are clearly defined.

12. Finally, in Energy Community Contracting Parties and most of the analyzed EU neighboring Member States the regulatory authorities are obliged to report about the number and nature of received and resolved customer complaints. For the time being, service providers are

providing complaint handling data to the regulatory authorities in the majority of markets. However, this is not the case for other institutions (alternative dispute resolution bodies) - they provide relevant data only rarely and not on a regular basis.

In order to properly monitor the level and effectiveness of market opening and competition of wholesale and retail markets, the regulator needs to collect relevant complaint handling data from service providers and/or other alternative dispute resolution bodies, analyze them and publish the results.