



Energy Community Regulatory Board

Survey on the status quo of gas billing practices in the Energy Community

December 2011



Table of Contents

1	INTRODUCTION	4
1.1	The Energy Community	4
1.2	Scope	4
1.3	Methodology.....	5
2	FINDINGS	6
2.1	Number of household customers supplied with gas	6
2.2	Number of gas suppliers	7
2.3	Who defines the content of the bill? Who develops the rules for gas bills? Who monitors compliance with these rules?	7
2.4	Is the gas bill for household customers issued separately from other services?	9
2.5	Do customers receive one bill for both gas supplied and for the network use or two separate bills?	9
2.6	Does the gas bill for household customers include all information of the “recommended bill”?	9
2.7	Gas consumption data	10
2.8	Which information can be found on the gas bill?	12
2.8.1	Identification data	13
2.8.2	Price and product data	15
2.8.3	Metering related data	18
2.8.4	Data on past consumption	18
2.8.5	Additional data	19
2.9	How many pages has the gas bill?	20
2.10	Can customers compare the actual and the billed consumption?	20
2.11	Can customers choose the form of gas bills?	20
2.12	Can customers choose the payment method?	21
2.13	How are customers informed about the various payment options?	22
2.14	How often is the bill sent to customers?	24
2.15	Is payment based on installments?	24
2.16	How many days/months in advance are customers informed about changes of gas prices?	25
2.17	How are customers informed about the changes in gas rates?	25
2.18	Are customers informed about different products?	26
2.19	Are customers informed about the amount of money they have not paid yet?	27
2.20	Are customers informed about the procedure in case of non-payment?	27
2.21	Are customers informed about their rights to complain?	27
2.22	Which institution is in charge of dispute settlement?	28
3	SUMMARY OF RESULTS AND CONCLUSIONS	29
4	RECOMMENDATIONS	31
	ANNEX 1 – “RECOMMENDED BILL ”	33
	ANNEX 2: TEMPLATE FOR ANNUAL RECONCILIATION STATEMENTS	35



Figures

Figure 1: Number of household customers supplied with gas	6
Figure 2 Number of gas suppliers	7
Figure 3 Is the content of gas bill defined?.....	8
Figure 4 Does the payable quantity correspond to the metered?	11
Figure 5 Who defines the rules for recalculation of metered to payable gas quantity?	12
Figure 6 Number of pages in the gas bill.....	20
Figure 7 Can customers choose the form of gas bill?	21
Figure 8 Can customers choose the payment method of gas bill?	22
Figure 9 Is payment of the bill based on installments?	24
Figure 10 How many days/months in advance are customers informed about the changes in gas rates?	25
Figure 11 Means used for informing the customers about the change in gas rates	26
Figure 12 Are customers informed about different products?	26
Figure 13 Are customers informed about their rights to complain?.....	27
Figure 14 Institutions in charge of dispute settlement	28

Tables

Table 1 Does the gas bill for household customers comprise all information of the “recommended bill”?	10
Table 2 Identification data	14
Table 3 Price and product data	16
Table 4 Metering related data.....	18
Table 5 Data on past consumption and fuel mix	19
Table 6 Additional data	19
Table 7 Information on various payment options	23



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 (UNMIK)¹. 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 (SEE⁴).

The Energy Community Regulatory Board (ECRB)⁵ 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

The energy bill is the most important tool for customers to understand how much they have to pay for the energy they consume and how to better manage their consumption. Transparent and comparable display of billing information is one of the key triggers for improving competition by raising customers’ awareness for switching options and enabling them to make use of their right to choose their energy supplier. Only where bills are understandable and clearly separate between energy prices, tariffs and other costs (e.g. taxes), customers are able to compare offers.

In the light of this, the need for transparent billing has also been underlined by 3rd EU energy legislative package⁶. The European Commission (DG SANCO) has also adopted a best practice

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.

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

⁴ Title III of the Treaty. Covering territories of Contracting Parties and neighboring EU countries.

⁴ Title III of the Treaty.

⁴ Title IV of the Treaty.

⁵ For details see www.ecrb.eu.

⁶ Article 3 and Annex I of the Directive 2009/72/EC of the European Parliament and of the 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>.



recommendation for standard bills⁷. ERGEG in September 2010 published a Status Review on compliance with the EC's Good Practice Guidance for Billing⁸.

In 2010 the Energy Community Regulatory Board (ECRB) published a *Survey on the Status Quo of Electricity Billing Practices in the Energy Community*⁹ and presented it to the 16th Energy Community Regulatory Electricity Forum („Athens Forum“¹⁰). Highlighting the importance of transparency of bills, the Forum welcomed the analysis of the ECRB and invited it to update report to the next Forum and extend the review to the gas sector, with the aim to establish continuous monitoring of billing transparency. Against this background, a survey on the status quo of gas billing methodologies in the Energy Community has been made part of the Energy Community Regulatory Board (ECRB) Work Programme 2011¹¹.

1.3 Methodology

The present survey is **related to gas bills**¹² and assesses the **compliance with the European Commission's best practice recommendation for standard bills**.

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-represented by entity regulators, Croatia, former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia, Ukraine and UNMIK)¹³ and three neighboring EU Member States (Greece, Romania and Slovenia).

Data is presented to the extent provided by the regulators of the investigated markets¹⁴.

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

⁷ European Commission (DG SANCO) Working Group on Billing: Good Practice Guidance for Billing, 2009, http://ec.europa.eu/gas_electricity/doc/forum_citizen_energy/2009_09_29_citizens_energy_forum_reports_and_materials.zip.

⁸ http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab1/E10-CEM-36-03_EC%20billing%20guidance_8-Sept-2010.pdf

⁹ http://www.ecrb.eu/portal/page/portal/ECRB_HOME/ECRB_DOCUMENTS/ECRB%20REPORTS%20%20DOCUMENTS/ECRB_Survey%20Electricity%20Billing.pdf.

¹⁰ Material available from http://www.energy-community.org/portal/page/portal/ENC_HOME/INST_AND_MEETINGS/Electricity_Forum/2010/12_OCT.

¹¹ 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

¹² For electricity related results (2010) see fn 9

¹³ Since there is no gas market in Albania, Montenegro and UNMIK, the great majority of results do not contain references to these markets. Furthermore, there is no household gas customers in FYR of Macedonia.

¹⁴ Having no gas markets, Albania, Montenegro and UNMIK are not included in the analysis.

2 FINDINGS

The analysis provided in this chapter follows the structure of the questionnaire and summarizes the answers received for each question.

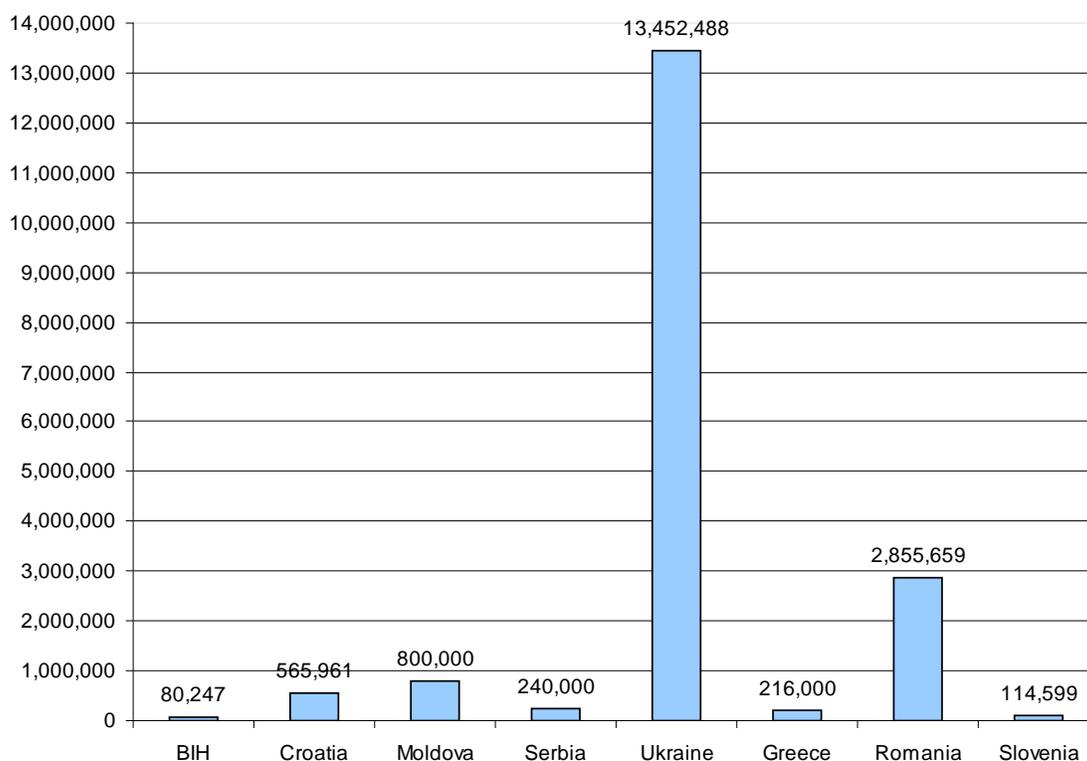
2.1 Number of household customers supplied with gas

The number of household customers¹⁵ strongly varies between the investigated gas markets:

- Numbers differ from 80247 customers in Bosnia and Herzegovina at the lower end to more than 13 million in Ukraine at the upper scale.
- In the other Contracting Parties the number of residential customers remains below 1 million (800 000 in Moldova, 566 000 in Croatia and 240 000 in Serbia).
- The situation is similar also in the investigated EU neighbouring countries varying from close to 3 million in Romania to 115 000 in Slovenia.

The graph below shows the number of household customers in the analyzed markets.

Figure 1: Number of household customers supplied with gas

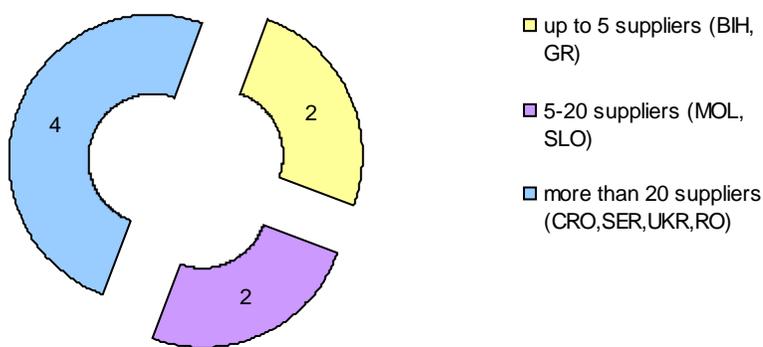


¹⁵ In accordance with national definition of *household customers*.

2.2 Number of gas suppliers

For having a better picture of the markets investigated it is relevant to know how many gas suppliers for both household and non-household customers are active on the markets. The results presented in the figure below exclude those suppliers that solely supply non-household customers.

Figure 2 Number of gas suppliers



In three Contracting Parties and in one EU Member State there are more than 20 suppliers. In Bosnia and Herzegovina and Greece there are only 4 and 3 suppliers respectively. The number of gas suppliers in the analyzed markets does not always correspond to the size of the market, i.e. the number of customers to be supplied. In Serbia, with a under-averaged number of customers, more than 20 suppliers are active on the market.

2.3 Who defines the content of the bill? Who develops the rules for gas bills? Who monitors compliance with these rules?

In most of the investigated gas markets the gas bill content is defined **either by law or by secondary legislation** (general supply conditions in Bosnia and Herzegovina, Moldova and Romania).

- Beside general conditions for supply, in Bosnia and Herzegovina the Law on VAT also prescribes the basic content of all bills;
- The rules related to gas bills are developed by the regulatory authorities in two cases (Moldova and Romania).

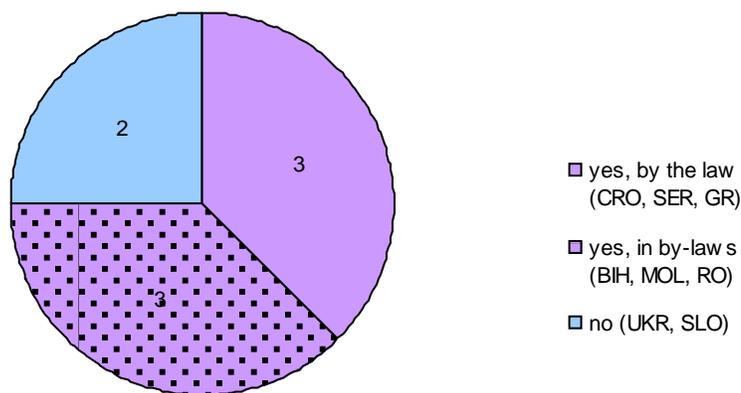
- Also in four cases (Croatia, Serbia, Ukraine¹⁶ and Greece) development of gas billing related rules is the sole responsibility of relevant ministries.
- Only in Bosnia and Herzegovina and Slovenia the rules related to gas bills are self-regulated by the industry.

Theoretically, rules for developing bills may be different for the energy and the network charge related billing elements. In the analyzed markets these rules are differently regulated only in Slovenia where the gas bill as such as well as its energy related elements are self-regulated by industry, the regulator, however, fixes the network charge and monitors whether the network related elements have been correctly translated in the bill.

In Croatia, Ukraine, Greece and Romania the network charges are not separately presented on the gas bill. In Serbia the distribution charge is separately presented on the bill, but not the transmission charge.

The results clearly indicate that in most cases substantial importance has been given to the content of gas bills.

Figure 3 Is the content of gas bill defined?



¹⁶ In Ukraine, rules that regulate issuing of bills to households are prescribed in the 'Rules on gas supply to household customers' approved by the Cabinet of Ministers of Ukraine. However, there is no standard form of the bill, so it is determined by the supplier itself.

The role of the national regulators in **monitoring** compliance with the rules on billing is dominant in the investigated EU neighbouring countries: in all 3 analyzed EU Member States the responsibility lies with the regulator¹⁷. In the Contracting Parties the situation varies as follows:

- In Bosnia and Herzegovina – Republika Srpska, Moldova and Ukraine compliance with the billing rules are monitored by the regulator;
- In Bosnia and Herzegovina – Federation BiH, Croatia and Serbia the monitoring of compliance with the gas billing rules is the responsibility of competent ministries.

2.4 Is the gas bill for household customers issued separately from other services?

The gas bill for household customers is **issued separately** from other services – such as water, waste etc – **in all analyzed markets**, Contracting Parties as well as analyzed EU Member States. Only in some cases in Ukraine (e.g. when consumers pay by norms of consumption) the gas bill may be placed as a separate line in the one bill with other communal services.

2.5 Do customers receive one bill for both gas supplied and for the network use or two separate bills?

In all analyzed gas markets the customers receive one bill for both gas supplied and network use.

Chapter 2.3 shows that not in all cases the bill, however, separately displays energy and network costs: in Croatia, Ukraine, Greece and Romania only one all in bill is issued which makes energy price comparison difficult for customers.

2.6 Does the gas bill for household customers include all information of the “recommended bill”?

For the purpose of this report, the term “recommended bill” refers to bills developed in line with Annex 1 (and Annex 2, if applicable) of the best practices guidelines for billing¹⁸. The results are summarized in the table below.

¹⁷ In Greece this responsibility is shared with the ministry and the consumer ombudsman

¹⁸ Available at http://ec.europa.eu/energy/gas_electricity/forum_citizen_energy_en.htm and Annex 1 of the present survey.

Table 1 Does the gas bill for household customers comprise all information of the “recommended bill”?

Market	Answers
BIH	NO - in whole Bosnia and Herzegovina information on contract duration, switching deadlines and the customer switching code is missing. Additionally, in Bosnia and Herzegovina -RS, the gas bill does not provide information on the point of delivery, technical information or the suppliers’ billing address, information telephone number; also information on the consumption calculation basis
CRO	NO - the bill does not include switching information. telephone number of the regulator and there is no network charge.
SER	NO – information on switching, efficiency tips and price breakdown- transmission network charge is missing (however, distribution charge is presented on the bill)
MOL	NO - the bill does not include switching information and information on duration of contract
UKR	NO - information on contract duration, price breakdown, switching information
GR	NO - missing information on duration of contract, tariff components and price breakdown; switching information
ROM	NO - there is no information regarding price breakdown (network charge), contract duration and switching deadline (contracts are usually concluded for indeterminate period)
SI	YES

The table above clearly shows that **in the majority of investigated gas markets** the gas bill for household customers **does not comprise all information from the “recommended bill”**. Only in Slovenia gas bill include all data recommended by the EC’s guidelines for good billing practice. The information most often missing relates to the contract duration, switching and the price breakdown.

2.7 Gas consumption data

Generally, household gas customers are supplied with gas that is delivered and metered at their houses or apartments. However, it is also possible that the gas delivery and metering point is not directly allocated with the customer¹⁹ and that the customer, although having a gas supply contract and paying for gas, de facto receives “only” hot water. Furthermore it is also possible that also the hot water consumption is not metered individually but the “gas consumption” of an individual customer is estimated according to some criterion²⁰. In this case the household customer is not charged for the product he consumes, at least not directly.

¹⁹ e.g. gas is supplied only to the building, not to every apartment individually.

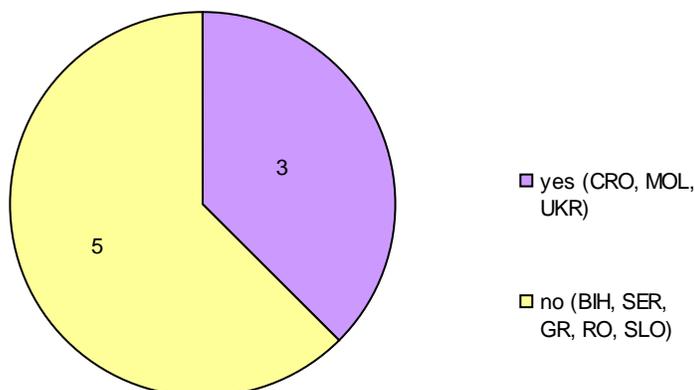
²⁰ e.g. the number of square meters of the apartment.

In the majority of investigated gas markets the both abovementioned options are possible. This fact translates into a situation where customers are charged for their gas consumption without having information on the actual volume consumed or charge calculation. This also deprives them from the possibility to control billing or make use of their right to switch. Only in Ukraine the household customers are supplied solely with gas.

The **consumption** of gas and/or hot water is **expressed in m³** in all analyzed markets. In Greece and Romania the consumption is additionally displayed in kWh in some cases. In these cases the **conversion calculation factor** is also available to the customers.

The regulators were asked whether the payable quantity of consumption, expressed in m³, corresponds to the metered quantity or whether some kind of recalculation from metered to payable quantity is applied. The results are presented on the graph below.

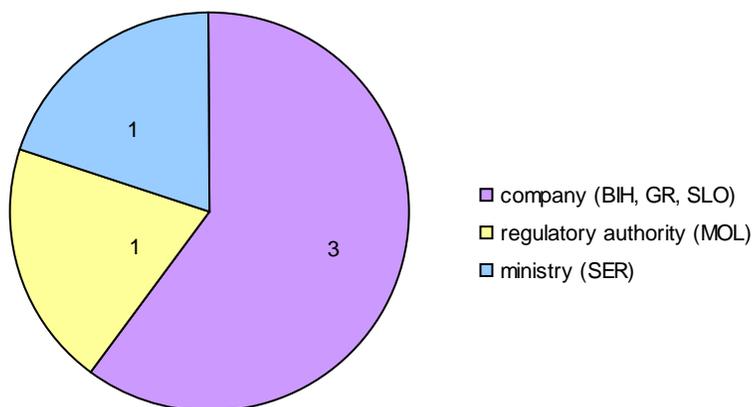
Figure 4 Does the payable quantity correspond to the metered²¹?



The results of the survey show that, in cases where the payable quantity differs from the metered, **customers are always informed about the recalculation rules**. The recalculation rules are defined by different institutions, as shown below.

²¹ In Ukraine only to the extent the gas consumption is metered (there are some cases where customers do not have meters).

Figure 5 Who defines the rules for recalculation of metered to payable gas quantity?²²



In Bosnia and Herzegovina the metered quantity is adjusted to the payable quantity by using a coefficient which represents the ratio of the lower heating value of supplied gas and the standard lower heating value.

In Serbia physical flow-through gas volume metered at operating conditions is converted to the chargeable volume in two steps:

- to the standard gas conditions, which can be done automatically or by calculation, and
- to the referential lower heating value, which is always performed by calculation²³.

In Moldova the payable quantity is equal to the metered consumption. However, there are some situations where these two amounts differ- in case of inaccessible or damaged metering device. In case the meter is inaccessible, the payable amount is based on estimation (average of last three years or three months if the customer is new). In case of damaged meter, the recalculation is based on technical checks and the information on recalculation is available to the customer.

2.8 Which information can be found on the gas bill?

The question which type of information can be found on gas bills has been split into five sub-categories: identification data, price and product data, metering related data, data on past consumption and fuel mix and, finally, some additional data.

²² Missing information for Romania

²³ More details on the calculation method is provided at <http://www.aers.rs/Index.asp?l=2&a=662&ted=&ed=&tp=>



2.8.1 Identification data

As displayed in the table below, the customers' **metering point is well defined** in all investigated markets. In all cases the supplier's details, customer's name, billing and supply address, date of issue, payment due date and billing period are specified on the bill (with the exception of Ukraine, where only date of issue is missing). Differences exist with respect to the reference number, e.g. type of meter is missing in half of investigated cases.

Table 2 Identification data²⁴

Identification data	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
Supplier's details								
Customer's name								
Billing address (address of the person to whom is bill addressed)								
Supply address (address of the point of delivery)								
Date of issue								
Payment due date								
Billing period								

Reference number ²⁵	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
a. customer account ref. number								
b. number of metering point								
c. type of meter								

²⁴ Boxes marked in green indicate that the relevant information is available from the gas bill.

²⁵ The table indicates which of the four options (a-c) of displaying the reference number is applied in the individual markets. Boxes marked in green indicate that the relevant category is applied. In some cases more than one approach is chosen.

2.8.2 Price and product data

Information provided on the price and product data specified on the bill shows the **largest variety** among the analyzed markets. In general, there is **no common content except** for the payable amount that is available from the gas bills in all investigated markets.

- Concerning energy package data, i.e. the design of gas price for household customers, in most of the analyzed cases the gas bill contains the energy charge (in 6 out of 8 markets), fixed charge²⁶ existing in half of the investigated markets and capacity charges not applied for household customers in all cases.
- As mentioned, the payable amount excluding and including VAT is specified in all cases²⁷. Data on total consumption is visible on the gas bill in all analyzed markets. In addition, in Croatia and Serbia benefits and subsidies are also specified.
- Network (transmission and distribution) charges are separately displayed only in 4 analyzed markets, namely Bosnia and Herzegovina, Moldova, Serbia and Slovenia. However, only distribution network charge, but not transmission charge is separately displayed on gas bills in Serbia. The payable amount is usually broken down to the energy charge and taxes and excise duties. The supply margin is displayed in bills only in Bosnia and Herzegovina and Moldova. In Ukraine there is no breakdown of payable amount at all.

²⁶ Charge not depending on energy consumed or capacity reserved. E.g. base fee.

²⁷ In Ukraine only payable amount including VAT is presented on the gas bill.

Table 3 Price and product data²⁸

Energy package	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
Capacity charge (charge depending on the connection capacity)								
Energy charge (variable charge depending on energy consumed)								
Fixed charge (charge not depending on energy consumed or capacity reserved)								

Price and product data	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
Total consumption								
Payable amount excl. and incl. VAT					Only payable amount including VAT			
Benefits and subsidies								
Other (please specify)						Previous bills		

²⁸ Boxes marked in green indicate that the relevant information is available from the gas bill.



Breakdown of payable amount	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
Network (transmission and distribution charge)								
Supply service (margin)								
Energy								
Levies								
Taxes and excise duties								
Other (please specify)				The amount of interest				

2.8.3 Metering related data

The investigated metering related data includes: actual meter reading and the amount billed, the estimated amount billed and meter reading date. Survey results show that

- Information on actual meter reading and the amount billed is available from the gas bills of all analyzed markets;
- The estimated amount billed is specified in the bills in 3 out of 8 markets. This means that in some cases (by some suppliers) the customers are charged in advance based on estimated amount billed, but the actual meter reading and relevant reconciliation is available to the customers in prescribed timeframe;
- In Ukraine there are cases where customers do not have gas meters and the consumption is only estimated based on norms of consumption.

Table 4 Metering related data²⁹

Metering related data	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
Actual meter reading and amount billed								
Estimated amount billed					If there is no meter			
Meter reading date								

2.8.4 Data on past consumption³⁰

Data on the amount of gas consumed in the previous year or billing period is specified in the gas bills in 4 out of 8 analyzed markets (Croatia, Ukraine³¹, Greece and Slovenia).

²⁹ Boxes marked in green indicate that the relevant information is available from the gas bill.

³⁰ Reconciliation bill or monthly bill.

³¹ In Ukraine the customers often read the meter on their own, calculate the payable amount and pay by using so called "pay-book". So, in these cases, they have information on previous consumption only if they keep their own information.

Table 5 Data on past consumption and fuel mix³²

	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
Data on the gas consumed in previous year/billing period								

2.8.5 Additional data

In addition to the information presented in the previous chapters in Bosnia and Herzegovina, Moldova and Slovenia information on queries hotlines, contact hours, emergency numbers and contact data of network operator are parts of the gas bill. In all other markets such information is only partly displayed in the gas bills (for details see Table 6).

Table 6 Additional data³³

Additional data	BIH ³⁴	CRO	MOL	SER	UKR	GR	RO	SLO
Queries hotline and contact hours								
Emergency number								
Name and contacts of network operator								
Other						Payment method		

³² Boxes marked in green indicate that the relevant information is available from the gas bill.

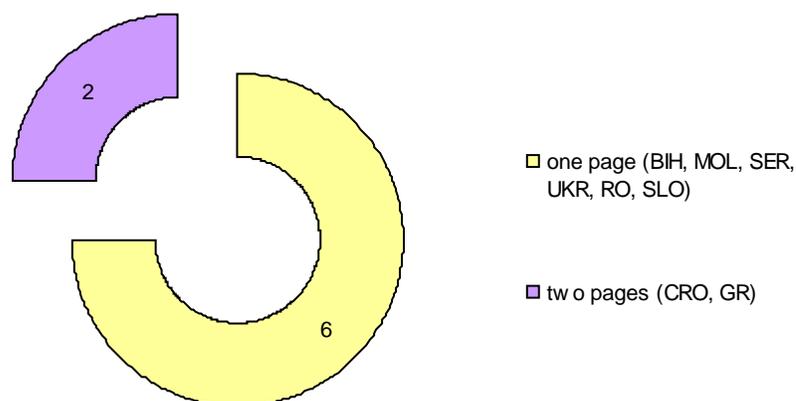
³³ Boxes marked in green indicate that the relevant information is available from the gas bill.

³⁴ Answer not valid for Bosnia and Herzegovina- Republika Srpska

2.9 How many pages has the gas bill?

Beside its content, also the number of pages is an indicator for the user-friendliness and transparency of bills. In the overall majority of cases – i.e. 6 out of 8 – gas bills include **1 page**, only in Croatia and Greece 2 pages.

Figure 6 Number of pages in the gas bill



2.10 Can customers compare the actual and the billed consumption?

In general, customers can compare the billed and actual consumption by performing their own private meter reading. This possibility, of course, assumes that customers have access to meters.

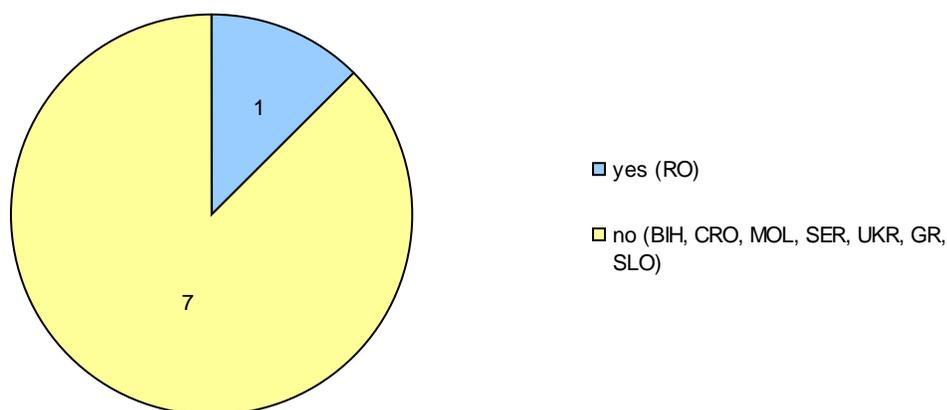
In all analyzed markets the customers can compare the actual and the billed consumption, mostly by reading their own meters. In most cases the customers of investigated markets have unlimited access to meters, so that they can verify their consumption at any time. As mentioned before, in some cases in Ukraine customers do not have gas meters and the consumption is only estimated based on norms of consumption.

2.11 Can customers choose the form of gas bills?

The user-friendliness of billing is higher where customers can choose between the format in which bills are issued (e.g. hard copy, electronic submission et al).

With the exception of Romania, customers in the investigated markets cannot choose the format of their gas bills. In Romania customers have the possibility to choose between electronic and paper form, however, it remained unanswered whether the information on the costs related to choosing options is allocated to customers (e.g. additional costs for issuing bills in paper form).

Figure 7 Can customers choose the form of gas bill?



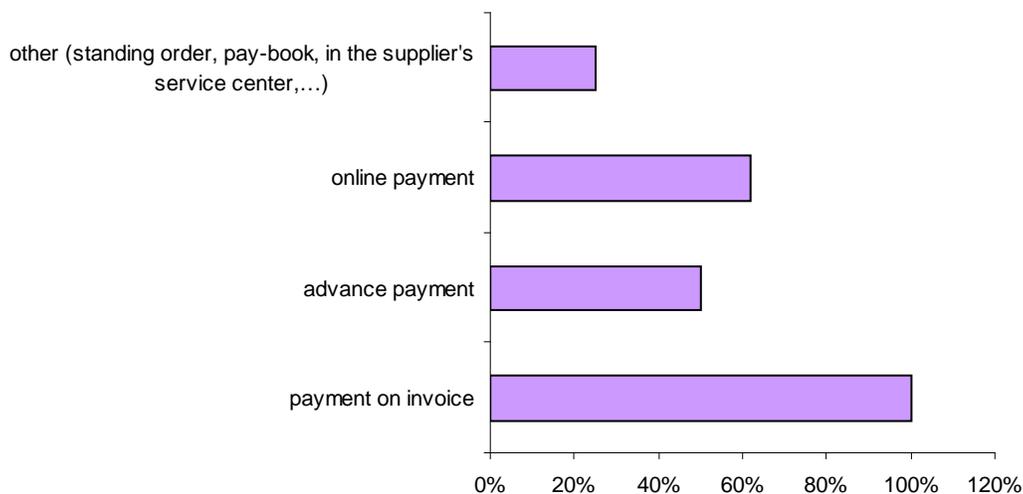
2.12 Can customers choose the payment method?

Another criterion for evaluating the user-friendliness of bills identifies the customers' possibility to choose payment method for their gas bills.

The analysis shows that in all analysed cases customers can choose between at least two methods - one of them being payment on invoice. Advance payment is possible in 50% of cases, while online payment can be chosen in 62% of the investigated markets. Cash payment at service centres is applied in Greece.

Figure 8 summarizes the results for the investigated markets.

Figure 8 Can customers choose the payment method of gas bill?



2.13 How are customers informed about the various payment options?

To be able to choose between payment methods, customers need to be informed about their related right. An analysis of the markets where different payment options exist (see chapter 2.13) shows that:

- In most the cases the gas bill serves as source of information about the various payment options (5 of 7 cases).
- In Bosnia and Herzegovina, Romania and Slovenia the customers are additionally informed by formal letter of the supplier.
- The company web-site is used as source of information on payment methods in the investigated neighbouring EU Member States (Greece, Romania and Slovenia).
- In Ukraine and Greece the supply contract informs customers about their payment.

The assessment details are presented in Table 7.

Table 7 Information on various payment options³⁵

Information on various payment options	BIH	CRO	MOL	SER	UKR	GR	RO	SLO
Gas bill	Only in Bosnia and Herzegovina-Federation BIH							
Formal letter from supplier								
Other		Company web-site	By the regulator and supplier ³⁶	By supplier	Rules on gas supply to household customers and framework gas supply contract	Contract and company web-site	Company web-site	Company web-site

³⁵ Boxes marked in green indicate that the relevant information is available from the gas bill.

³⁶ The supplier is obligated to make publicly available the text of "Regulation on the supply and use of natural gas", where the information on payment options is indicated. Also, customer should be informed about the payment options, by the supplier, when the stipulations of the contract are discussed. Furthermore, a customer can get all the information on the phone, or in the letter addressed to the supplier or to the regulator, and in 15 days he will receive the answers he needs.

2.14 How often is the bill sent to customers?

In all analyzed gas markets customers receive their bills on a monthly basis. Additionally, in Slovenia the bill is sent also quarterly (to some small customers using gas only for cooking) or on 14 days (very big customers) and this is prescribed by the general conditions on supply.

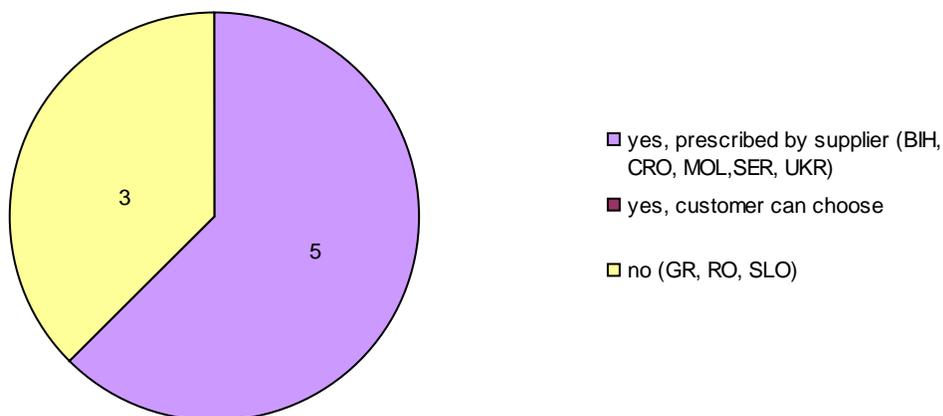
2.15 Is payment based on instalments?

Even if bills are sent to customers every month, customers in Bosnia and Herzegovina, Serbia, and Ukraine may perform payment on instalments in case of high billing amounts or customers with substantial debts. In Moldova, in cases some billing related mistakes are admitted by the supplier and the resulting invoice is too high, the customer and the supplier may agree on payment based on instalments. But this is only an exceptional case.

The number of instalments is defined by the supplier. In Croatia payment on installments exists in a form of advanced payment of estimated consumption and does not depend on a billing amount. Payment of the bill based on instalments is prescribed by the supplier.

In other the investigated markets payment on instalments does not exist.

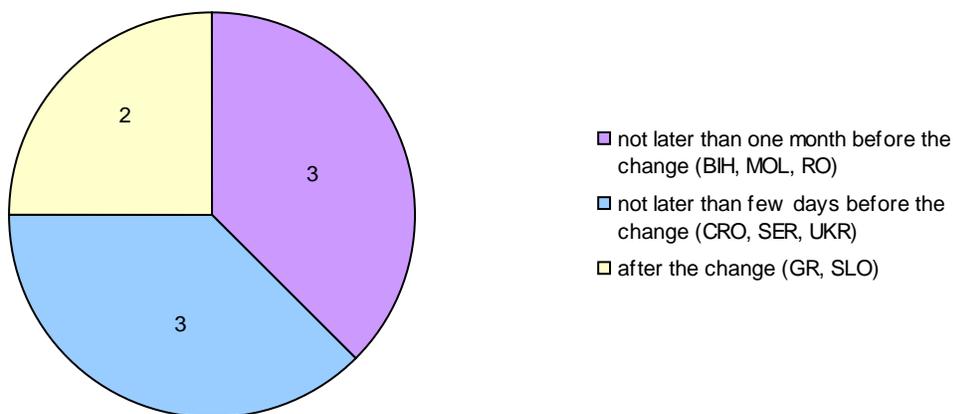
Figure 9 Is payment of the bill based on installments?



2.16 How many days/months in advance are customers informed about changes of gas prices?

With the exception of Greece and Slovenia, customers in all other analyzed markets are informed on changes of gas prices in advance. In 3 out of 7 cases they are, however, only informed a few days before the change takes place. The other 3 out of 7 cases show a more customer friendly announcement period- the customers are informed not later than one month before the change is enforced. In Romania the announcement period is even two months.

Figure 10 How many days/months in advance are customers informed about the changes in gas rates?

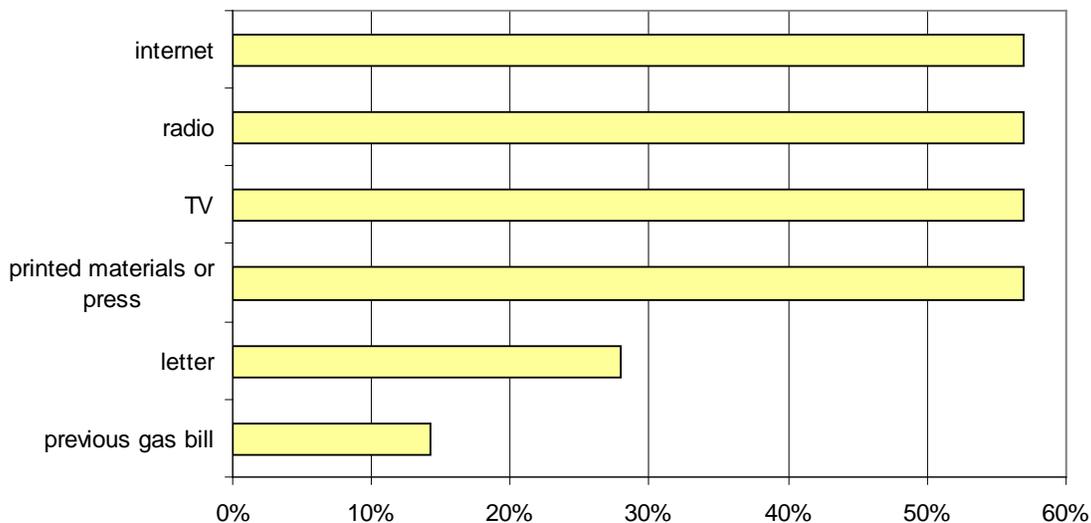


2.17 How are customers informed about the changes in gas rates?

Regarding the means of informing customers on the change of gas prices in advance, only customers in Bosnia and Herzegovina are informed via the gas bill issued before the envisaged price change.

In other gas markets the media (press, TV and radio) are the most frequently used means of informing customers. The figure below presents the usage level of different means of informing customers in analyzed markets.

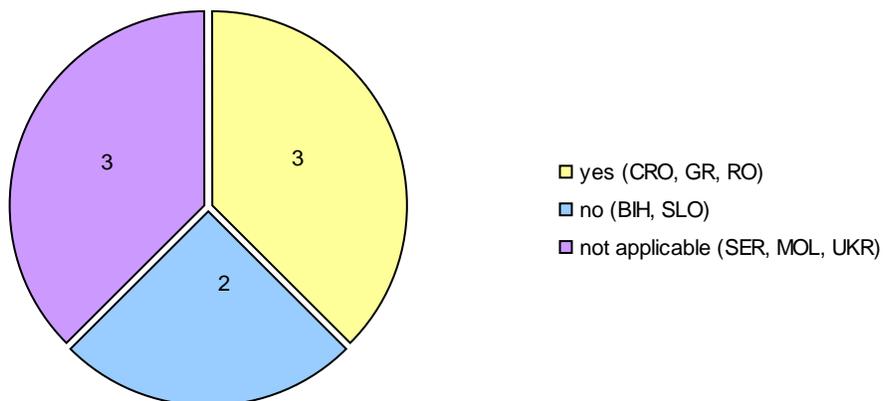
Figure 11 Means used for informing the customers about the change in gas rates



2.18 Are customers informed about different products?

Customers are informed about the different products available by the suppliers in only 3 markets. In all mentioned cases suppliers advertise their products on their web-sites, sometimes also in newspapers, letters, TV or radio commercials etc.

Figure 12 Are customers informed about different products?



2.19 Are customers informed about the amount of money they have not paid yet?

In case customers do not cover the full billing sum by given deadline, customers in **all** investigated markets are informed on the amount of money they have not paid yet.

2.20 Are customers informed about the procedure in case of non-payment?

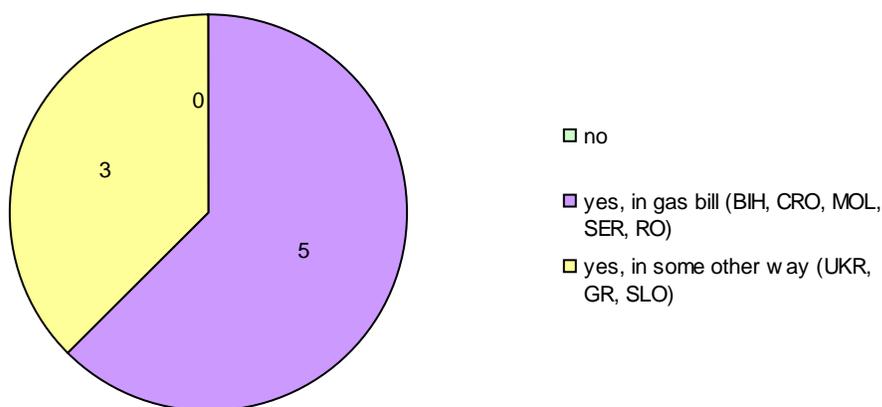
In **all** analyzed gas markets the customers are informed on the procedure in case of non-payment.

2.21 Are customers informed about their rights to complain?

Proper protection of customer rights does not only require information on the right to choose the supplier and transparent billing but customers also need to be made aware of their right to issue complaints.

The analysis very positively shows that customers are informed about their right to complain in **all** analyzed markets. In 5 cases the customers are informed about their rights to complain in the gas bills, but also by some other means. Other means involve contract (Bosnia and Herzegovina, Ukraine, Slovenia), web page of supplier (Slovenia), legislative acts (Croatia, Ukraine) etc.

Figure 13 Are customers informed about their rights to complain?

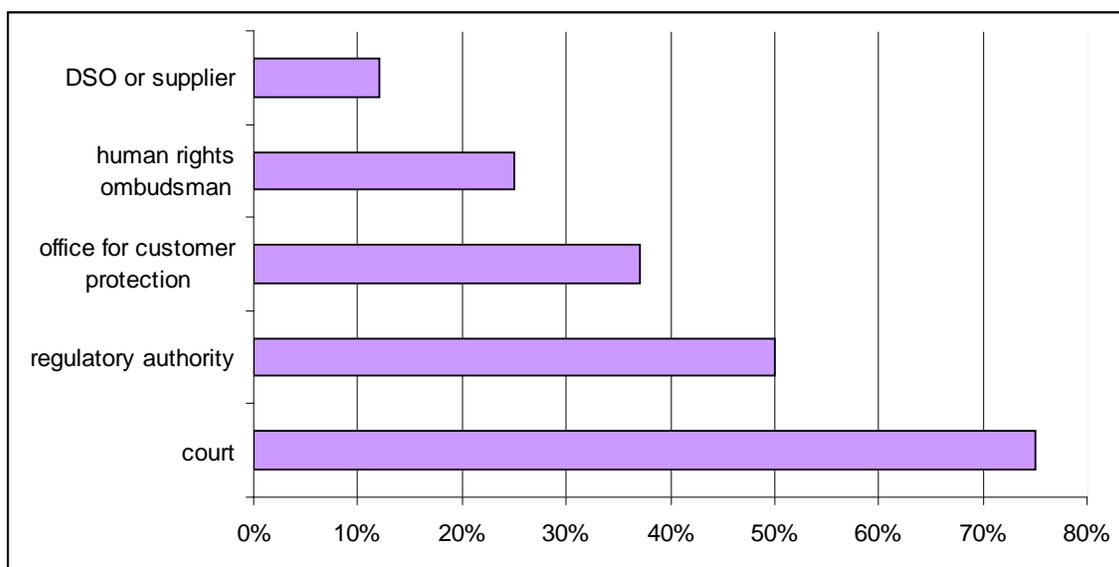


2.22 Which institution is in charge of dispute settlement?

Complaint handling can be allocated with different bodies. Aside complaint handling units with the supplier or network operator, regulators play an important role in this respect. The Energy Community acquis – namely Article 25 (5) Directive 2003/55/EC³⁷ on gas – foresees an obligatory dispute settlement function to be established with the regulator.³⁸

Generally, the institutions for dispute settlement **broadly vary** between the different gas markets and are mostly set up as a combination of several instance levels. The figure below shows the implementation level of institutions applied in case of dispute settlement.

Figure 14 Institutions in charge of dispute settlement



In most cases (6 out of 8) the court is the responsible institution for dispute settlement, only in 4 out of 8 cases the regulator is the institution responsible for dispute settlement (Greece, Romania, Moldova and Ukraine). As presented at the graph above, other institutions are also in charge of dispute settlement in some cases.

³⁷ OJ L No 176, p 57 et seqq (15.7.2003).

³⁸ Article 25 para 1 Directive 2003/55/EC identifies tariffs and transparency as one of the core monitoring tasks of regulators. In combination with Article 25 para 5, listing monitoring on (at least network charge) billing, a dispute settlement function for regulators at least related to transparency of network charges in bills can be assumed..

3 SUMMARY OF RESULTS AND CONCLUSIONS

The main results and conclusions drawn from the market analysis on gas billing practises in the investigated markets are summarized below:

- The **role of the regulators related to defining the rules** on billing is **limited**: in only half of the analyzed markets they strongly influence the rules on billing.
- On the other side, the **role of regulators on monitoring** compliance with the rules on billing is **dominant** in all analyzed markets.
- The **gas bill** for household customers is **issued separately from other services** in all investigated cases.
- In all markets the **customers receive one bill for both gas supplied and the network use. However, the network charge is not displayed separately in half of investigated markets at all.** Again, this shows that in almost all the investigated markets the interest of consumers is protected in terms of not being overloaded with two bills.
- In the majority of analyzed markets (7 out of 8 cases) the bill does **not contain all the information from the “recommended bill”**, prepared by the European Commission, DG SANCO in September 2009. The information that is often missing relates to the duration of contract, switching and price breakdown.
- The **content of the gas bill is prescribed in most cases** (in 6 of 8 cases). This clearly indicates that the subject, i.e. content of bills, is understood as **topic of major importance** in all investigated markets.
- In the majority of analyzed markets there are two gas supply possibilities for household customers: to be supplied with gas delivered and metered at their houses/apartments or to be supplied with hot water (metered or estimated). In both cases the actual consumption and payable unit of **consumption are mainly expressed in m³**. Finally, in the majority of analyzed markets **the payable quantity of consumption is not the same as metered, but the recalculation rules are well known to the customers.**
- In general, a **broad spectrum of information** can be found in the gas bills. The customer's metering point is well identified and the customer is defined by name and billing address. There are, however, some minor differences which do not affect the customer identification.
- The **price and product data specified on the bill show the great variety** among the analyzed markets. The only common content in all analyzed markets is the payable amount. In most of the analyzed cases the gas bill contains energy charge, in more than half of the cases also fixed charge and capacity charge is not applied for household customers at all. **The differentiation between transmission and distribution charges and supply service related costs in the gas bill is only visible in half of the analyzed markets.**

- The **metering related data shows relatively common results**: actual meter reading and the amount billed is found on the bills of almost all the markets. Estimated amount billed is available in several cases.
- Data on the amount of **gas consumed in the previous year or billing period** is displayed in only 4 out of 8 cases.
- In the majority of cases the gas bill includes some useful **additional data** – emergency number, hotline contact and contact hours and/or the name and contact of the network operator.
- The gas bill in general consists of **1 page** (only in Greece and Croatia 2 pages).
- In general customers can **compare the billed and metered consumption**.
- Customers cannot choose the **form of billing**, namely electronic or paper form, except for 1 market where the customers are given the choice between paper and electronic form.
- Regarding the **choice of payment methods**, in all cases customers can choose between at least two methods, one of them being payment on invoice. Among the markets where various payment options exist, the gas bill in most cases serves as source of information on the payment options.
- In all investigated markets the bill is **sent monthly** to the customers.
- In several cases payment may be based on **instalments**, prescribed by the supplier. In other cases the customers do not have possibility to pay by using instalments.
- Generally, customers in the majority of markets are informed about the **changes in gas rates** in advance. Certainly, this can be characterized as customer friendly approach. However, in 3 of these cases the customers are informed only a few days before the change. In two markets, Slovenia and Greece, the customers are informed about the change in gas price only after the change had taken place. The most common means of informing customers on changes are TV, radio and/or internet, press or printed information.
- Overall, customers are informed about the **different products** by the suppliers only in 3 cases. Usually, the suppliers advertise their products on their web sites.
- In all analyzed markets the customers are informed on the amount of money they have not paid yet (their **debt**).
- In all analyzed markets the customers are informed on the procedure **in case of non-payment**.
- Customers are informed about their **right to complain** in all analyzed markets. The most common means to inform customers on their right to complain are gas bill and supply contract.
- Generally, the **institutions for dispute settlement vary** pretty much among the different gas markets and are mostly set up as combination of several instance levels. In most he cases the institution for dispute settlement is the court, sometimes also the regulatory authority, office for customer protection, human rights ombudsman or the DSO/supplier. It is very welcome to see that in the majority of cases the judicial procedure is not the only way for dispute settlement.

4 RECOMMENDATIONS

- In general, the billing process is **well ruled and regulated** in the analyzed markets. The main recommendation therefore is to **keep the current state of performance as regards the role of regulators in the majority of aspects (however, more important role of regulator with respect to dispute settlement is also recommended)**.
- It is further recommended to **maintain the good practice to use maximal 2 pages** for the monthly bill and the **billing period of one month** which is in line with a common good practice.
- From a **transparency** point of view it is of utmost importance that the payable amount is broken down to its components with a view to clearly show customers which products and services they pay for. Furthermore, it is crucial that customers are informed about the quantity of gas they consumed i.e. they have to pay for- in case these amounts differ, the customers need to be properly informed about the reasons and recalculation rules.
- With reference to the **price and product data** it is recommended to require from the suppliers to inform the customers on the product data in order to gain transparent comparability criteria.
- The data on the **past consumption** is not specified in all analyzed markets. Even if this is not yet legally required, it is recommended to fulfill this requirement as soon as possible. Information on the **previous annual consumption** of energy is useful for the customers and serves as a basis for energy savings or efficient use of energy. It is therefore recommended to require that these data are periodically, e.g. at least once a year, included as the information on the bills.
- It is further recommended to better enable the customers to **choose the form of their bill**, i.e. paper or electronic form, as soon as reasonably achievable.
- It is encouraging that in most of the analyzed markets the customers are already allowed to select the **payment method** and it is recommended that in the rest of them the activities leading to offering customers this option are accelerated.
- Special care has to be given to **payment based on installments**. It is recommended that installments are offered in special cases only. These are cases of (i) annual reconciliation bills when the payable amount exceeds a usual monthly amount, or (ii) when an accumulated debt exists or (iii) in other cases with payable amounts substantially higher than the usual monthly bill.
- Customers are informed on possible **price increases** in the majority of cases appropriately in advance. In some cases this happens only with a very short notice and in almost no cases the gas bill is used for informing the customers on this issue. It is therefore recommended that at latest the last monthly bill or, if appropriate, its appendix, contains also this information.
- It is observed that in the most of the investigated markets the customers are not informed on the **different products**, although sometimes the suppliers advertise their products. It is recommended that the bill contain either short information on different products and/or a reference where this information is available.



- Customers in all analyzed markets are informed on the **right to complain**. It is recommended that all customers are informed about this right via gas bill.



ANNEX 1 – “RECOMMENDED BILL”

Source: Good practice guidance for billing- 2009, prepared by Working Group on billing for 2nd Citizens' Energy Forum, Annex 1 and Annex 2, if applicable

Annex 1: Template for regular bills (monthly, bimonthly, quarterly)

First page

Point of delivery box with technical information plus supplier's and billing address, EAN code

Comparability box

- Supplier name and contact details
- Duration of contract, including deadline to switch
- Energy product name e.g. tariff name and reference to detailed description (to be found in subsequent pages).
- Price €/cent (other currencies) /KWh (with base price & variable elements and min/max price variations, if appropriate), other discounts
- Customer Switching Code
- Duration of contract (if applicable)
- Information telephone number (helpline, regulator's number, or other, emergency tel.)

Sum to be paid,
Meter reading(s)
Billing period
By when it has to be paid and payment method(s),
Indication whether this is actual or estimated bill



Second page

Tariff information:
name,
different tariff components: base price, variable elements etc.

Price breakdown:
e.g. energy consumption + network charge + tax + other contributions

Additional billing info and calculation based on consumption, if applicable:
fuel mix,
efficiency and green tips
Information telephone number (helpline, regulator's number, or other emergency tel.)



ANNEX 2: TEMPLATE FOR ANNUAL RECONCILIATION STATEMENTS

First page

Point of delivery box with technical information plus supplier's and billing address, EAN code

Comparability box

- Supplier name and contact details
- Duration of contract, including deadline to switch
- Energy product name e.g. tariff name and reference to detailed description (to be found in subsequent pages).
- Price €cent (other currencies) /KWh (with base price & variable elements and min/max price variations, if appropriate), other discounts
- Customer Switching Code
- Duration of contract (if applicable)
- Information telephone number (helpline, regulator's number, or other, emergency tel.)

Clear indication that this is a reconciliation bill

- The total amount of regular payments (including VAT) already made by the customer
- The debit/credit balance
- Whether the regular instalment needs to be recalculated, and how consumers can change the sum they pay.



Second and subsequent pages

Explanation of tariff:
name,
different tariff components: base price, variable element etc.

Price breakdown:
e.g. energy consumption + network charge + tax + other contributions

Total sum paid so far and history of payments in reference year

Actual meter reading data – history of values in reference year

Graphs and pie charts with history of consumption (reference year and previous years)

Additional billing info (supplier's energy mix, efficiency and green tips etc.)