

CRE communication on the work of the GTE 2007 and GTG 2007.

The work conducted in the first half of 2006 by the “Electricity Working Group” (GTE) and “Gas Working Group”(GTG) consultation bodies set up by the Commission de régulation de l'énergie (CRE), has specified the practical conditions for market operation defined in CRE's communication of 10 January 2006.

The CRE decision of 26 May 2005, has led to the creation of a “consumer” committee within the GTE and GTG allowing the expectations of gas and electricity consumers to be given greater consideration.

During the first half of 2006, this “consumer” committee defined consumers' needs in terms of information and protection, and set recommendations, whose application is one of the priorities over the coming months. The “consumer” committee has become a plenary committee for gas and electricity consumers, with the same stature as the GTE and GTG plenary committees.

Following a round table with the players on 14 September 2006, CRE presents the decisions made and guidelines adopted for the coming months in this communication.

1 The priorities

1.1 Protecting and informing consumers

1.1.1 Informing consumers

The work of the consumer committee during the first half of 2006 identified the measures required to improve information to consumers:

- Setting up a call centre to answer consumers' questions;
- Specific website;
- Providing practical information sheets;
- Institutional communication campaign.

CRE is organising itself to provide information and guidance for household customers, just as it does already for non-household customers. It will install a specialised service next to the consumer area on its website. A study is currently underway to establish the measures and means required for setting up this service.

The “consumer” committee stressed the need to protect consumers against the risk of confusion between supply and system management activities within integrated companies.

1.1.2 Consumer protection

The “consumer” committee contributed to work conducted by the DGCCRF (General Directorate for Fair Trading, Consumer Affairs and Fraud Control) on transposing the provisions of appendices A of the European Directives of 26 June 2003 relating to consumer protection. The necessary provisions have been incorporated into the energy sector bill currently under discussion in Parliament.

Consumer representatives and a large majority of suppliers attending the “consumer” committee requested the appointment of a national public mediator for the energy sector. The mediator's role would involve drawing up proposals for settling disputes between customers and suppliers. Governed by the law, this measure would significantly improve consumer protection.

In consultation with suppliers, consumer representatives have drawn up a standardised presentation sheet for offers, listing the information required for making an informed choice. Suppliers will be required to complete this sheet for every offer, as is the practice in the electronic communications sector.

The “consumer” committee questioned why the notice period required for terminating a regulated tariff contract differs between electricity and natural gas. This is awkward for consumers and hinders the fluidity of transactions. However, it can only be corrected by a change in legislation.

1.2 Implementation of procedures

1.2.1 Adapting information systems

CRE reminds distribution system operators (DSOs) that by 1 July 2007 they must have set up operational information systems that can deal with all suppliers and their customers under the conditions defined in CRE communications.

CRE is concerned that some DSOs are late in developing their information systems. It has hired an external service provider to conduct an audit of customer management information systems operated by the DSO entity of EDF. If DSOs are not fully prepared, CRE asks that whenever possible they install transitional solutions imposing the fewest restraints on customers and suppliers. These transitional solutions must be presented to the working groups before the end of 2006.

CRE reminds operators that household and non-household customers should be treated under exactly the same conditions: there must be no discrimination between those who signed a regulated tariff contract and those who signed a market price contract.

DSO information systems must allow the possibility of monitoring supplier activity and the quality of procedure implementation on their grids and networks.

All DSOs' and suppliers' information systems must be interoperable. Before the end of 2006, DSOs must therefore draw up detailed specifications for procedures stipulated by the GTE and GTG and send the corresponding data exchange formats to suppliers.

DSOs must submit timetables for deployment of information systems and issuing of user guides to suppliers by the end of 2006.

To ensure that customers across France are dealt with in a more uniform manner, LDCs must play a greater role in the work of the GTE and GTG, particularly in defining the minimum set of data to be exchanged and a common exchange format.

1.2.2 Adapting DSO service catalogues and contracts

The necessary changes must be made to contracts governing relations between DSOs, suppliers and end customers. Likewise all the new information must be added to DSO service catalogues.

By the end of 2006, DSOs must provide CRE with their proposals for new services in response to the implementation of household customer procedures.

The contracts must clarify how responsibilities are shared between DSOs and suppliers when the customers' only contact is the supplier.

2 Other work

2.1 Key processes

2.1.1 Standardisation of processes regarding household and non-household customers

Most of the procedures designed for household customers will also apply to non-household customers. The main exception to this principle is the continuation of energy supply between two successive occupants, which will only apply to household customers.

For gas, a switch of supplier can be based on an estimated index for non-household customers subscribed to six-monthly meter readings. For customers subscribed to monthly or daily readings, switching supplier will continue to be based on a metered index.

For electricity, a procedure has been defined for connecting a household customer to a site that the previous occupant has left without terminating his supply contract. CRE requests that this procedure also be set up for non-household customers by the end of 2006.

2.1.2 Processes concerning both energy commodities at the same time

For DSOs using the same intervention services for both electricity and gas, suppliers will be able to have some operations for the two different energy commodities carried out at the same time.

This will mean that:

- Dates for switching supplier, connections and special meter readings can be synchronised;
- A customer benefiting from joint energy services has only one appointment.

Procedures for each energy commodity will nevertheless continue to be implemented independently: the interruption or delay of a procedure for one energy commodity must not affect implementation of the procedure for the other energy commodity.

The technical conditions for operating this system must be defined by the end of 2006 to enable deployment by the end of the first half of 2007.

2.1.3 Distinction between “non-household” and “household” customers

Suppliers must let DSOs know which customers are “non-household” and which are “household”, as DSOs need this information to manage commissioning and disconnections or to determine the electricity consumption profile to be applied. Suppliers must send this information to DSOs when customers are connected.

CRE requests that “household” or “non-household” be printed on customers’ bills.

2.1.4 Commissioning (excluding connection)

CRE requests that from the 1st of July 2007 information used by suppliers to formulate their commissioning applications be automatically pre-entered by DSOs on their forms. The following information should be pre-entered:

For both energy commodities:

- An indication of the connection or delivery point status: already active / not active;
- Date, level and type of last index if the previous supply contract for this site was terminated;

For electricity:

- Characteristics of the metering device;
- Circuit breaker setting range;

For gas:

- Annual reference consumption;
- Profile.

Electricity DSOs must adapt their information systems so that, as from 1 July 2007, they are able to inform suppliers, in real time, if the power level they have chosen for the new occupant of the site requires an operation at the site.

2.1.5 Customers without suppliers

Work undertaken in the second half of 2006 should define solutions for dealing with customers whose supplier defaults or customers who cannot find a supplier.

For electricity, the law does not cover the case of a defaulting supplier per se. For gas, the regulations only cover supplier failure in the case of customers providing a service of public interest. Legislative provisions are required to settle such situations.

Pending a legislative text, the GTE has established a procedure to be implemented if an electricity supplier defaults, which provides for the immediate handing over of the defaulting supplier’s portfolio to the last resort supplier.

The following procedure has been defined:

- When the failure of the supplier is announced, DSOs shall transfer the whole of the defaulting supplier’s portfolio to the last resort supplier;
- The effective date of transfer shall be the effective date of the supplier's failure. As from this date, the sites and current business are allocated to the portfolio of the last resort supplier and to the perimeter of the balancing responsible entity of the last resort supplier.

The following additional points are still to be defined by the GTE:

- Information to be communicated to customers of the defaulting supplier;

- Information that DSOs must make available to the last resort supplier when the defaulting supplier's portfolio is handed over.

For gas, the procedure in the event of supplier failure is due to be examined during the second half of 2006.

2.1.6 Cancellation of an unrequested supplier change

GTE discussions did not lead to a definition of the procedure allowing a customer whose **electricity** supplier has been changed against his wishes to return to his former supplier under the previous terms of sale.

By the end of 2006 CRE will therefore propose a solution for both energy commodities to protect customer interests. It will present this solution to the GTE and GTG.

2.1.7 Connection procedure

For electricity, in view of the demands made by customer representatives and installers, DSOs will consult with the parties concerned and present the details of the connection procedure (stages, contacts, services and lead-times) to suppliers, customers and installers at a GTE session.

For gas, detailed procedures for connecting and commissioning a new site have been drawn up. They distinguish between the following cases: a household or non-household customer making household use (heating) and a non-household customer making non-household use (process).

For each type of use, the customer may, if he wishes, entrust his connection request to a supplier offering this service.

Work defining the installers' role in the connection procedure is due to continue. Gas access procedures for collective housing, development areas and housing estates also require definition.

2.1.8 Index calculation and consistency check of customer meter readings

For both electricity and gas, CRE requests that DSOs present their detailed methods for calculating the estimated index to the working groups who will examine them during the second half of 2006. DSOs should also consult with suppliers and customers on their methods for monitoring the consistency of customer meter readings.

These methods must to be published by DSOs by the end of 2006.

2.1.9 Procedure for changing transmission price formulas

Electricity suppliers would like the current procedure for changing transmission price formulas to be improved. By the end of 2006, the GTE will look into ways of improving this procedure by seeking to make the index used more reliable. DSOs will have to set up automated communication tools to deal with requests for changing transmission price formulas made by suppliers, including grouped requests.

2.2 Customer – supplier – DSO relations

2.2.1 Changes to DSO-supplier contracts

Contracts between DSOs and electricity or gas suppliers will need to be modified when eligibility is extended to household customers. When this occurs, suppliers' requests for modifications to various aspects of the DSO-supplier contract will be examined (uniformity of DSO-supplier contracts,

contractual validity of flows sent by DSOs to suppliers before the actual change of supplier, methods for changing the transmission price formula, suppliers' responsibility, etc.).

Under their responsibility and in accordance with the legislative and regulatory conditions in force, suppliers may ask DSOs to cut off a customer or limit the electricity power level.

In line with the provisions of the DSO-supplier contract for electricity, the gas distribution contract must contain a specific article covering the complaint handling process. In particular, it must establish a commitment concerning the period of reply.

CRE asks gas network operators to study the means of setting up a single "safety repair" telephone number covering the whole of mainland France by the end of 2006.

2.2.2 Access to data

Access to technical data for consumption sites

CRE asks DSOs to set up IT tools enabling suppliers to obtain technical information on connection or delivery points.

For electricity, before the end of October 2006, DSOs will publish a detailed list of information that may be transmitted.

For gas, the list of technical information accessible to suppliers has been defined by the GTG. The automated tools for accessing this information must be set up by DSOs in 2008. In the meantime, suppliers may access this information using the means available for dealing with requests regarding non-household customers.

Access to contract data when a contract has been concluded

For electricity, the decree of 16 July 2001 on commercially sensitive information needs to be amended in order to specify the type of information that must be kept confidential by DSOs and the conditions under which a supplier who has concluded an electricity supply contract with end customers and has received permission from these customers, may access data relating to their activity.

Pending these new regulations, the GTE has defined a data access procedure for suppliers who have signed an electricity supply contract:

- Once the supplier has signed a contract with a customer for a given connection point, provided that the contract awards him the customer's permission, he may send a request for data access to the DSO. He must indicate the connection point number and date and number of the supply contract;
- The DSO checks the admissibility of the request (checking that the indicated connection point exists and that the contract date is appropriate);
- The supplier receives all requested information within a maximum of five days of making his request.

CRE recalls the importance, for suppliers, of having quick and reliable access to information about their customers' consumption records. It therefore considers that the five-day period can and should be further reduced.

It also asks DSOs to provide a detailed list of information that may be issued under the terms of this procedure by the end of October 2006.

For gas, procedures for accessing contract data once a contract has been signed must be established during the second half of 2006.

Access to contract data when a contract has not yet been signed (canvassing)

For gas, the GTG has defined conditions for accessing a customer's previous contract data applicable to a supplier conducting sales canvassing (a supplier wishing to draw up an offer for a customer who is not in his portfolio).

Pending DSOs' provision, in 2008, of automated tools for accessing contract information, an immediately applicable transitional procedure has been set up. Suppliers authorised by the customer may access the annual reference consumption, profile and, for sites with monthly or daily meter readings, the customer's consumption records.

For access to information relating to customers subscribed to daily meter readings, authorisation is subject, in every case, to a prior check by DSOs. For access to information relating to customers subscribed to monthly or six-monthly meter readings the check is conducted at random, at a later date.

Knowledge of gas-serviced sites

Since gas is not present through the whole of mainland France, to assist their access to the market, suppliers would like to access information (addresses and numbers of metering and estimation points) concerning sites already serviced with gas. GTG discussions reached no conclusions on this point as some DSOs refuse to issue this information to suppliers, citing the legislative provisions governing protection of commercially sensitive information.

As part of its work up to the end of the first quarter of 2007, the GTG will look for a solution.

Regarding service projects and new gas-serviced areas, in the second half of 2006 the GTG will define the practical arrangements for making information available (channels, media, presentation, etc.).

Case of non-household customers with several gas sites

The GTG still has to conduct a study into the advisability of allowing non-household customers with several gas sites to have direct access through DSOs to contractual information concerning all the sites managed by these DSOs. The results are expected for the end of 2006.

2.2.3 Metering errors and fraud

For electricity, following analyses conducted by the GTE, CRE considers that, in the event of customer fraud, any outstanding sums must be paid by suppliers for both the transmission and supply parts.

In the event of a metering error caused by meter malfunction, without customer fraud, any outstanding sums must be paid by the DSO. However, if DSOs are to assume the risk of outstanding sums, this must be reconciled with the fact that they are not responsible for collection, which is carried out by the supplier. To smooth out the process, the DSOs' risk may be transferred to the supplier in return for a consideration which, reflecting the average risk of an outstanding sum for this type of collection, will take the form of compensation paid by the DSO to the supplier.

After detecting the fraud or metering error, consumption that has not been billed is estimated by the DSO. Given the uncertainty in the estimation, for metering errors the DSO will apply a systematic discount on the estimated energy.

In all these situations, the consumption attributable to the site's previous supplier is not taken into account, but acknowledged as part of the DSOs' losses. However, consumption over the current supplier's period is passed onto the DSO, by entering it in the balancing responsible entity's report.

CRE has noted that the DSO entity of EDF wishes to deal with these fraud or error corrections by flow reconstitution, despite the increased complexity that this will create in this mechanism. To avoid impact on imbalance calculations for the balancing responsible entities' reports, the corrective energy amounts will only be taken into account for the time-based reconciliation calculation.

If the use of the flow reconstitution mechanism makes processing too complex, this settlement will have to be made by separate financial payments.

Estimation rules in the event of fraud or metering errors, methods for calculating the discount and for incorporation into the flow reconstitution and the fixed compensation paid to suppliers must be published by DSOs by the end of October 2006 for application by the end of 2006. Any excess costs for DSOs will be covered by the productivity gains obtained during the period of application of these measures.

For gas, CRE asks DSOs to consult with GTG participants and to publish the principles adopted for dealing with metering errors and fraud.

2.2.4 Proposal of interruption offers by alternative electricity suppliers

At present, alternative suppliers are unable to propose interruption offers. The supplier entity of EDF has proposed a release identical to the pricing signals it uses for its Tempo and EJP offers. CRE has noted EDF's proposal and its technical conditions must be defined by the end of 2006.

This proposal is a first step, but it does not enable alternative suppliers to propose a customised offer of interruption days or time-slots. Each supplier's construction of interruption offers is an issue tied in with the development of metering systems.

The results of the technico-economic study commissioned by CRE may shed light on this issue.

2.3 Profiling systems and flow reconstitution

2.3.1 For electricity

Flow reconstitution

Within the Committee of RTE users (CURTE), work on improving the systems set up for the opening of the non-household market has mainly concerned the time-based reconciliation system. New rules, presented by RTE, were approved by CRE in its decision of 8 June 2006.

The time-based reconciliation mechanism assumes that DSOs have readings covering the period in question for each site in their perimeter. CRE asks the GTE to study the necessary measures for reducing the number of cases where these readings are unavailable.

Quality of metering data

Suppliers are unhappy about the inadequate quality of some DSOs' metering data arising from a lack of monitoring or poor application of professional rules (for example, changing a supplier switch index at a later date). To reduce these cases, during the second half of 2006 DSOs must set up an initiative for improving the quality of metering data sent to suppliers.

Moreover, DSOs must clarify flow reconstitution rules used to process metering data containing anomalies (for example, breaks in measurement, missing origin code, etc.)

2.3.2 For gas

Profile range

A new profile range has been designed by the DSO entity of Gaz de France. It contains 9 profiles based on objective and reliable assignment criteria in accordance with the recommendations of the audit commissioned by CRE.

For customers subscribed to six-monthly meter readings, profiles are assigned on the basis of the consumption level, and for other types of customers, on the basis of the winter consumption part of the total consumption corrected for climate.

This new profile range has been applicable since 1 July 2006 with the following accompanying measures:

- Until 31 May 2007: a transitional adaptation coefficient will be applied to the profile assigned to non-household customers subscribed to six-monthly meter readings to allow for the fact that full market opening for these customers will not come into effect until 1 July 2007;
- Until 30 June 2007: the procedure for cancelling fines for exceeding subscribed capacities and imbalance tolerance levels will be extended by applying a reference adjustment coefficient k2, pending feedback on the effects of the new profile range.

Modification of the grid for calculating the adjustment coefficients k1 and k2: replacing a “transmission-distribution interface point” (PITD) grid with a “balancing zone” grid

The rules for allocating quantities to PITDs have been adjusted to incorporate this modification. In September 2006 the DSO Gaz de France began to use adjustment coefficients based on the balancing zone grid.

Standardised transmission capacity subscriptions

The first calculation of balancing coefficients A was carried out in July 2006 and is on schedule for deployment of the system, planned for 1 January 2007.

3 Changes in working group organisation

The priorities defined for the new work phase require a change in the organisation of the GTE and GTG which reflects the greater importance attached to exchanges on questions concerning consumers and information given to them and also on questions concerning the tightening of technical monitoring of procedure implementation.

The gas and electricity consumer committee has become a plenary committee along the same lines as the GTE and GTG plenary committees, to allow customer expectations to be taken more fully into account. It will provide a special opportunity for representatives of all household and non-household customers to exchange information and views, and will involve operators and public authorities.

The joint-energy working groups dealing with customer-supplier relations, information and communication, developments in metering systems and monitoring of charters (for non-household customers) will report to this plenary committee.

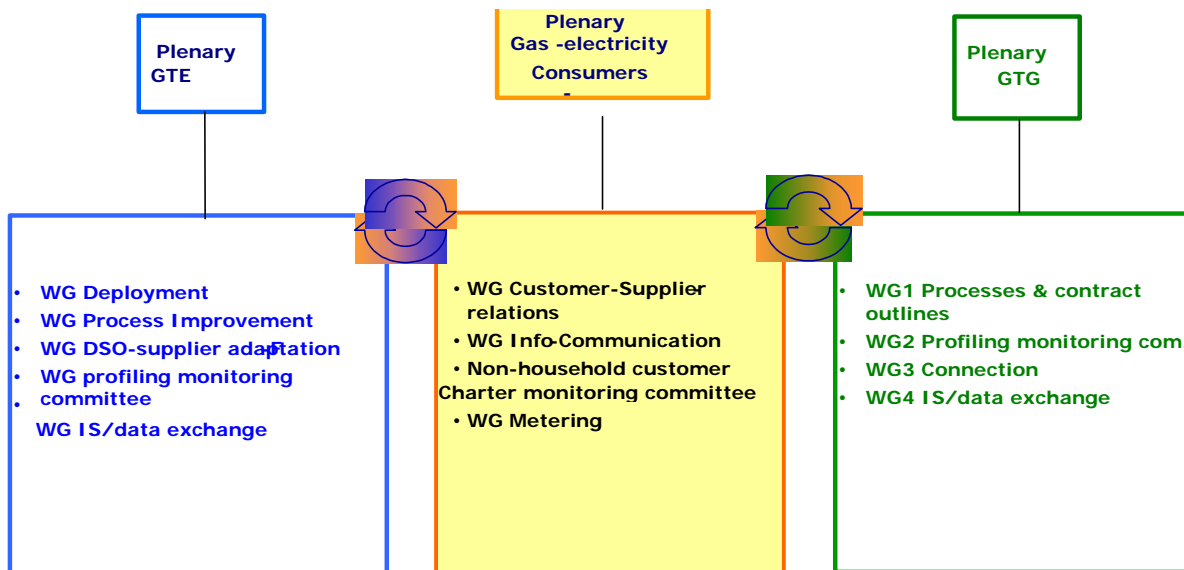
The subjects, requiring in-depth technical study by operators with implications for customers, will be examined by the GTE and GTG groups before being presented to the gas and electricity consumer plenary committee. The results of the technico-economic study commissioned by CRE into the benefits of replacing the current stock of low voltage electricity meters with automated electronic meters, planned for the first quarter of 2007, will also be presented to the groups.

Moreover, most players would like to improve discussion on subjects with national implications (profiling, data exchange). CRE therefore requests the DSO entity of EDF to chair the Specialised Profiling Committee (CSP) and Specialised Data Exchange Committee (CSED) which report directly to the GTE plenary committee.

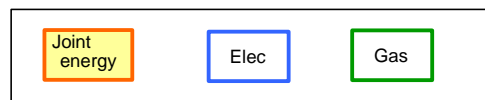
The IS and Processes Committee, whose work was completed at the end of the first half of 2006, is replaced by three working groups reporting to the GTE plenary committee:

- A “deployment” group whose roles will involve:
 - Finalisation of the 2007 processes and integration of the impacts of energy sector law into these processes;
 - Implementation of the processes in the information systems;
- A “process improvement” group in charge of feedback;
- A “DSO-supplier adaptation” group, in charge of examining modifications to the contract binding DSOs and suppliers.

Organisation of the GTG remains unchanged.



Key:



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For the Commission de régulation de l'énergie

The Chairman

Philippe de Ladoucette