

CONSUMER PROTECTION IN THE ENERGY SECTOR

CERC viewpoint

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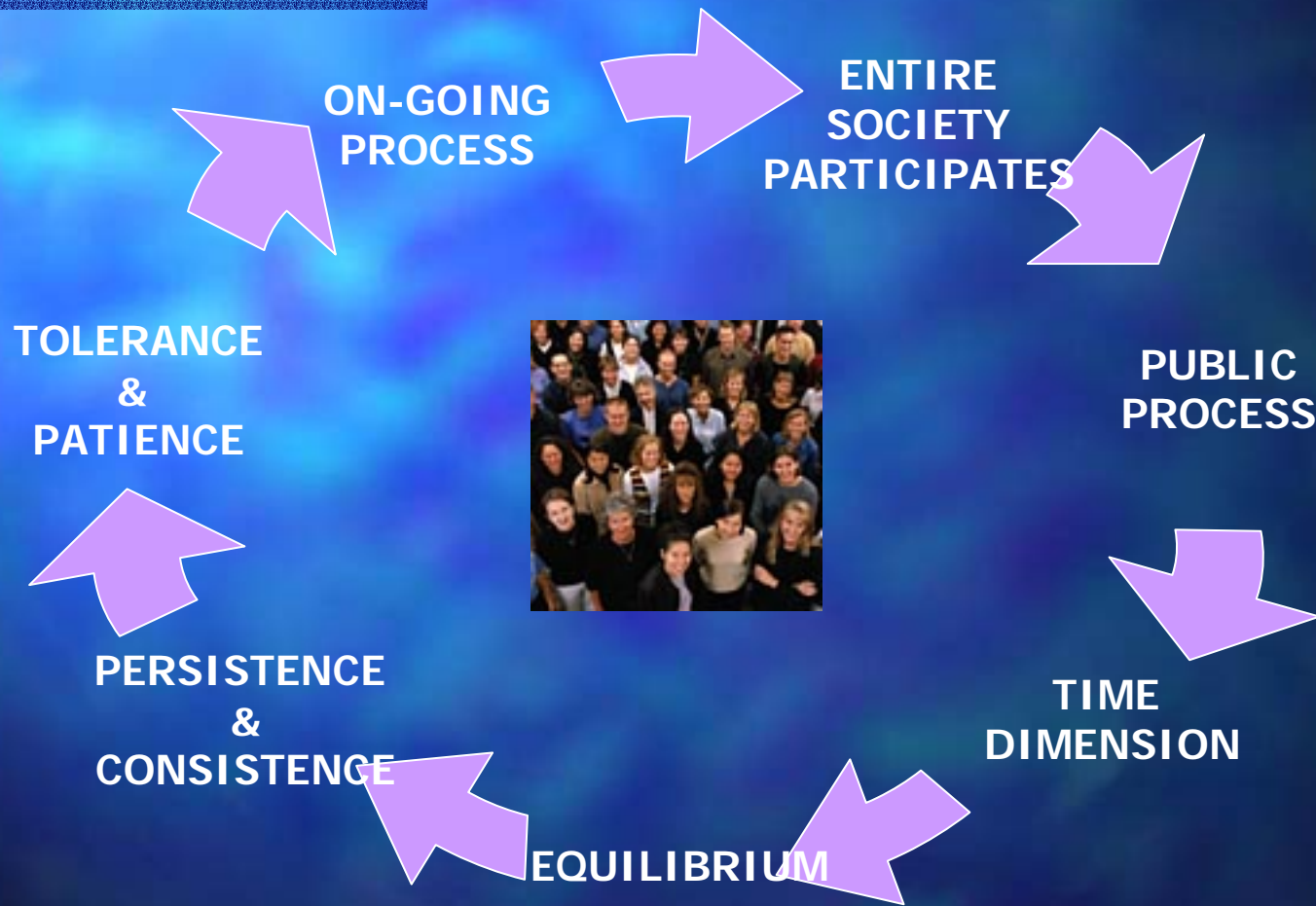
Overview (1)

- Consumer protection process
- Key players
- Problems facing consumer protection in Croatia
- National consumer protection goals
- National Consumer Protection Council
- National projects

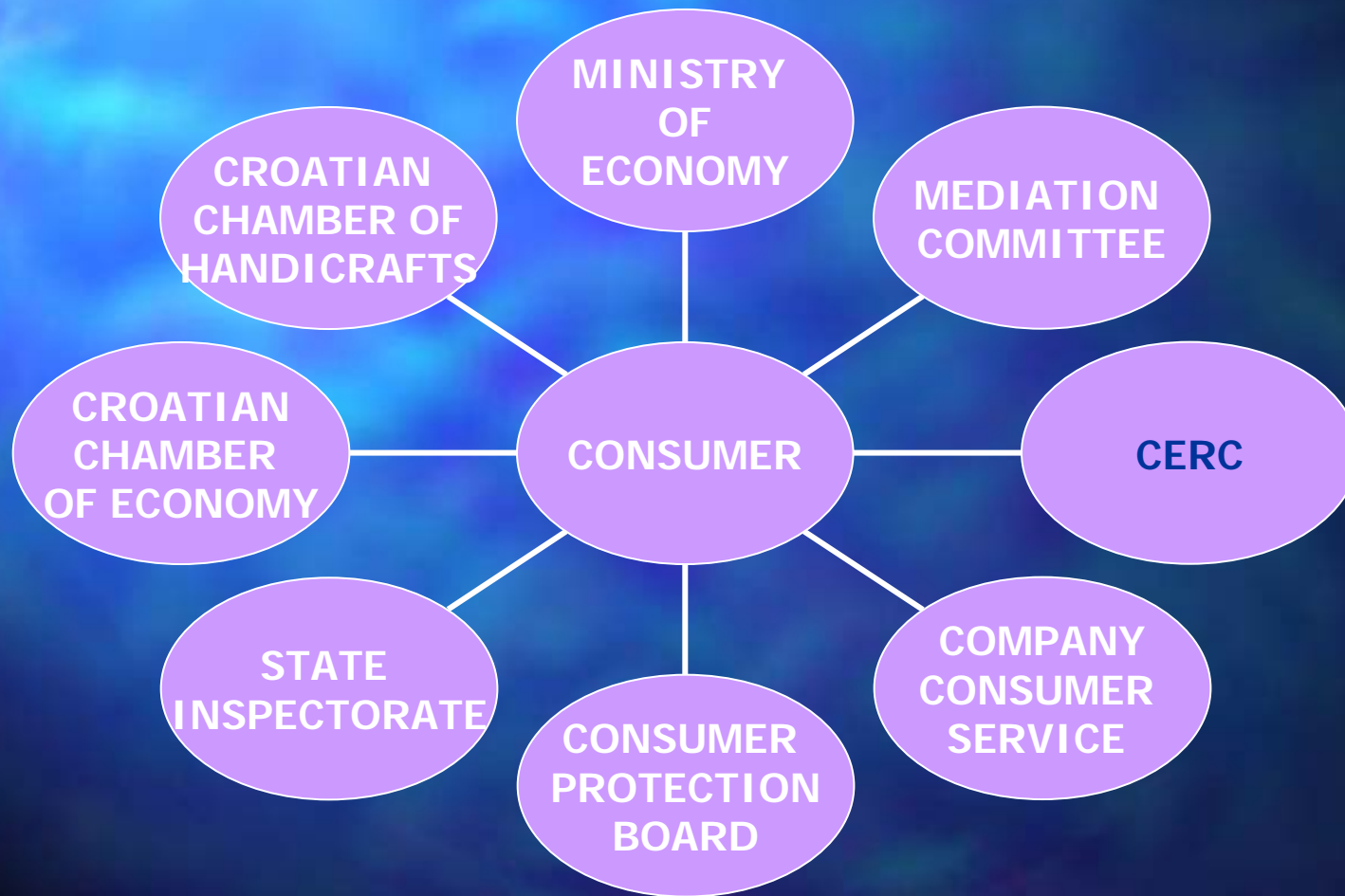
Overview (2)

- Legal background
- CERC jurisdiction & responsibilities
- Consumer complaint flowchart
- Complaints to CP Boards
- Queries to CERC
- Award to CERC
- Future activities

Consumer protection process



Consumer protection – key players



Problems facing consumer protection in Croatia (1)

- Laws and regulations - perspective of product and service providers
- Jurisdiction overlapping of supervisory authorities
- If no direct settlement, follows in-court dispute settlement according to Law on Obligatory Relations

Problems facing consumer protection in Croatia (2)

- Court settlement of disputes – time-consuming and expensive; consumer collects evidence
- Non-existence of consumer protection culture
- Long-term negligence of consumer rights: minimal levels of self-protection and consumer awareness

Consumer protection policy goals (1)

- Further harmonisation with EU legislation
- Adoption of National Consumer Protection Program
- Raising public awareness on consumer rights
- Consumer education: Smart Consumers

Consumer protection policy goals (2)

- Creation of clear product and service standards
- Strengthening of civil associations
- Clear definition of jurisdiction for supervisory bodies
- Empowering consumer position on market

National Consumer Protection Council

- Members from Consumer protection Associations, Ministries, CERC, Inspectorate...
- Approves National Consumer Protection Program (2004 – 2006) → in the pipeline

Ongoing National projects (1)

Preventive consumer protection in 2004

- Objective: award of financial means to Consumer protection Associations in order to provide information and counselling to consumers

Ongoing National projects (2)

Informing and educating consumers in 2004

- Objective: support to Consumer protection Associations in order to provide information to consumers and educate consumers

Legal background

- The Constitution of the Republic of Croatia
- Law on Consumer protection – Official Gazette 96/2003
- Set of Energy Laws – Official Gazette 68/2001 and 109/2001

Cases under CERC authority (1)

Law on Electricity market, Article 14

- power producer or eligible customer who have been refused access to the network or have objections concerning terms and conditions of access

Cases under CERC authority (2)

Law on Gas market, Articles 9 and 11

- A party may appeal to CERC in case of:
 - refused access to transmission system
 - refused access to distribution network
 - objections concerning terms and conditions of access

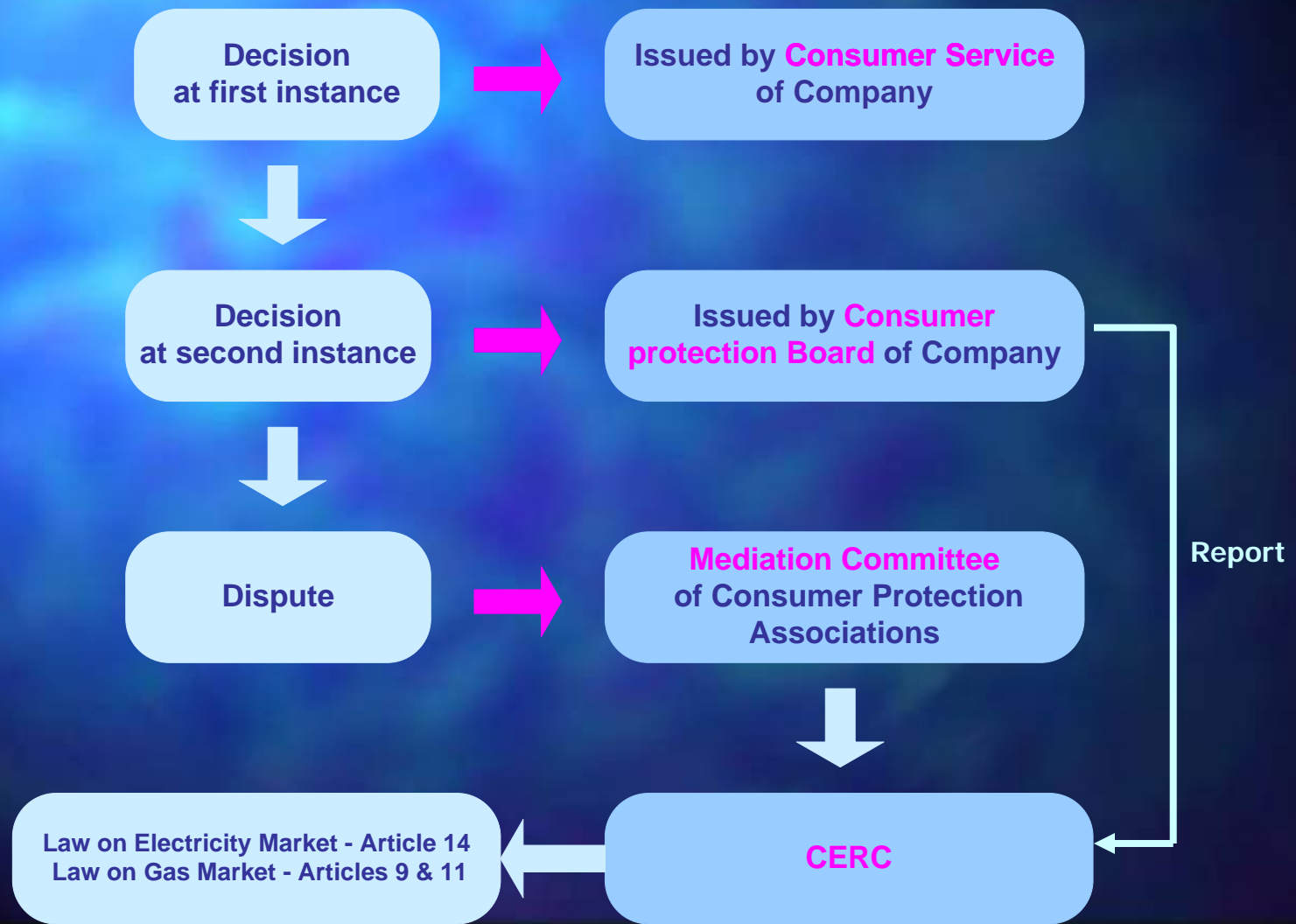
CERC responsibilities (1)

- Keep records of all consumer queries, complaints received
- Issue decisions in cases under jurisdiction
- Avoid discrimination
- Supervise competition in the energy markets

CERC responsibilities (2)

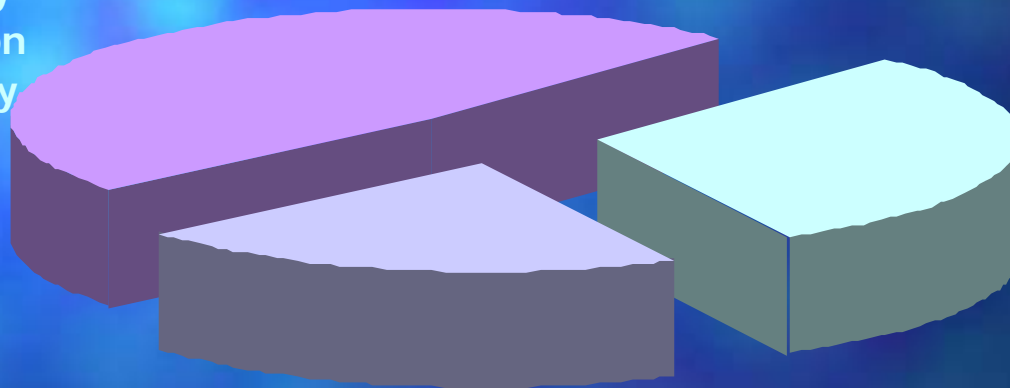
- Take part in achieving agreements between energy undertakings, consumers
- Accomplish other consumer protection goals through licensing procedures
- Cooperate with other bodies - Partnership with Croatian Competition Agency (May 2004)

Consumer complaint flowchart



Complaints to Consumer Protection Boards, Jan – Jun 2004

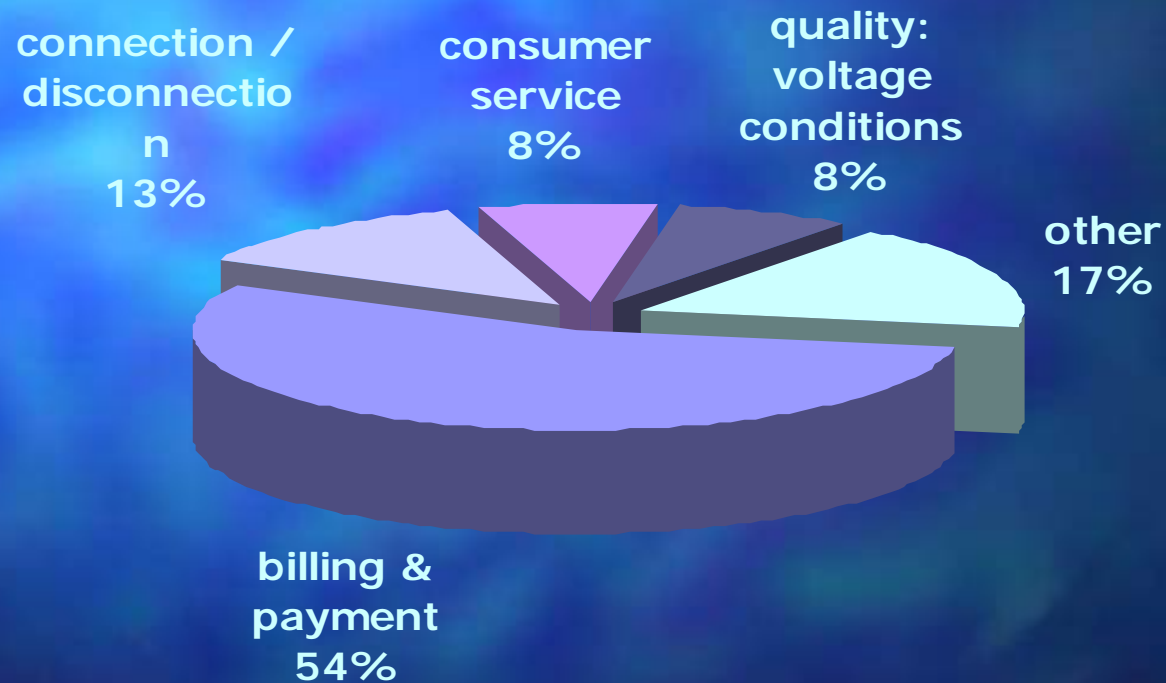
electricity
distribution
and supply
48%



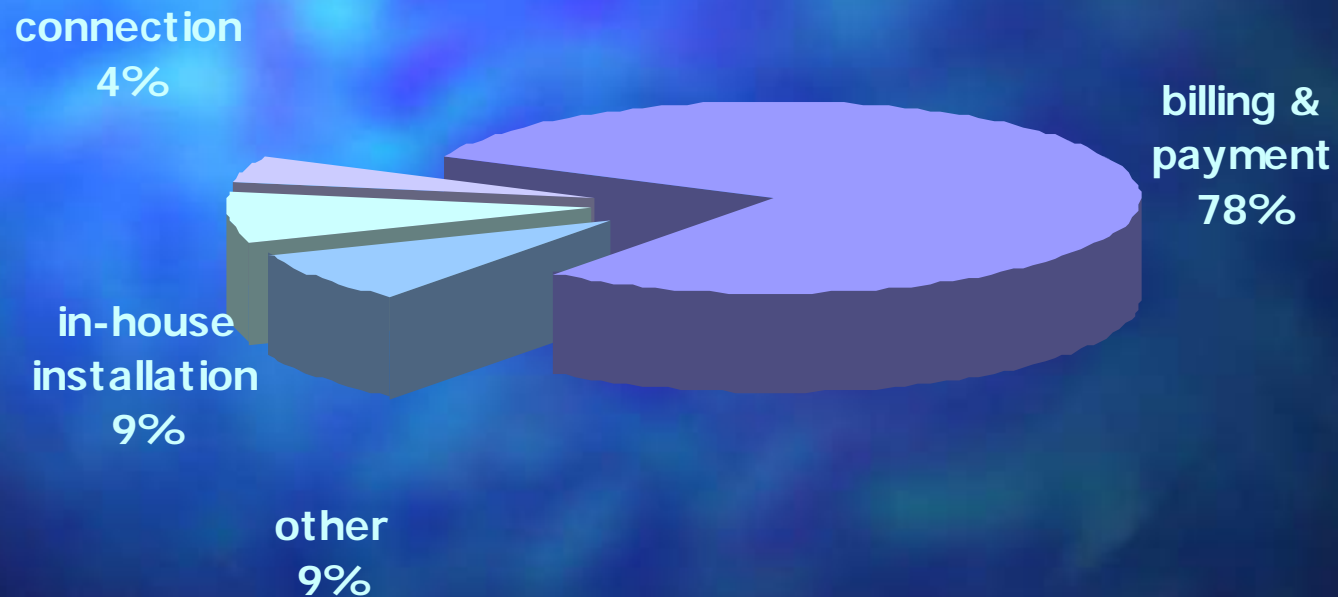
heat
distribution
and supply
21%

gas
distribution
31%

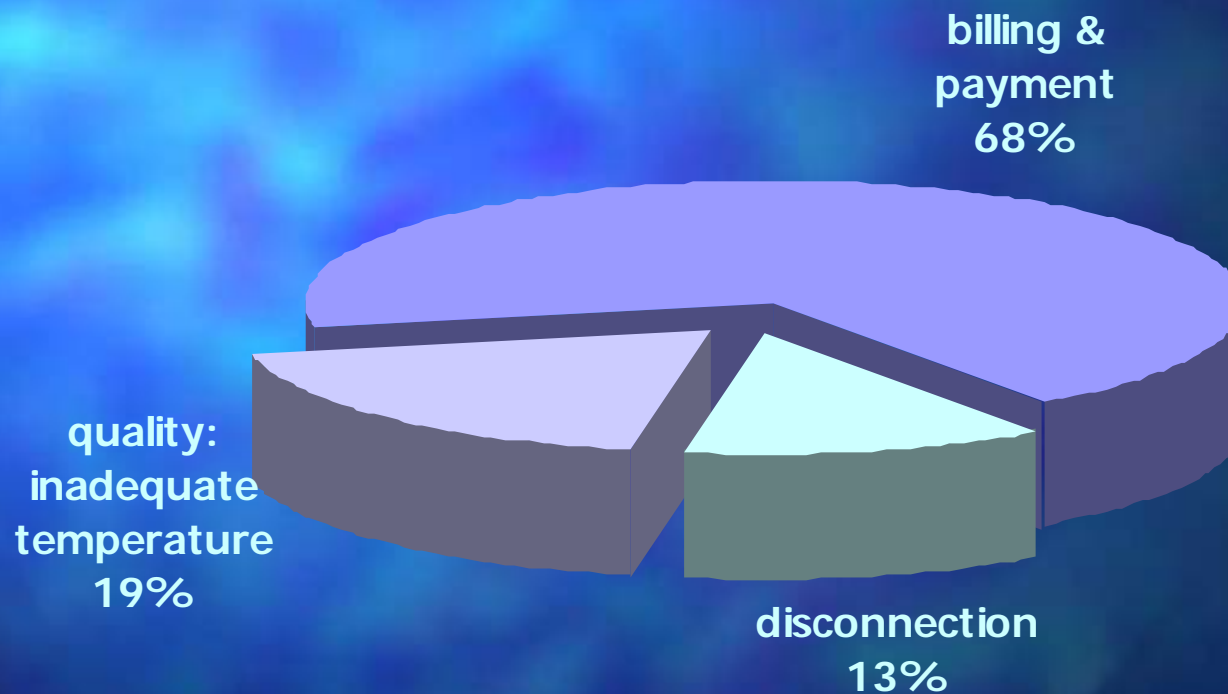
Electricity distribution and supply - reasons behind complaints



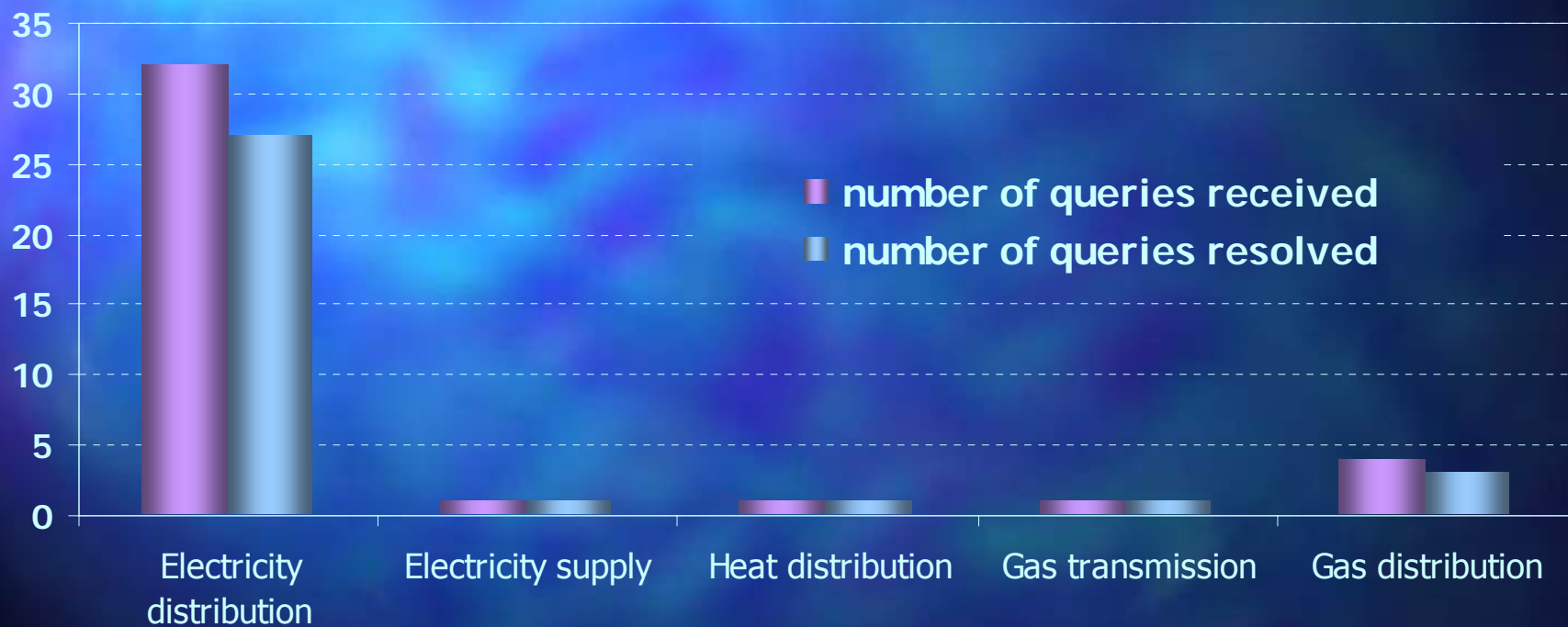
Gas distribution - reasons behind complaints



Heat distribution and supply - reasons behind complaints



Consumer queries to CERC in 2003



Award to CERC

- On occasion of World Consumer Rights Day, 15/3/2004, on National Assembly of Consumer Protection, CERC received an award for contribution in its work regarding consumer protection and education



Future activities

- Survey of consumer opinions on energy services – comparable to Eurobarometer studies
- Round tables with members from Consumer Protection Associations
- Continued cooperation with energy undertakings, Consumer Protection Boards, consumers ...