## **EUROPEAN PARLIAMENT**

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Committee on the Internal Market and Consumer Protection

2007/0196(COD)

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## **OPINION**

of the Committee on the Internal Market and Consumer Protection

for the Committee on Industry, Research and Energy

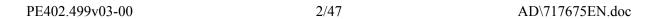
on the proposal for a Directive of the European Parliament and of the Council amending Directive 2003/55/EC concerning common rules for the internal market in natural gas

(COM(2007)0529 - C6-0317/2007 - 2007/0196(COD))

Draftsman: Toine Manders

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#### SHORT JUSTIFICATION

This proposed Directive is amending Directive 2003/55 and is "concerning common rules for the internal market in natural gas". It is part of the "energy package" ("The EU Electricity & Gas markets: third legislative package) which the Commission proposed in September 2007. Your draftsman welcomes the five proposals in the package and supports it in general terms, as it is very important in obtaining a true European energy internal market. The aims of the proposals are to ensure security of supply and to keep prices transparent and related to competitive markets to the benefits of all European consumers. In other words the aim is to support and further develop the ongoing liberalisation process in Europe, which the draftsperson strongly supports

Though the Draftsman welcomes the proposal, he is of the opinion that there are room for further improvement, mainly focused on consumer protection issues, and therefore proposes amendments along the following lines:

- Affordable and easy access to energy for all European consumers has a high priority for the draftsman and the IMCO Committee. Consumer protection measures in the gas sector are therefore very important, especially it is important to ensure that consumers can easily and without any extra cost change supplier, and have easy access to their data of consumptions etc. Furthermore the Draftsman supports the 2006 requirements (in the 2006/32/EC Directive on energy end-use efficiency and energy services) and urges Member States to implement a "smart metering" system, and to ensure that consumers' prepayment is adequate and reflect their actual consumption of gas.
- In order to secure the enforcement of the consumer protection measures in Annex A, the National Regulatory Authorities must secure effective implementation and enforcement of these measures. Furthermore the National Regulatory Authorities shall monitor it and sanction appropriately in case of non compliance with the rules. Quality of service should be a central goal for the gas undertakings.
- The Commissions proposal gives full independence to the regulatory authority. Under most judicial systems within the European Union, a legal court will only be able to check if the regulator has followed the right process in coming to a decision (marginal check), but will not be able to rule on the substance of the decision. The draftsman fears that this would give the regulatory authority a "carte blanche". This is against the general principles of checks and balances.
- The Draftsman is of the opinion that the security of supply to the benefits of European consumers can be best achieved by avoiding market concentration and ensuring establishing of an effective energy trading market. There are structural differences in the gas and the electricity sector. In the gas sector there is a concentration of suppliers and long-term contracts that underpin deliveries, and there is a lack of downstream liquidity. Therefore there is a need for a new trading system and to make the trading obligations mandatory.
- The Draftsman strongly supports the statement in the Resolution on Prospects for the internal gas and electricity market adopted by the Parliament 10 July 2007, that transmission unbundling is the most important tool to promote investments in infrastructures in a non discriminatory way.
- It is the obligation of the Member States to ensure a proper implementation and

- enforcement of this directive and the implementation of the 2nd energy package as well. The Draftsman strongly urges the Commission to sanction Member States that did not implement the 2nd Energy package yet.
- The Draftsman furthermore supports regional cooperation in order to secure a stronger integration of the gas pipelines in Europe. It has to be easier to reroute them in order to have a true functioning effective internal market. The Member States shall ensure and monitor the cooperation of the regional cooperation and ensure a minimum level of interconnections between the neighbouring Member States.
- In line with that there also have to be more transparency and more strict rules regarding the transmission, storage and/or LNG facilities, so it is easier for new entrants to enter the gas market.
- Finally the Draftsman welcomes the Commission's proposal regarding the exemption clause for new infrastructure (Article 22), but the article 22 should also imply for interconnectors between Member States and third countries.

#### **AMENDMENTS**

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission<sup>1</sup>

Amendments by Parliament

#### **Amendment 1**

Proposal for a directive – amending act Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) The Member States should promote cooperation at regional level, and monitor the effectiveness of the network at that level. Several Member States have already put forward a proposal that would fulfil this objective.

Justification

The Member States' promotion of the cooperation at regional level and the obligation to monitor the effectiveness of the network is very important in ensuring a true internal cross border market and cooperation.

Amendment 2		
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<sup>1</sup> OJ C , , p		

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# **Proposal for a directive – amending act** Recital 8 a

Text proposed by the Commission

Amendment

(8a) In order to ensure the proper enforcement of ownership unbundling requirements, the Commission should monitor and report to the European Parliament on the unbundling process in the Member States. The Commission should also pursue Member States who have failed to implement legislation in the field of energy in force at the time of entry into force of this Directive.

#### Justification

The implementation of the second energy package showed that the Commission should more closely monitor the transposition process and the date of transposition of this directive by the Member States

#### Amendment 3

# Proposal for a directive – amending act Recital 8 b (new)

Text proposed by the Commission

Amendment

(8b) Member States should promote regional cooperation, with the possibility of designating a regional coordinator in charge of facilitating dialogue between competent national authorities. Furthermore, new power plants should be connected to the grid in due course and in an effective manner.

## Justification

The third "Energy package" is very important in finalising the ongoing European liberalisation processes in the energy and gas sectors and thereby ensuring a genuine, transparent and open internal market.

# Proposal for a directive – amending act Recital 8 c (new)

Text proposed by the Commission

Amendment

(8c) In order to ensure proper implementation of the package, the Commission should assist those Member States which encounter problems in this field.

## Justification

In some Member States the effects of the second energy package remain to be seen; the second package has not been implemented or enforced properly yet due to certain national specificities.

#### Amendment 5

# Proposal for a directive – amending act Recital 14

Text proposed by the Commission

(14) The safeguarding of energy supply is an essential element of public security and is therefore inherently connected to the efficient functioning of the EU gas market. Use of the network is essential for gas to reach EU citizens. Functioning gas markets and in particular the networks and other assets associated with gas supply are essential for public security, for the competitiveness of the economy and for the well-being of the citizens of the Community. Without prejudice to the international obligations of the Community, the Community considers that the gas transmission system sector is of high importance to the Community and therefore additional safeguards are necessary regarding the influence of third countries in order to avoid any threats to Community public order and public security and the welfare of the citizens of the Community. Such measures are also necessary for ensuring compliance with the rules on effective unbundling.

#### Amendment

(14) The safeguarding of energy supply is an essential element of public security and is therefore inherently connected to the efficient functioning of the EU gas market. Use of the network is essential for gas to reach EU citizens. Functioning open gas markets with genuine trading possibilities, and in particular the networks and other assets associated with gas supply, are essential for public security, for the competitiveness of the economy and for the well-being of the citizens of the Community. Without prejudice to the international obligations of the Community, the Community considers that the gas transmission system sector is of high importance to the Community and therefore additional safeguards are necessary regarding the influence of third countries in order to avoid any threats to Community public order and public security and the welfare of the citizens of the Community. Such measures are also necessary for ensuring compliance with the rules on effective unbundling.

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#### Amendment 6

# Proposal for a directive – amending act Recital 15

Text proposed by the Commission

(15) It is necessary to ensure the independence of storage system operators in order to improve third party access to storage facilities that are technically and/or economically necessary for providing efficient access to the system for the supply of customers. It is therefore appropriate that storage facilities are operated through legally separate entities that have effective decision making rights with respect to assets necessary to maintain, operate and develop storage facilities. It is also necessary to increase transparency in respect of the storage capacity that is offered to third parties, by obliging Member States to define and publish a nondiscriminatory, clear framework that determines the appropriate regulatory regime applicable to storage facilities.

#### Amendment 7

# Proposal for a directive – amending act Recital 16

Text proposed by the Commission

(16) Non discriminatory access to the distribution network determines downstream access to customers at retail level. The scope for discrimination as regards third party access and investment is however less significant at distribution level than at transmission level because at distribution level congestion and the influence of production interests are generally less important than at transmission level. Moreover, functional unbundling of distribution system operators became, according to Directive 55/2003/EC, compulsory only as of 1 July 2007 and its effects on the internal market

#### Amendment

(15) It is necessary to ensure the independence of storage system operators in order to improve third party access to storage facilities that are technically and/or economically necessary for providing efficient access to the system for the supply of customers. It is therefore appropriate that storage facilities are operated through legally separate entities that have effective decision making rights with respect to assets necessary to maintain, operate and develop storage facilities. It is also necessary to increase transparency effectively in respect of the storage capacity that is offered to third parties, by obliging Member States to define and publish a nondiscriminatory, clear framework that determines the appropriate regulatory regime applicable to storage facilities.

#### Amendment

(16) Non-discriminatory access to the distribution network determines downstream access to customers at retail level. The scope for discrimination as regards third party access and investment is however less significant at distribution level than at transmission level because at distribution level congestion and the influence of production interests are generally less important than at transmission level. Moreover, functional unbundling of distribution system operators became, according to Directive 2003/55/EC, compulsory only as of 1 July 2007 and its effects on the internal market

still need to be evaluated. The rules on legal and functional unbundling currently in place can lead to effective unbundling provided they are more clearly defined, properly implemented and closely monitored. To create a level playing field at retail level, the activities of distribution system operators should therefore be monitored so that they are prevented from taking advantage of their vertical integration as regards their competitive position on the market, in particular in relation to small domestic and non-domestic customers.

**Amendment 8** 

# Proposal for a directive – amending act Recital 21 a (new)

Text proposed by the Commission

still need to be evaluated. The rules on legal and functional unbundling currently in place can lead to effective unbundling provided they are more clearly defined, properly implemented and closely monitored. To create a level playing field at retail level *and a genuine market*, the activities of distribution system operators should therefore be monitored so that they are prevented from taking advantage of their vertical integration as regards their competitive position on the market, in particular in relation to small domestic and non-domestic customers.

Amendment

(21a) The structural rigidities of the gas market which arise from the concentration of suppliers, the long-term contracts that underpin deliveries, and the lack of downstream liquidity result in an opaque pricing structure. In order to bring clarity to the cost structure, greater transparency is needed in the setting of prices, and a trading obligation should therefore be mandatory.

#### Justification

In order to facilitate market access for new and smaller gas companies and to create more transparency on the gas market and prices

#### Amendment 9

Proposal for a directive – amending act Recital 21 b (new)

Text proposed by the Commission

Amendment

(21b) Consumers should be at the centre of this Directive. Existing rights for consumers need to be strengthened and guaranteed, and should include greater

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transparency and representation.

Consumer protection means that all customers should benefit from a competitive market. Consumer rights should be enforced by national regulatory authorities by the creation of incentives and the imposition of sanctions on companies which do not comply with consumer protection and competition rules.

## Justification

Consumers should be empowered, and should be at the centre of the EU energy policy.

#### Amendment 10

Proposal for a directive – amending act Recital 21 c (new)

Text proposed by the Commission

Amendment

(21c) Consumer protection depends on the availability of effective channels of redress to all. Member States should introduce rapid and effective arbitration procedures, including extra-judicial procedures and a collective redress mechanism.

## Justification

Effective channels of redress are essential to ensure proper consumer protection. These measures, which should be of a legally binding nature must also be included among the constituent elements of the future Charter on the Rights of Energy Consumers currently being drawn up, which should ideally be presented by the Commission no later than six months after adoption of this directive.

#### Amendment 11

Proposal for a directive – amending act Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) All consumers should have the right to service delivery and complaint handling by their gas service provider in line with international standards ISO 10001, ISO 10002 and ISO 10003, and compliance

with the guidelines established should be monitored by the national regulator. Further ISO standards developed in this field should also be added to the required standards. This Directive should adopt standards and practice from the proposal for a directive on certain aspects of mediation in civil and commercial matters (2004/0251(COD)).

## Justification

ISO 10001 provides for customer satisfaction through establishing guidelines for codes of conduct. ISO 10002 provides guidelines for complaints handling. ISO 10003 provides guidelines for dispute resolution external to organisations. The development of a new ISO standard, to be designated ISO 10004, on monitoring and measuring customer satisfaction is currently underway, and this should be added to the required standards when completed, by means of the regulatory procedure with scrutiny.

#### **Amendment 12**

# Proposal for a directive – amending act Recital 23

Text proposed by the Commission

(23) The public service requirements and the common minimum standards that follow from them need to be further strengthened to make sure that all consumers can benefit from competition. A key aspect in supplying customers is access to consumption data, and consumers must have access to their data so that they can invite competitors to make an offer based on these data. Consumers also should have the right to be properly informed about their energy consumption. Regularly provided information on energy costs will create incentives for energy savings because it will give customers direct feedback on the effects of investment in energy efficiency and change of behaviour.

#### Amendment

(23) The public service requirements and the common minimum standards that follow from them need to be further strengthened to make sure that all consumers can benefit from competition and fairer prices. A key aspect in supplying customers is access to *objective* and transparent consumption data, and consumers must have access to their consumption data, associated prices and service costs so that they can invite competitors to make an offer based on these data. Consumers also should have the right to be properly informed about their energy consumption and prepayments should be adequate and reflect actual consumption of natural gas. Information on energy costs provided to consumers at least on a quarterly basis will create incentives for energy savings because it will give customers direct feedback on the

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## Justification

In pursuit of the objective of free and transparent competition, access to a range of data enables consumers to make an educated choice over their supplier of electricity. Furthermore, consumers should only be charged for the amount of energy they actually use every month

#### **Amendment 13**

Proposal for a directive – amending act Recital 23 a (new)

Text proposed by the Commission

Amendment

(23a) Member States should ensure the proper provision of individual meters (smart metering), as provided for by Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services<sup>1</sup>, in order to give consumers accurate information about energy consumption and to secure enduser efficiency.

<sup>1</sup> OJ L 114, 27.4.2006, p. 64.

## Justification

Smart meters give the consumers a better insight in their actual gas consumption and therefore contribute to a more considered use of gas.

#### Amendment 14

Proposal for a directive – amending act Recital 23 b (new)

Text proposed by the Commission

Amendment

(23b) The Commission should establish, in consultation with the European Parliament and the Council, a European Charter on the Rights of Energy Consumers. This Charter should provide a reference for measures to be established by Member States, national regulators, the Agency and the Commission. In

particular, rights established by the Charter should, where applicable, be adopted by the Commission as supplementary requirements under Annex A to Directive 2003/55/EC by means of the regulatory procedure with scrutiny. It should be possible to send a copy of the Charter to all consumers subscribing to new contracts.

## Justification

Once established, the Charter on the Rights of Energy users should be regarded as a comprehensive list of consumer rights in the energy sector, and so employed by all national and European authorities when regulating energy service providers. In particular, all rights, where applicable, established by the Charter that are additional to those already in Annex A of this Directive, should be added to the Directive and given full legal force.

#### Amendment 15

Proposal for a directive – amending act Recital 23 c (new)

Text proposed by the Commission

Amendment

(23c) Regular dialogue between energy consumer organisations and all other stakeholders (social partners, energy regulators, government representatives and so on) on all issues of energy consumer rights should be encouraged in order to ensure that the maximum is done to achieve a high level of energy consumer rights. Furthermore, consumer organisations and authorities responsible for consumer protection should cooperate to check the accuracy of the information provided by gas suppliers.

## Justification

A stronger civil society would provide for a better consumer rights protection. It is imperative to encourage its growth in all Member States.

# Proposal for a directive – amending act Recital 24

Text proposed by the Commission

(24) In order to contribute to security of supply whilst maintaining a spirit of solidarity between Member States, notably in the event of an energy supply crisis, it is important to provide a framework for regional solidarity cooperation.

#### Amendment

(24) In order to contribute to security of supply whilst maintaining a spirit of solidarity between Member States, notably in the event of an energy supply crisis, it is important to provide a *transparent and effective* framework for regional solidarity cooperation.

## Justification

Regional solidarity cooperation should be accessible to the public - transparency should allow a wider public scrutiny. Effective provision of solutions for eventual energy supply crisis is essential for the well-being of EU citizens.

#### **Amendment 17**

# Proposal for a directive – amending act Recital 25

Text proposed by the Commission

(25) In view of the creation of an internal market for gas, Member States should *foster* the integration of their national markets and the cooperation of network operators at European and regional level.

#### Amendment

(25) In view of the creation of an internal market for gas, Member States should *ensure and monitor* the integration of their national markets and the cooperation of network operators at European and regional level

## **Amendment 18**

Proposal for a directive – amending act Article 1 – point -1 (new) Directive 2003/55/EC Article 1 – paragraph 1

Text proposed by the Commission

- (-1) Article 1(1) shall be replaced by the following:
- "1. This Directive establishes common rules for the transmission, distribution, supply and storage of natural gas,

together with consumer protection provisions. To this end, it lays down the rules relating to the organisation and functioning of the natural gas sector, access to the market, the criteria and procedures applicable to the granting of authorisations for transmission, distribution, supply and storage of natural gas and the operation of systems."

#### **Amendment 19**

Proposal for a directive – amending act Article 1 – point 1 – point b a (new) Directive 2003/55/EC Article 2 – point 36 a (new)

Text proposed by the Commission

Amendment

(ba) the following point shall be added:

"36a. "energy poverty" means a situation in which a residential user cannot afford to heat his home to an acceptable level. Member States shall evaluate this level in accordance with the recommendations of the World Health Organisation. This situation shall also be evaluated in light of the scope for customers to purchase other energy services for their homes at reasonable prices."

#### Justification

Energy poverty is growing within the Member States of the European Union. We therefore need a clear and official definition of energy poverty at EU level to ensure harmonised standards of supply and consumer protection in all Member States.

#### Amendment 20

Proposal for a directive – amending act Article 1 –point 1 – point b b Directive 2003/55/EC Article 2 – point 36 b (new)

Text proposed by the Commission

Amendment

(bb) the following point shall be added:

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"36b. "affordable price" means a price defined by the Member States in consultation with national regulators, the social partners and other stakeholders, taking account of energy poverty;"

#### Justification

An 'affordable price' must be established in all the Member States, so as to ensure the protection of vulnerable consumers.

#### Amendment 21

Proposal for a directive – amending act Article 1 – point 1 a (new) Directive 2003/55/EC Article 3 – paragraph 2

Text proposed by the Commission

Amendment

(1a) Article 3(2) shall be replaced by the following:

"2. Having full regard to the relevant provisions of the Treaty, in particular Article 86 thereof, Member States may impose on undertakings operating in the gas sector, in the general economic interest, public service obligations which may relate to security, including security of supply, regularity, quality and price of supplies, and environmental protection, including energy efficiency, Community targets for the use of renewable energy and climate protection. Such obligations shall be clearly defined, transparent, non discriminatory, verifiable and shall guarantee equality of access for EU gas companies to national consumers. In relation to security of supply, energy efficiency/demand-side management and for the fulfilment of environmental goals, as referred to in this paragraph, Member States may introduce the implementation of long term planning, taking into account the possibility of third parties seeking access to the system."

#### **Amendment 22**

Proposal for a directive – amending act Article 1 – point 1 b (new) Directive 2003/55/EC Article 3 – paragraph 3

Text proposed by the Commission

Amendment

- (1b) Article 3(3) shall be replaced by the following:
- "3. Member States shall take appropriate measures to ensure that all household customers and small enterprises enjoy the benefits of a universal service, in particular the right to be supplied with gas of a specified quality at affordable, easily and clearly comparable, transparent and non-discriminatory tariffs and prices, including prices and tariffs adjusted according to the respective indexation mechanisms. Those measures shall bebased on actual energy consumption and the right to choice, fairness, representation and redress. Member States shall ensure that gas companies ensure quality of service.

Member States shall take all necessary measures to protect final customers and to ensure high levels of consumer protection, and shall, in particular, ensure that there are adequate safeguards to protect vulnerable customers, including appropriate measures to help them avoid disconnection. In this context, they may take appropriate measures to protect customers in remote areas who are connected to the gas system. Member States may appoint a supplier of last resort for customers connected to the gas network. Member States shall prohibit discriminatory charges on certain methods of payment, particularly for consumers charged by means of a prepayment meter. They shall ensure high

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levels of consumer protection, particularly with respect to transparency regarding general contractual terms and conditions. general information and dispute settlement mechanisms. Member States shall ensure that the eligible customer is effectively able to switch to a new supplier. As regards at least household customers, the measures provided for by this Article shall include at a minimum the establishment of those rights set out in Annex A. Member States shall strengthen the market position of domestic consumers by allowing for and promoting the possibility of voluntary aggregation of representation for this class of consumer."

#### Justification

Vulnerable and low income consumers are more likely to be forced to pay their energy charges by means of a pre-payment meter. As such, discriminatory higher charges for such payment methods mean poor consumers frequently pay more than financially more secure consumers, in absolute terms as well as by proportion of income. Forms of collective action, such as the 'super complaint' system adopted for UK consumers, can provide an effective means for consumers to act to uphold their own rights.

#### **Amendment 23**

Proposal for a directive – amending act Article 1 – point 1 c (new) Directive 2003/55/EC Article 3 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

(1c) in Article 3, the following paragraph shall be added:

"3a. Member States shall ensure high levels of consumer protection, particularly with respect to transparency regarding general contractual terms and conditions, general information and dispute settlement mechanisms. Member States shall ensure that the eligible customer is easily and effectively able to switch to a new supplier, within a period of a

duration of not longer than one month and free of charge. For household customers, measures to these effects shall include the consumer protection measures set out in Annex A."

(This amendment is almost entirely based on the second part of existing Article 3, paragraph 3 of Directive 2003/55 EC)

## Justification

It is imperative that customers are able to have the choice of changing suppliers without any cost, this would also enable a more competitive market.

#### Amendment 24

Proposal for a directive – amending act Article 1 – point 1 d (new) Directive 2003/55/EC Article 3 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

(1d) in Article 3, the following paragraph shall be added:

"3b. Member States shall ensure the transparency and predictability of published prices, tariffs (and parameters for calculating the tariffs), and any indexation mechanisms and attached conditions through comprehensible and easily accessible calculation methods or through any other form of communication notified to and monitored or approved by the independent national regulator. These measures shall be communicated by the independent national regulator to the Agency for the Cooperation of Energy Regulators."

## Justification

Transparency in tariffs of gas are needed to ensure consumer protection and that no surcharges are being made. It is of the responsibility of Member States to ensure that all tariffs or changes in tariffs are being communicated to the consumers.

#### **Amendment 25**

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## Proposal for a directive – amending act Article 1 – point 1 e (new)

Directive 2003/55/EC Article 3 – paragraph 3 c (new)

Text proposed by the Commission

Amendment

(1e) in Article 3, the following paragraph shall be added:

"3c. Member States shall ensure that energy consumers receive transparent and easily comprehensible energy invoices based on actual energy consumption. Energy invoices shall be timely and frequent enough to provide accurate and comprehensible information. Member States shall develop standard invoicing with standardised information to be used by all suppliers in order to increase transparency and allow comparability. Consumers shall be informed, on a regular basis and at least every month, of their energy consumption. Information on the rights of consumers shall be displayed on the websites of gas companies or independent national regulators."

## Justification

To ensure better consumer protection, energy consumption should be based on actual energy consumption and available to consumer on a monthly basis. This would enable consumers to have a better insight in their actual gas consumption and therefore contribute to a more considered use of gas.

## **Amendment 26**

Proposal for a directive – amending act Article 1 – point 1 f (new) Directive 2003/55/EC Article 3 – paragraph 3 d (new)

Text proposed by the Commission

Amendment

(1f) in Article 3, the following paragraph shall be added:

"3d. Member States shall ensure that suppliers or network operators install

easily accessible help-lines to deal with connection problems and other service quality issues, as well as physical single entry points for any consumer information request. Member States shall ensure that suppliers and network operators put in place a common entry point for consumer complaints."

## Justification

Suppliers or network operators should be responsible for creating help-lines and help-desks to provide consumers with as much information as possible as well as any other help. A physical single entry point is of great importance for consumer protection.

#### Amendment 27

Proposal for a directive – amending act Article 1 – point 1 g (new) Directive 2003/55/EC Article 3 – paragraph 3 e (new)

Text proposed by the Commission

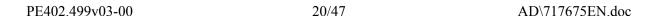
Amendment

(1g) in Article 3, the following paragraph shall be added:

"3e. The Commission shall promote the financing and implementation of the provision to individual consumers of smart meters, accurately reflecting actual energy consumption and time of use. Member States shall ensure the proper provision of such meters in order to give consumers accurate information about energy consumption and to secure enduser efficiency, in conformity with point (i) of Annex A."

## Justification

Smart meters give consumers a more accurate idea of their actual gas consumption, thereby helping to achieve greater end-use efficiency.



## Proposal for a directive – amending act Article 1 – point 2 a (new)

Directive 2003/55/EC Article 5 – paragraph 1 a (new)

Text proposed by the Commission

#### Amendment

(2a) in Article 5, the following paragraph shall be added:

"Ia. For reasons relating to security of supply, reciprocity between access to upstream market activities in third countries and downstream activities in the EU shall be ensured through adequate measures."

#### Amendment 29

ARTICLE 1, POINT 3 Article 5a, paragraph 3 (Directive 2003/55/EC)

Text proposed by the Commission

Amendment

3. The Commission shall be kept informed of this cooperation.

3. The Commission shall be kept informed of this cooperation, *monitor it and report thereon to the European Parliament*.

#### **Amendment 30**

Proposal for a directive – amending act Article 1 – point 3 Directive 2003/55/EC Article 5a – paragraph 4

Text proposed by the Commission

4. The Commission *may* adopt *guidelines* for regional solidarity cooperation. *This measure*, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 30 (3).

### Amendment

4. The Commission *shall, by ...\**, adopt *measures* for regional solidarity cooperation. *These measures*, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 30 (3).

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<sup>\*</sup> One year from the entry into force of the amending Directive.

#### Amendment 31

Proposal for a directive – amending act Article 1 – point 3

Directive 2003/55/EC Article 5b

Text proposed by the Commission

Member *States* shall cooperate among themselves for the purpose of integrating their national markets at least at the regional level. In particular, *Member States* shall *promote* the cooperation of network operators at a regional level, and foster the consistency of their legal and regulatory framework. *The geographical area covered by regional cooperations shall be in line with the definition of geographical areas by the Commission in accordance with Article 2h(3) of Regulation (EC) No 1775/2005.* 

- 1. Member States' authorities and regulators shall cooperate among themselves for the purpose of integrating their national markets at least at the regional level. In particular, they shall ensure the cooperation of network operators at a regional level, and foster the convergence and consistency of their legal and regulatory framework.
- 2. When cooperation between several Member States at regional level encounters significant difficulties, following the joint request of those Member States the Commission may designate, in agreement with all Member States concerned, a regional coordinator.
- 3. The regional coordinator shall promote at regional level the cooperation of regulatory authorities and any other competent public authorities, network operators, power exchanges, grid users and market parties. In particular, it shall:
- (a) promote efficient investments in interconnections. To this end, it shall assist TSOs in working out their regional interconnection plan and contribute to the coordination of their investments decisions and, where appropriate, their open season procedure;
- (b) promote the efficient and safe use of networks. To this end, it shall contribute to coordination between TSOs, national regulatory authorities and other competent national public authorities in

working out common allocation and safeguard mechanisms;

(c) submit a report every year to the Commission and the Member States concerned on progress achieved in the region and on any difficulty or obstacle thereto.

## Justification

Regional coordinators could play an important role in facilitating the dialogue between Member States, notably as regards cross-border investments.

#### **Amendment 32**

Proposal for a directive – amending act Article 1 – point 6 Directive 2003/55/EC Article 8 – paragraph 1, point (a)

Text proposed by the Commission

(a) operate, maintain and develop under economic conditions secure, reliable and efficient transmission, storage and/or LNG facilities, with due regard to the environment, and promote energy efficiency and research and innovation notably with respect to ensuring penetration of renewables and dissemination of low carbon technology.

#### Amendment

(a) operate, maintain and develop under economic conditions secure, reliable and efficient transmission, storage and/or LNG facilities to secure an open market for new entrants, with due regard to the environment, and promote energy efficiency and research and innovation notably with respect to ensuring penetration of renewables and dissemination of low carbon technology.

## Justification

The market access for smaller and new companies should be guaranteed.

#### **Amendment 33**

Proposal for a directive – amending act Article 1 – point 8 Directive 2003/55/EC Article 9

Text proposed by the Commission

Amendment

Article 9

deleted

Independent system operators

AD\717675EN.doc 23/47 PE402.499v03-00

- 1. Where the transmission system belongs to a vertically integrated undertaking on entry into force of this Directive, Member States may grant derogations from Article 7(1), provided that an independent system operator is designated by the Member State upon a proposal from the transmission system owner and subject to approval of such designation by the Commission. Vertically integrated undertakings which own a transmission system may not in any event be prevented from taking steps to comply with Article 7(1).
- 2. The Member State may approve and designate an independent system operator only where::
- a) the candidate operator has demonstrated that it complies with the requirements of Article 7(1)(b) to (d);;
- b) the candidate operator has demonstrated that it has at its disposal the required financial, technical and human resources to carry out its tasks under Article 8;;
- c) the candidate operator has committed to complying with a ten year network development plan proposed by the regulatory authority; the transmission system owner has demonstrated its ability to comply with its obligations under paragraph 6. To this effect, it shall provide all the draft contractual arrangements with the candidate undertaking and any other relevant entity;
- e) the candidate operator has demonstrated its ability to comply with its obligations under Regulation (EC) No 1775/05 of the European Parliament and of the Council of 28 September 2005 on conditions for access to the natural gas transmission network\* including the cooperation of transmission system operators at European and regional level.
- 3. Undertakings which have been certified by the regulatory authority as having

- complied with the requirements of Articles 7a and 9(2) shall be approved and designated as independent system operators by Member States. The certification procedure in Article 7b shall be applicable.
- 4. Where the Commission has taken a decision in accordance with the procedure in Article 7b and finds that the regulatory authority has not complied with its decision within two months, it shall, within a period of six months, designate, on a proposal from the Agency and after having heard the views of the transmission system owner and the transmission system operator, an independent system operator for a period of 5 years. At any time, the transmission system owner may propose to the regulatory authority the designation of a new independent system operator pursuant to the procedure in Article 9(1).
- 5. Each independent system operator shall be responsible for granting and managing third party access, including the collection of access charges and congestion rents, for operating, maintaining and developing the transmission system, as well as for ensuring the long term ability of the system to meet reasonable demand through investment planning. When developing the network the independent system operator is responsible for planning (including authorisation procedure), construction and commissioning of the new infrastructure. For this purpose, it shall act as a transmission system operator in accordance with this Chapter. Transmission system owners may not be responsible for granting and managing third party access, nor for investment planning.
- 6. Where an independent system operator has been designated, the transmission system owner shall:
- a )provide all the relevant cooperation

and support to the independent system operator for the fulfilment of its tasks, including in particular all relevant information;

- b) finance the investments decided by the independent system operator and approved by the regulatory authority, or give its agreement to financing by any interested party including the independent system operator. The relevant financing arrangements shall be subject to approval by the regulatory authority Prior to this approval, the Regulatory Authority shall consult the asset owner together with other interested parties;
- c) provide for the coverage of liability relating to the network assets that it owns and are managed by the independent system operator, excluding the liability relating to the tasks of the independent system operator;
- d) provide guarantees to facilitate financing any network expansions with the exception of those investments where, pursuant to paragraph b, it has given its agreement to financing by any interested party including the independent system operator.
- 7. In close cooperation with the regulatory authority, the relevant national competition authority shall be granted all relevant powers to effectively monitor compliance of the transmission system owner with its obligations under paragraph 6.

#### Amendment 34

Proposal for a directive – amending act Article 1 – point 13

Directive 2003/55/EC Article 22 – paragraph 3 - subparagraph 1

Text proposed by the Commission

3. The regulatory authority referred to in

Amendment

3. The regulatory authority referred to in

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Chapter VIa *may*, on a case by case basis, decide on the exemptions referred to in paragraphs 1 and 2. Where the infrastructure in question is located in the territory of more than one Member State, the Agency shall exercise the tasks conferred on the regulatory authority by the present Article.

Chapter VIa *shall*, on a case by case basis, decide on the exemptions referred to in paragraphs 1 and 2. Where the infrastructure in question is located in the territory of more than one Member State, the Agency shall exercise the tasks conferred on the regulatory authority by the present Article.

#### **Amendment 35**

# Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24b – point (a)

Text proposed by the Commission

(a) the promotion, in close cooperation with the Agency, regulatory authorities of other Member States and the Commission, of a competitive, secure and environmentally sustainable internal gas market within the Community, and effective market opening for all consumers and suppliers in the Community;

## **Amendment 36**

## Proposal for a directive – amending act Article 1 – point 14 Directive 2003/55/EC Article 24b – point (b)

Text proposed by the Commission

(b) the development of competitive *and* properly functioning regional markets within the Community in view of the achievement of the objective mentioned in point (a);

#### Amendment

(a) the promotion, in close cooperation with the Agency, regulatory authorities of other Member States and the Commission, of a competitive, *transparent*, secure and environmentally sustainable internal gas market within the Community, and effective market opening for all consumers and suppliers in the Community;

#### Amendment

(b) the development of competitive, *transparent*, properly *and effectively* functioning regional markets within the Community in view of the achievement of the objective mentioned in point (a);

#### Justification

Regional markets should provide gas market which is transparent to the public, and which effectively and at reasonable prices provides energy supplies to all consumers in the Community.

#### Amendment 37

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## Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24b – point (d)

Text proposed by the Commission

(d) ensuring the development of secure, reliable and efficient systems, promoting energy efficiency, system adequacy and research and innovation to meet demand and the development of innovative renewable and low carbon technologies, in both short and long term;

#### **Amendment 38**

# Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24c – paragraph 1 – point (b)

Text proposed by the Commission

(b) cooperating on cross-border issues with the regulatory authority or authorities of those Member States;

#### Amendment

(d) ensuring the development of secure, *transparent*, reliable and efficient systems, promoting energy efficiency, system adequacy and research and innovation to meet demand and the development of innovative renewable and low carbon technologies, in both short and long term;

#### Amendment

(b) cooperating on cross-border issues with the regulatory authority or authorities of those Member States, with a view to ensuring, inter alia, that TSOs jointly build sufficient interconnection capacity between their respective transmission infrastructures so as to ensure efficient overall market performance and security of supply without discriminating between suppliers in different Member States;

#### Justification

Regulatory scrutiny, whether it is of publicly or privately owned TSOs, will need to ensure that decisions on investment and use of infrastructure take equal account of customers solely within the national boundaries and of customers using connected systems. In this respect paragraph 1.b is weak. The main purpose or objective of cooperation between National Regulatory Authorities needs to be made clear.

#### **Amendment 39**

Proposal for a directive – amending act Article 1 – point 14 Directive 2003/55/EC Article 24c – paragraph 1 – point (g)

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## Text proposed by the Commission

# (g) monitoring network security and reliability, and reviewing network security and reliability rules;

#### Amendment

(g) monitoring network security and reliability, setting or approving standards and requirements for quality of service and supply and reviewing performance in terms of quality of service and supply, network security and reliability rules;

### Justification

Some national regulatory authorities have already this duty to monitor the functioning of the electricity market also in terms of quality of supply and services to consumers, who will then have a real benefit from more consistent and transparent regulation.

#### Amendment 40

Proposal for a directive – amending act Article 1 – point 14 Directive 2003/55/EC Article 24c – paragraph 1 – point (i)

*Text proposed by the Commission* 

(i) monitoring the level of market opening and competition at wholesale and retail levels, including on natural gas exchanges, household prices, switching rates, disconnection rates and household complaints in an agreed format, as well as any distortion or restriction of competition in cooperation with competition authorities, including providing any relevant information, bringing any relevant cases to the attention of the relevant competition authorities;

#### Amendment

(i) monitoring the level of *effective* market opening and competition at wholesale and retail levels, including on natural gas exchanges, household prices, switching rates, *adequate prepayment conditions reflecting actual consumption, connection and* disconnection rates, *maintenance charges*, and household complaints in an agreed format, as well as any distortion or restriction of competition in cooperation with competition authorities, including providing any relevant information, bringing any relevant cases to the attention of the relevant competition authorities;

## Justification

Empowering the authority to monitor a wider range of rates and charges is in the interests of greater consumer choice

## Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24c – paragraph 1 – point (1)

Text proposed by the Commission

(l) without prejudice to the competence of other national regulatory authorities, ensuring high standards of public service for natural gas, the protection of vulnerable customers, and that consumer protection measures set out in Annex A are effective;

#### Amendment

(l) without prejudice to the competence of other national regulatory authorities, ensuring across the EU even, transparent and high standards of public service for natural gas consumers, and ensuring the protection of vulnerable customers, and that consumer protection measures set out in Annex A are effective and are implemented properly in the interests of consumers, penalties being imposed for non-compliance by supply companies in accordance with the provisions in force;

## Justification

The regulatory authorities must ensure not only the effectiveness of, but also compliance with, consumer protection measures.

#### Amendment 42

Proposal for a directive – amending act Article 1 – point 14 Directive 2003/55/EC Article 24c – paragraph 1 – point (n)

Text proposed by the Commission

(n) ensuring access to customer consumption data, the application of *a* harmonised format for *consumption* data and *the* access to data under paragraph (h) of Annex A;

## Amendment

(n) ensuring access to customer consumption data, including on prices and related expenditure, the application of an easily understandable harmonised format for such data, adequate prepayment that reflects actual consumption and prompt access for all customers to such data under paragraph (h) of Annex A;

## Justification

Consumers pay their gas in advance, e.g. every month. Often this upfront payment does not reflect the actual consumption by the consumer. Energy companies therefore receive an

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interest free loan from consumers. With new technologies - such as smart metering - energy companies can ask for more adequate pre payments.

#### Amendment 43

## Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24c – paragraph 3 – introductory part

Text proposed by the Commission

3. Member States shall ensure that regulatory authorities are granted *the* powers enabling them to carry out the duties referred to in paragraph 1 and 2 in an efficient and expeditious manner. *For this purpose, the* regulatory authority shall have at least the following powers:

#### Amendment

3. Member States shall ensure that regulatory authorities are granted powers enabling them to carry out the duties referred to in paragraph 1 and 2 within the defined framework and within their national legal mandate in an efficient and expeditious manner. The regulatory authority shall have at least the following powers:

#### **Amendment 44**

## Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24c – paragraph 3 – point (b)

*Text proposed by the Commission* 

(b) to carry out in cooperation with the national competition authority investigations of the functioning of gas markets, and to decide, in the absence of violations of competition rules, of any appropriate measures necessary and proportionate to promote effective competition and ensure the proper functioning of the market, including gas release programs;

## Amendment

(b) to carry out in co-operation with the national competition authority investigations *into* the functioning of gas markets, and to decide, based on such *investigations, on* any measures necessary and proportionate to promote effective competition and to ensure the proper functioning of the market, including gas release programs. In the absence of a violation of competition rules, those measures shall be taken in cases where less than 20 % of the inflow of gas into a Member State or relevant market is offered to the wholesale market through a transparent and non-discriminatory process, e.g. an exchange;

## Justification

Under most judicial systems within the European Union, a legal court will only be able to check if the regulator has followed the right process in coming to a decision (marginal check). Furthermore in order to facilitate market access for new and smaller gas companies and to create more transparency on the gas market.

#### **Amendment 45**

Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24c – paragraph 4 – point (a)

Text proposed by the Commission

(a) connection and access to national networks, including transmission and distribution tariffs, and terms, conditions and tariffs for access to LNG facilities. These tariffs shall allow the necessary investments in the networks and LNG facilities to be carried out in a manner allowing these investments to ensure the viability of the networks and LNG facilities:

#### Amendment

(a) connection and access to national networks, including transmission and distribution tariffs and their methodologies, or alternatively, the methodologies, and the monitoring thereof, for setting or approving transmission and distribution tariffs, and terms, conditions and tariffs for access to LNG facilities, including their methodologies, or alternatively, the methodologies, and the monitoring thereof, for setting or approving tariffs for access to LNG facilities. These tariffs shall allow the necessary investments in the networks and LNG facilities to be carried out in a manner allowing these investments to ensure the viability of the networks and LNG facilities. This may cover special regulatory treatment for new investments;

## Justification

It is appropriate to ensure that the national regulatory authorities are responsible for setting or approving transmission and distribution tariffs and their methodologies, or alternatively, the methodologies for setting or approving the transmission and distribution tariffs including the monitoring of the application of the methodologies for the setting of tariffs. The same shall apply for access to LNG facilities.



## Proposal for a directive – amending act Article 1 – point 14

Directive 2003/55/EC Article 24c – paragraph 9

Text proposed by the Commission

9. Member States shall create appropriate and efficient mechanisms for regulation, control and transparency so as to avoid any abuse of a dominant position, in particular to the detriment of consumers, and any predatory behaviour. These mechanisms shall take account of the provisions of the Treaty, and in particular Article 82 thereof.

#### Amendment

9. Member States shall create appropriate and efficient mechanisms for regulation, control and transparency so as *to ensure a genuine open gas market and* to avoid any abuse of a dominant position, in particular to the detriment of consumers, and any predatory behaviour. These mechanisms shall take account of the provisions of the Treaty, and in particular Article 82 thereof.

#### Amendment 47

Proposal for a directive – amending act Article 1 – point 14 Directive 2003/55/EC Article 24c – paragraph 12

Text proposed by the Commission

12. Decisions taken by regulatory authorities shall be *motivated*.

#### Amendment

12. Decisions taken by regulatory authorities shall be justified, proportionate and necessary, with due account being taken of the views of market participants and existing contractual obligations, as well as the expected costs and benefits of the decision.

#### Justification

The powers of Regulatory Authorities are listed in 24.c (3), without adequate control in the test as to how these far-reaching powers can be exercised, other than clause 12 which states "Decisions taken by regulatory authorities shall be motivated".

## **Amendment 48**

Proposal for a directive – amending act Article 1 – point 14 Directive 2003/55/EC Article 24f – paragraph 3

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## Text proposed by the Commission

3. The regulatory authority may decide to make available to market participants elements of this information provided that commercially sensitive information on individual market players or individual transactions is not released. This paragraph shall not apply to information about financial instruments which fall within the scope of Directive 2004/39/EC.

#### Amendment

3. The regulatory authority *shall report on the outcome of its investigations or its request* to market participants *for* elements of this information, *whilst ensuring* that commercially sensitive information on individual market players or individual transactions is not released.

#### Justification

To ensure that there is always transparency in decision making while at the same time commercial confidentiality is respected, paragraph 3 needs to be amended.

#### **Amendment 49**

Proposal for a directive – amending act Article 1 – point 16 a (new) Directive 2003/55/EC Annex A – point (a) – indent 7 a (new)

Text proposed by the Commission

Amendment

(16a) in Annex A, point (a), the following indent shall be added:

"— that the expiry date shall be mentioned on the bill, in cases where contract conditions require a minimum contract duration."

#### Justification

It is imperative that contract duration is stated on the bill to provide consumers with the opportunity to plan ahead.

#### Amendment 50

Proposal for a directive – amending act Article 1 – point 16 b (new) Directive 2003/55/EC Annex A – point (a) – indents 7 b and c (new)

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#### Amendment

(16b) in Annex A, point (a), the following indents shall be added:

"- available payment parameters and facilities;

- specification on appropriate metering and informative billing that accurately reflects individual consumers' consumption;"

## Justification

The purpose of this amendment is to provide consumers with information on their supply contracts that are clearer and more transparent.

#### **Amendment 51**

## Proposal for a directive - amending act

Article 1 – point 16 c (new) Directive 2003/55/EC Annex A – point (a) – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

(16c) in Annex A, point (a), the following subparagraph shall be added:

"All information obliged to be given in the pre-contractual phase shall be presented to the consumer on paper or other durable medium in due time before signing of the contract and shall apply to all elements of the contract. Consumers shall be explicitly notified in writing or another durable medium, in due time before signing of the contract, of any changes between the pre-contractual and the contractual information."

## Justification

It is important to have a consistency between pre-contractual information and the contract, in order to provide transparency and protection against fraud to the consumer

Proposal for a directive – amending act Article 1 – point 16 d (new) Directive 2003/55/EC Annex A – point (c a) (new)

Text proposed by the Commission

Amendment

(16d) in Annex A, the following paragraph shall be added:

"(ca) can benefit from the creation of an internet tool enabling them to compare prices and hence make informed choices;"

## Justification

Providing consumers with an internet tool where they can compare prices will enable them to learn about the different companies on the market and to educate them on the differences of prices. This will be beneficial for the market as it will encourage competitiveness between the gas companies.

#### **Amendment 53**

Proposal for a directive – amending act Article 1 – point 16 e (new) Directive 2003/55/EC Annex A – point (f)

Text proposed by the Commission

Amendment

(16e) in Annex A, point (f) shall be replaced by the following:

"(f) benefit from transparent, simple and inexpensive procedures for dealing with their complaints. In particular, all consumers shall have the right to service delivery and complaint handling by their gas service provider in line with International Standards ISO 10001, ISO 10002 and ISO 10003. Such procedures shall enable disputes to be settled fairly and promptly with provision, where warranted, for a system of reimbursement and/or compensation. They should follow, wherever possible, the principles set out in Commission Recommendation 98/257/EC;"

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#### Justification

ISO 10001 provides for customer satisfaction through establishing guidelines for codes of conduct. ISO 10002 provides guidelines for complaints handling. ISO 10003 provides guidelines for dispute resolution external to organisations.

#### Amendment 54

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (h)

Text proposed by the Commission

(h) have at their disposal their consumption data, and shall be able to, by explicit agreement and free of charge, give any undertaking with a supply license access to its metering data. The party responsible for data management is obliged to give these data to the undertaking. Member States shall define *a* format for the data and a procedure for suppliers and consumers to have access to the data. No additional costs can be charged to the consumer for this service.

#### Amendment

(h) have at their disposal their consumption data, and shall be able to, by explicit agreement and free of charge, give any undertaking with a supply license access to its metering data, which may include the supply of available energy in a specific area and all national and Community measures promoting energy efficiency. The party responsible for data management is obliged to give these data to the undertaking. Member States shall define an easily understandable format for the data and a procedure for suppliers and consumers to have *ready* access to the data. No additional costs can be charged to the consumer for this service.

#### Justification

This type of information will encourage responsible behaviour in terms of environmental impact and will enhance the beneficial influence of consumers on the market trends in this sector. This information will be provided under the future Charter on the Rights of Energy Consumers on subscribing to a new contract. Furthermore, in order to avoid confusion arising from difference tariffs, it is essential for Member States to establish a consumption data layout which is readily comprehensible to users.

#### **Amendment 55**

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (h a) (new)

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Amendment

(ha) shall only prepay an amount that adequately reflects actual consumption.

#### **Amendment 56**

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (h b) (new)

Text proposed by the Commission

Amendment

(hb) shall have access to consumer rights on the websites of gas suppliers.

## Justification

Gas suppliers should be involved in the protection of consumer's rights and therefore should provide all needed information on their own website to educate their customers.

#### **Amendment 57**

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (h c) (new)

Text proposed by the Commission

Amendment

(hc) shall have access to tariff simulators on the websites of suppliers and the independent national regulators.

## Justification

Educating consumers on their energy consumption is of great importance and therefore all companies and national regulators shall provide consumers with simulators of their energy consumption.

# Proposal for a directive – amending act Article 1 – point 17

Directive 2003/55/EC Annex A – point (i)

Text proposed by the Commission

(i) shall be properly informed every month of actual gas consumption and costs. No additional costs *can* be charged to the consumer for this service.

#### Amendment

(i) shall be properly informed every month of actual gas consumption and costs, which may include the supply of available energy in a specific area and all national and Community measures promoting energy efficiency. No additional costs may be charged to the consumer for this service.

## Justification

All consumers should every month receive detailed description of their consumption. By 2015 all households should be equipped with an "intelligent meter" which will provide consumers with detailed information on their gas consumption and therefore contribute to a more considered use of gas.

#### Amendment 59

## Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC

Annex A – point (j)

Text proposed by the Commission

(j) can change supplier at any time in the year, and a customer's account with the previous supplier shall not be settled later than one month following the last supply by this previous supplier.

## Amendment

(j) can change supplier at any time in the year *without additional costs*, and a customer's account with the previous supplier shall not be settled later than one month following the last supply by this previous supplier.

### **Amendment 60**

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (j a) (new)

Text proposed by the Commission

Amendment

(ja) receive details of how they will be

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provided with up-dated information on available energy efficiency improvement measures, comparative end-user profiles and/or objective technical specifications for energy-using equipment.

#### Justification

Consumers should be provided with information on any new technology or system available to them, especially in the case of improving energy efficiency.

#### Amendment 61

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (j b) (new)

Text proposed by the Commission

Amendment

(jb) receive conditions referring to price changes allowing them easily to understand the effects of those changes.

## Justification

Consumers should be aware of all possible price change in order to understand and make informed decisions.

## **Amendment 62**

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (j c) (new)

Text proposed by the Commission

Amendment

(jc) receive information on energy supply without entailing excessive or costly inquiries.

## Justification

All information on energy supply should be available free of charge to all European consumers.

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#### **Amendment 63**

Proposal for a directive – amending act Article 1 – point 17

Directive 2003/55/EC Annex A – point (j d) (new)

Text proposed by the Commission

Amendment

- (jd) shall have easy access to updated information on:
- the energy supply available in their area; and
- all national programmes, mechanisms and financial and legal frameworks promoting energy efficiency.

## Justification

Updated information should be provided to all European energy consumers, more specifically on the different suppliers of energy in their area and all issues surrounding the promotion of energy efficiency.

#### Amendment 64

Proposal for a directive – amending act Article 1 – point 17 Directive 2003/55/EC Annex A – point (j e) (new)

Text proposed by the Commission

Amendment

(je) benefit from extra-judicial dispute settlement mechanisms, such as out-of court settlements, administrative procedures or mediation, which enable disputes to be settled fairly, promptly (within a period of 3 months) and at no cost to the consumer.

## Justification

A mechanism for out of court settlement should be established to provide consumers with the chance to fight any wrong doing from any gas suppliers.

#### Amendment 65

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## Proposal for a directive – amending act Article 1 – point 17

Directive 2003/55/EC Annex A – point (j f) (new)

Text proposed by the Commission

Amendment

(jf) shall receive clarification regarding the role of energy regulators in dispute settlement and shall be informed thereof without delay.

#### **Amendment 66**

Proposal for a directive – amending act Article 1 – point 17 b (new)

Directive 2003/55/EC Annex A – paragraph 1 a (new) – point (a)

Text proposed by the Commission

Amendment

(17b) in Annex A, the following paragraph shall be added:

"1a. The Commission:

(a) shall establish, in consultation with the European Parliament and the Council, a European Charter on the Rights of Energy Consumers. This Charter shall provide a reference for guidelines to be established by Member States, national regulators, the Agency and the Commission."

## Justification

Once established, the Charter on the Rights of Energy users should be regarded as a comprehensive list of consumer's rights in the energy sector, and so employed by all national and European authorities when regulating energy service providers.

#### **Amendment 67**

Proposal for a directive – amending act Article 1 – point 17 b (new) Directive 2003/55/EC Annex A – paragraph 1 a (new) – point (b)

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(b) may adopt measures for the implementation of this Annex, including, inter alia, where further standards are developed relating to point (f) of paragraph 1, for the incorporation of the rights articulated in the European Charter on the Rights of Energy Consumers and, where necessary, in the light of experience. Those measures, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 30(3).

#### Justification

All applicable rights articulated in the European Charter on the Rights of Energy Consumers that are additional to those already in Annex A, further to the requirements set out in Article 3 of this Directive, should be added to the Directive and given full legal force. Annex A may require further updating in the light of the development of new standards, of experience with the operation of this Directive and any emerging consumer problems, as necessary to achieve the requirements of Article 3.

#### Amendment 68

Proposal for a directive – amending act Article 1 – point 17 c (new) Directive 2003/55/EC Annex A – paragraph 1 b (new) – point (a)

Text proposed by the Commission

Amendment

(17c) in Annex A, the following paragraph shall be added:

"1b. The Member States shall ensure that:

(a) existing measures for the benefit of vulnerable consumers are well targeted and periodically assessed. They shall be well balanced so as not to prevent market opening, create discriminations among European energy suppliers, distort competition, restrict resale or result in the discriminatory treatment of other

### consumers."

## Justification

As the status of vulnerable consumers is constantly changing it is therefore necessary to regularly review the protection criteria.

#### **Amendment 69**

Proposal for a directive – amending act Article 1 – point 17 c (new) Directive 2003/55/EC Annex A – paragraph 1 b (new) – point (b)

Text proposed by the Commission

Amendment

(b) competent bodies at national level monitor the gas offers available on the market. They shall present the results of price monitoring once a year to the public in a manner allowing for comparison of prices and the basic conditions of the available offers.

## Justification

Monitoring of prices by national body is needed to provide consumers with relevant information on the evolution of prices.

## Amendment 70

Proposal for a directive – amending act Article 1 – point 17 c (new) Directive 2003/55/EC Annex A – paragraph 1 b (new) – point (c)

Text proposed by the Commission

Amendment

(c) where gas supply meets basic household needs, a definition of vulnerable consumers is adopted and published, and applied, including by all suppliers of gas. The Commission shall start infringement procedures against Member States which do not adopt and apply this definition.

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## Justification

This amendment seeks for more protection of vulnerable consumers. It is of the role of the Member States to define who the vulnerable consumers are according to national criteria.

#### Amendment 71

Proposal for a directive – amending act Article 1 – point 17 b (new)

Directive 2003/55/EC

Annex A – paragraph 1 b (new) – point (d)

Text proposed by the Commission

Amendment

(d) prices and conditions for well-defined categories of consumer with special needs are such that those consumers have systematic access to the lowest offer on the market.

## Justification

Consumers in remote areas should be subject to the same supply and price conditions as consumer in major agglomeration.

#### Amendment 72

Proposal for a directive – amending act Article 1 – point 17 d (new)

Directive 2003/55/EC

Annex A – paragraph 1 c (new) – point (a)

Text proposed by the Commission

Amendment

(17d) in Annex A, the following paragraph shall be added:

"1c. The following consumer issues shall also be taken into account:

(a) best ways to promote the official organisation of energy consumer representation shall be developed and shall contribute to the regular tracking and assessment of market developments."

## Justification

A stronger civil society would provide for a better consumer rights protection. It is imperative to encourage its growth in all Member States.

#### Amendment 73

Proposal for a directive – amending act Article 1 – point 17 d (new)

Directive 2003/55/EC Annex A – paragraph 1 c (new) – point (b)

Text proposed by the Commission

Amendment

(b) promotion offers shall ensure that European energy consumers to a large extent benefit from metering facilities reflecting actual consumption and information on the time of use.

#### **Amendment 74**

Proposal for a directive – amending act Article 1 – point 17 d (new) Directive 2003/55/EC Annex A – paragraph 1 c (new) – point (c)

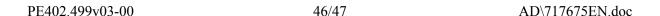
Text proposed by the Commission

Amendment

(c) natural gas is provided to consumers against payment. Disconnection shall be considered as a remedy of last resort in case of non-payment.

## Justification

Disconnection should be avoided when possible and replaced by some alternative option. Disconnection could have grave consequences on households and therefore should be avoided especially in the coldest months of the year.



## **PROCEDURE**

Title	Internal market in natural gas	
References	COM(2007)0529 - C6-0317/2007 - 2007/0196(COD)	
Committee responsible	ITRE	
Opinion by Date announced in plenary	IMCO 11.10.2007	
Drafts(wo)man Date appointed	Toine Manders 3.10.2007	
Discussed in committee	27.11.2007 22.1.2008 28.2.2008 2.4.2008	
Date adopted	8.4.2008	
Result of final vote	+: 34 -: 2 0: 3	
Members present for the final vote	Cristian Silviu Buşoi, Charlotte Cederschiöld, Gabriela Creţu, Mia De Vits, Janelly Fourtou, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Małgorzata Handzlik, Malcolm Harbour, Anna Hedh, Edit Herczog, Iliana Malinova Iotova, Pierre Jonckheer, Alexander Lambsdorff, Kurt Lechner, Lasse Lehtinen, Toine Manders, Arlene McCarthy, Nickolay Mladenov, Catherine Neris, Zita Pleštinská, Giovanni Rivera, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Christel Schaldemose, Andreas Schwab, Eva-Britt Svensson, Marianne Thyssen, Jacques Toubon, Bernadette Vergnaud, Barbara Weiler, Marian Zlotea	
Substitute(s) present for the final vote	Emmanouil Angelakas, Bert Doorn, Joel Hasse Ferreira, Bilyana Ilieva Raeva, Olle Schmidt, Bogusław Sonik	