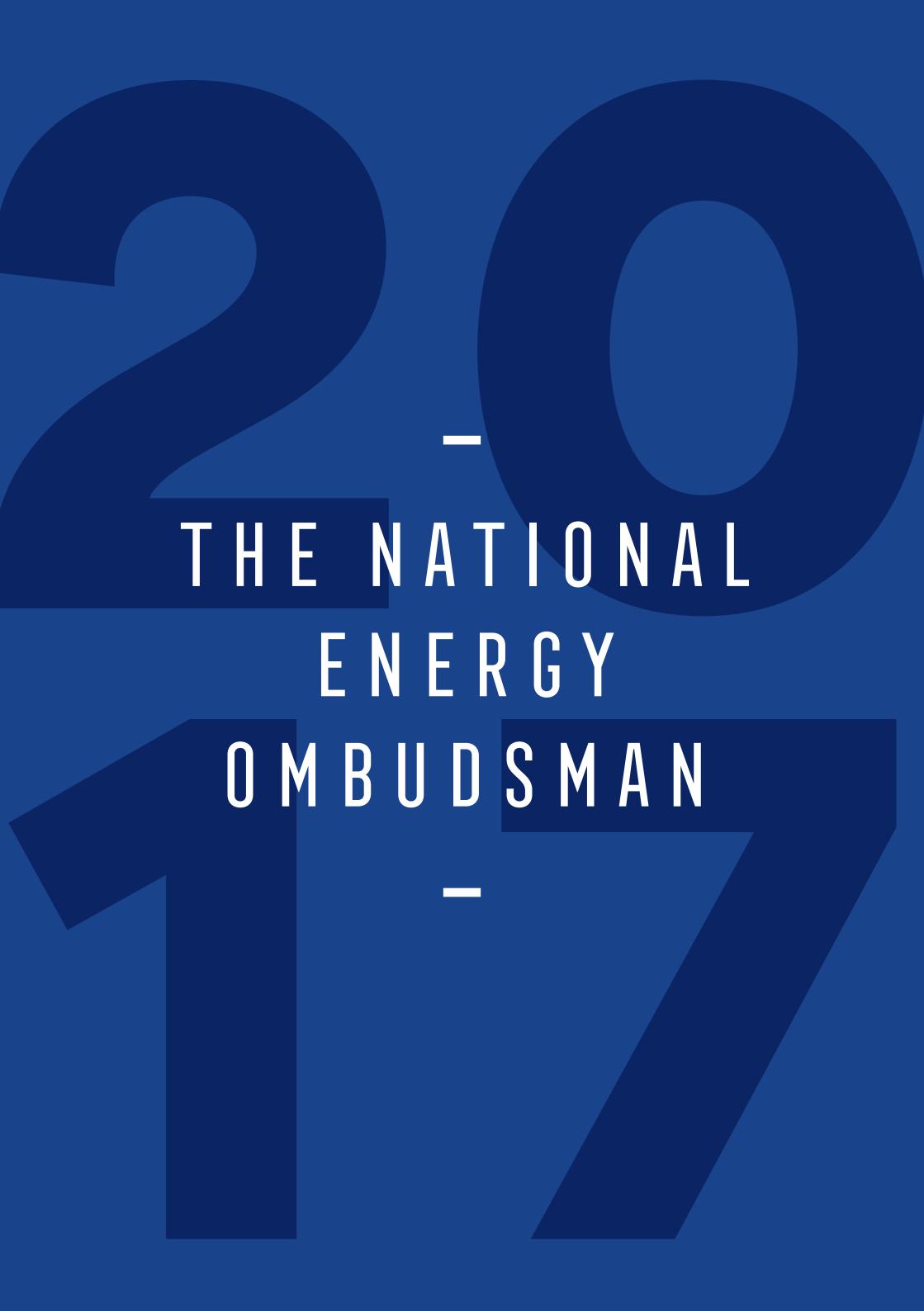


# THE NATIONAL ENERGY OMBUDSMAN



**The national energy ombudsman is an independent public authority established by the Law of 7 December 2006 relative to the energy sector, within the framework of the opening-up to competition of the natural gas and electricity markets.**

**Its two legal missions are taking part in informing consumers about their rights and offering solutions to disputes.**

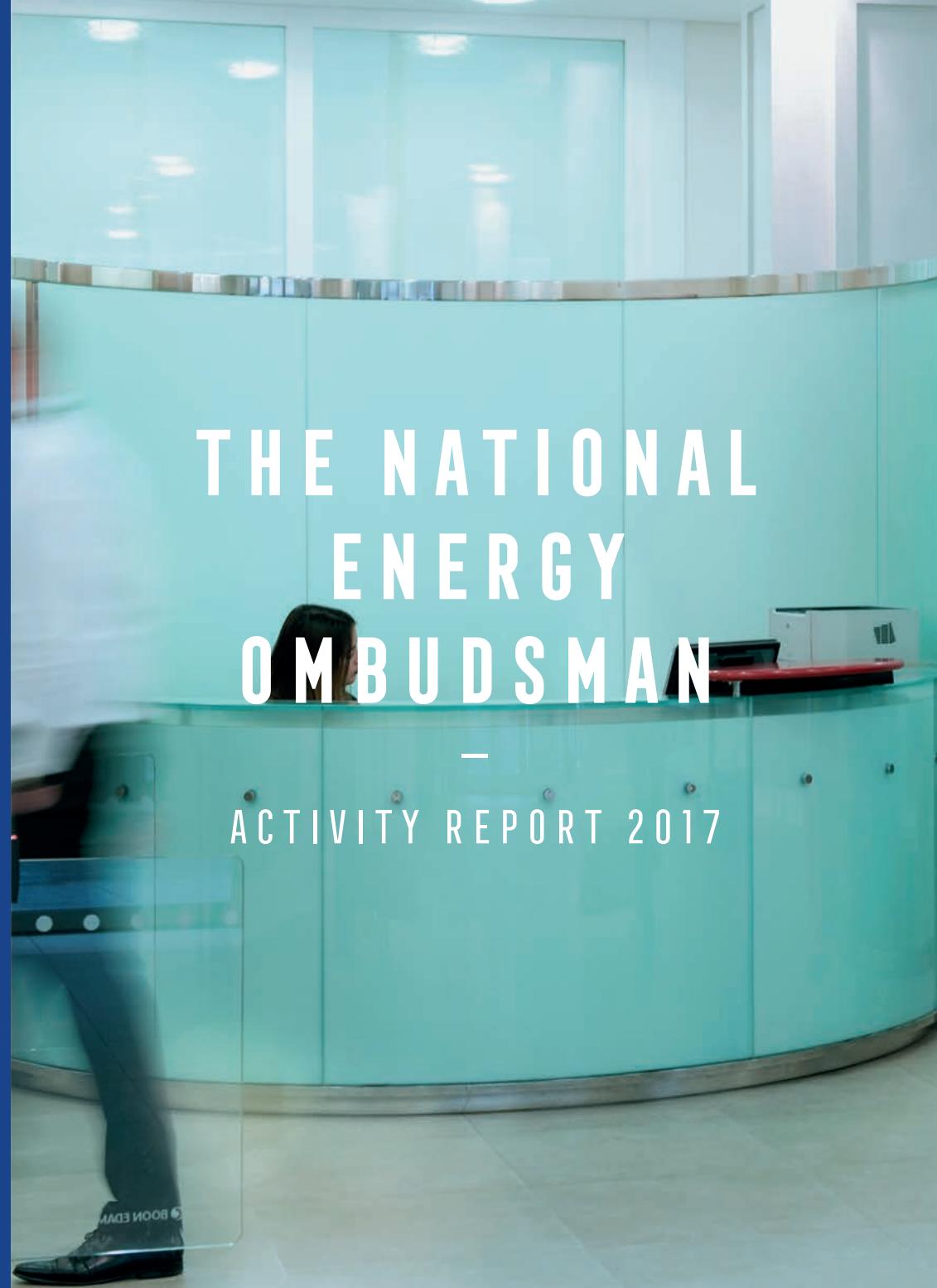
-  
Jean Gaubert, Ombudsman since 19 November 2013 is an expert in issues relative to consumption and energy.

A member of Parliament for Côtes-d'Armor from 1997 to 2012, he was consumption budget rapporteur for the National Assembly from 2006 to 2012, as well as vice-president of the committee of economic affairs from 2007 to 2012.

A former vice-president of the National Federation of Local Authorities (FNCCR), he has been the head of the Côtes-d'Armor energy department since 1983.

# THE NATIONAL ENERGY OMBUDSMAN

—  
ACTIVITY REPORT 2017



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# EDITORIAL

“ 2017 was a year of intensive work. Never had we received so many complaints as we did last year: a figure of about 15,000, an increase of 19% compared to 2016. And the first months of 2018 show no signs of slowing down - quite the opposite. Most of the cases we are processing still deal with contesting the bill; we had high hopes that the deployment of smart meters, which allow bills to be determined on true consumption instead of estimates, as well as the limitation of back-billing to 14 months of consumption, would jointly lead to a decrease in the number of disputes. Presumably, we cannot yet fully assess their impact, with other types of disputes persisting or rising, such as the ones due to marketing campaigns. Many consumers, disputing their subscription to a contract, turn to us. This strong activity

undoubtedly proves yet again the usefulness of a high-quality, independent mediation, which I have always championed.

Never also, since the opening-up to competition, had the electricity and natural gas markets been as active, with numerous new actors coming on to the scene. Consequently, price offers became increasingly more diverse and offers of green electricity and gas are expanding with the integration of sustainable energies and the creation of innovative offers catering to new consumption needs, such as the ones tailored for households with an electrical vehicle. In a context of increased competition, operators strived intensely to expand their customer base, some of them resorting to questionable or unfair business practices. New entrants, from all business sectors, needed to grasp the specificities

and responsibilities of the market. However, disputes are not the privilege of new entrants: we can only acknowledge that some disputes with suppliers are worryingly persisting, and while they are no longer “beginners”, they may

We must also keep an eye on major trends that will soon shake up the sector. The rise of sustainable energies, as well as new ways of producing, selling and consuming energy, will raise the issues of storage, organising distribution networks and supervising household equipment through digital technology and home automation. To which extent will consumers change their behaviour and adapt to these developments? While we do not know that yet, the Ombudsman and its teams must keep on striving to think ahead of this shift. It seems essential to me to that we must remain vigilant to maintain solidarity between French people, between the ones who can afford to invest in home energy production modes and the ones who cannot. It is not because the former, who are self-consumers, use the network less that they should benefit from a reduced access tariff. That would bring the unfair burden of its maintenance on households with lower incomes, which do not possess the required legal (they often do not own their homes) or financial means for that. ”

**JEAN GAUBERT**  
National Energy Ombudsman



## THE FUTURE PROMPTS US TO REMAIN ALERT, AND EVEN MORE SO AS SOME SPECIFIC EVENTS MAY HAVE AN IMPACT ON CONSUMERS' TRUST.

continue being unable to produce consistent bills. Yet, it is a core duty, and is essential in ensuring consumers satisfaction.

The future prompts us to remain alert, and even more so as some specific events may have an impact on consumers' trust. The announced termination of regulated tariffs in the sale of natural gas should lead to an escalation in an already fierce competition. Households will more than ever need information and guidelines, and we are ready to take on this role, vested to us since the creation of the institution in 2006, and of which we are experienced. On the other hand, the deployment of smart meters remains a question mark for some. Suppliers will have to be particularly stringent regarding how they comply with their obligations relative to the management of personal data. Bad business practices from the suppliers should not feed the controversy about these meters.



# THE NATIONAL ENERGY OMBUDSMAN

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EFFICIENCY AND QUALITY AT THE HEART OF THE ACTION

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STRENGTHENING OF THE OMBUDSMAN'S AUTONOMY

## Efficiency and quality at the heart of the action

The number of disputes received by the Ombudsman in 2017 surged by 19%. Using more digital means to process them, as well as the increase of the percentage of amicable agreements, allowed our teams to manage this additional workload without impairing the quality of mediation.

After three consecutive years of decline, the number of disputes received by the Ombudsman (14,548) is rising again in 2017. This amounts to an increase of 19% compared to the previous year. The vast majority of these disputes (90%) involves individual consumers.

4,039 disputes were deemed as admissible and 3,724 mediations were completed in 2017, i.e. an increase of 17% compared to 2016. 53% took place in under two months, and 87% in less than 90 days. Operators followed the Ombudsman's input in 81% of cases.

### Contesting billed consumption is the main reason why people resort to mediation.

Similarly to previous years, contesting of billed consumption volumes is in the lead, amounting to 52% of disputes processed through mediation. Behind, at 23%, are the disputes due to establishing and paying bills (see p.73, chapter "The Suppliers").

20% of admissible disputes directly involve the distribution network manager (see p. 45, chapter "The Distributors").

Finally, disputes pertaining to meeting the deadlines of contractual services amounted to 3% of all admissible files. In 75% of cases, the delay concerned a cancellation request that had not been taken into account by the supplier.

### Non-admissible disputes are strongly progressing...

The number of non-admissible disputes grew from 8,761 in 2016 to 10,509 in 2017. Among those, 76% concern unanswered emails or phone calls; 10% are not admissible because an initial written request to the appropriate operator, or other required items, were missing in the file and 5% as a result of the referral not meeting the required deadline. It is the percentage of unfounded referrals, or the ones that fall outside the Ombudsman's legal competence, that more than doubled: from 292 in 2016 to 676 in 2017, amounting to 6% of non-admissible disputes.

AFTER DECREASING FOR THREE CONSECUTIVE YEARS, THE NUMBER OF DISPUTES RECEIVED BY THE OMBUDSMAN (14,548) IS RISING AGAIN IN 2017

### ...for circumstantial reasons

Following the decision of 15 June 2016 from the Council of State, two new tariff orders were issued in October 2016, leading to a retroactive rise in the regulated tariffs of electricity sale over the period from 1 August 2014 to 31 July 2015.



58

AVERAGE NUMBER OF DAYS TO REACH A SOLUTION PROPOSAL THROUGH MEDIATION

40

GENERIC RECOMMENDATIONS PUBLISHED ON THE ENERGIE-MEDIATEUR.FR WEBSITE

€768

OBTAINED ON AVERAGE BY CONSUMERS AS A RESULT OF MEDIATION

This “back-billing”, even with a legal basis, was a source of misunderstanding for consumers, with 227 of them formally turning to the Ombudsman. In 2017, 509 disputes resulted from the retroactive increase in regulated tariffs, taking into account the requests that were processed through Energie-Info, the information service of the National Energy Ombudsman.

The deployment of smart meters drove some consumers, who had refused the installa-

tion of Linky, to request the Ombudsman’s assistance, either with a formal referral (121 files) or through the Energie-Info service (40 requests). *“We explain to them why their file is not admissible, we remind them of the legal framework and we provide them with all the available studies regarding how these meters may impact health.”* says Caroline Keller, Head of the Department of Information and Communication of the National Energy Ombudsman.

## ANTARGAZ, THE BLACK SHEEP OF MEDIATION

**A**ntargaz, a LPG supplier, did not fully take into account the mediation rules, even though they have been applicable to their customers since August 15 2015. Several failures demonstrate a less than constructive spirit. The operator requires on average 30 days to forward its observations, i.e. 12 days more than other companies. In addition, their replies are often brief or incomplete, leading to further delays in the processing of disputes.

Furthermore, they have a specific use of the online platform SoLLEn: they regularly answer requests via a private messaging system even though they are required to publish their answers on the platform that is accessible to all parties, to ensure transparency vis-à-vis consumers during mediation processes. In some cases, offers are made directly to the consumer and are not disclosed to the Ombudsman. Such practices impair the successful completion of the mediation process.

The follow-ups provided by Antargaz after a recommendation are sent after an average delay of... 113 days, way beyond the required delay (i.e. 2 months, and since September 2017, 30 days). The follow-up is overall poorer than the other LPG suppliers, and it is proving hard to come to amicable agreements in such situations. The Ombudsman’s teams requested to meet their counterparts from Antargaz and discuss these failures with them. Antargaz stated that it was aware of the issue and committed to comply with the requirements of the mediation process. Since then, real progress has been made, but further improvements are still needed, such as meeting deadlines and more accurately answering questions from the Ombudsman’s services, so light may be shed on the costs charged on a bill, on a customer account or on the quantities of energy supplied...



RED CARD



## AMICABLE AGREEMENTS ARE POSSIBLE FOR ALL KINDS OF DISPUTES

**F**ollowing the malfunction of the clock that regulates its electrical installation, a co-ownership of the Parisian suburbs received a heavily increased bill due to an exceedance of power. After an intervention by the Ombudsman, the distributor agreed to cancel the surcharges from “Peak hours & Winter days hours”, which would not have occurred if the meter clock had functioned properly. As a result, the co-ownership recovered a sum of €57,600.

*Recommendation n° 2017-02924, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website*

**A**ccess to a building located in Val-d’Oise is dependent on an electrical gate, for which the co-ownership subscribed to a contract without metering. They contested two bills they received, for a total amount of €5,600, and asked for a bill based on the true consumption of the gate. An amicable agreement was reached with an offer from the network manager: to install a meter at their own expense, and to cancel consumption from the previous bills, i.e. €5,200.

*Recommendation n° D2017-04941, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website*

**M**r T. contested a bill for the sum of €111.29, for which he was chased up several times. Supplier X stated that the sum was wrongly repaid to the customer 6 months previously. Following an exchange between both parties, the consumer understood the billing and the supplier agreed to grant compensation of €15.

*Recommendation n° D2017-01868, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website*



**Not all companies in the energy sector comply with their legal obligation to inform their customers of the Ombudsman's existence, and how to avail of the service (on their website and in their replies to the complaint letters received). While this is a "beginner's mistake" made by new entrant suppliers, it is also noticed with certain local distribution companies. The Ombudsman notifies all concerned parties of their failure to comply with this obligation.**

**52%**

OF THE  
OMBUDSMAN'S  
REFERRALS WERE  
INITIATED ONLINE  
IN 2017

**53%**

AMICABLE  
AGREEMENTS  
IN 2017

### **Bad business practices are rife**

In 2017, 1,519 disputes caused by marketing campaigns practices and/or contesting subscription were received, compared to 1,140 the previous year: 152 formal referrals and 1,367 requests through Energie-Info. The Energy Code specifies that the Ombudsman's action pertains to "disputes arising from the execution of a contract"; disputes concerning business practices fall therefore outside of its competence. Noting these business practices is the remit of the Authority for Competition, Consumer Affairs and Fraud Prevention (DGCCRF).

### **The Ombudsman assists consumers who contest their contract subscription**

However, in cases of conflict relating to subscription terms, or when the cancellation notice was not acknowledged within the legal withdrawal period of 14 days, the Ombudsman often intervened to warn suppliers about their sales rep's practices, to request them to take into account the consumers' complaints and to cancel the contracts.

Since March 2018, the Ombudsman has been processing these files through mediation, with the intent of not leaving consumers distressed, and more specifically victims of misleading business practices who end up signing a contract without realising what they have done. In agreement with the DGCCRF, files relative to conflict relating to subscription are now deemed as being admissible by the Ombudsman, insofar as the existence of a contract, even subject to conflict, is within remit of the Ombudsman.

Consumers who report business practices that breach the provisions of the Consumer Code will still be directed to the DGCCRF. The Ombudsman undertakes to pass on the most alarming cases to their services.

### **Reaching an amicable agreement: the eventual purpose of mediation**

Obtaining the agreement of all parties to a fair and legally sound solution is the priority. The Ombudsman listens to parties, confronts their arguments and encourages the operators to propose a solution. It produces its own analyses and solutions to convince parties and to reach an amicable solution to the dispute.

All this is possible provided that requests from consumers remain within reason and that operators acknowledge that a customer suffered some inconvenience, sometimes with serious consequences...



## **VIRGINIE BEAUMEUNIER**

**Managing Director of the Authority for Competition, Consumer Affairs and Fraud Prevention (DGCCRF)**

### ***Joint actions to defend consumers***

**“ T**he National Energy Ombudsman's actions, which have a major effect on consumers, complement those of the DGCCRF, which for its part sanctions the wrongful practices related to the establishing of a contract. When such shortcomings occur, the DGCCRF can forward the report to the tribunal for the purpose of penal sanctions. Combined with the DGCCRF, the Ombudsman's missions allow therefore to cover the whole scope of consumer protection, on a civil or on a penal basis.

The National Energy Ombudsman and the DGCCRF often liaise with each other in order to improve consumer protection. This dialogue should soon intensify on the issues relative to establishing contracts. Such a development has been made necessary by the growth in marketing campaign practices. The terms are yet to be defined, but the purpose is to improve the flow of information and reporting between our respective services. It is indeed critical to be able to centralise disputed cases, so we may benefit from an overview and target the marketing campaign companies accurately.

Moreover, let me specify that our investigations have highlighted that misleading business practices are more often carried out by the suppliers' business partners than by the suppliers themselves. The "safeguards" that the suppliers have set up to prevent these misleading practices (certification of the vendors...) may prove to have limited efficiency, for instance, due to the density of the vendors network and of quantified targets that are too ambitious. It is essential that suppliers monitor their subcontractors more closely, as they can possibly be held responsible along with these companies. ”

The Ombudsman ensures they use educational skills with consumers and explain their decisions to companies, who acknowledge more and more their errors.

*"For their part, operators are aware that we are determined to speak up on behalf of the consumer and that we are advocates of balanced solutions. This trusting environment, always respectful of both parties, promotes the achievement of win-win solutions."* specifies Catherine Lefrançois-Rivière, Head of the Mediation Department of the National Energy Ombudsman. In 2017, 53% of files processed through mediation were solved with an amicable agreement.

#### **Successful mediations**

When an amicable agreement cannot be reached, the Ombudsman issues a recommendation proposing a solution. Eventually, 81% of processed files result in solutions that are accepted by the operators and in turn executed, even though it is up to them to heed the solution or not.

However, a fully successful mediation implies that the consumer also trusts that the solution proposed by the Ombudsman is a satisfactory one, and accepts to end the dispute. Only 6% of consumers refused the proposed solution, which brings the percentage of successful mediations to 75% for 2017.

#### **The merging of the Ombudsman's IT systems is finally effective...**

2017 saw the achievement of a major transformation project of the IT systems, initiated in June 2016. Since September 2017, SoLLEN is the single system used to record and process requests for information and disputes, no matter how they were first received (phone calls, postal mail, emails or online). Before that date, the Ombudsman's teams had to deal with 3 systems: one for Energie-Info, another one for referrals received by postal mail, and lastly SoLLEN for online referrals.

Beyond rationalising the costs related to hosting and computer maintenance, a single tool facilitates the work of our teams, who no longer need to switch from one system to another, risking having duplicate entries. All consumer requests are logged in SoLLEN, including those not sent to the platform, such as letters, calls to the toll-free hotline, and messages saved in the contact form of the energie-info.fr website.

#### **...and provides productivity gains**

It is a factor that improved our productivity and brought flexibility to the process of managing an increase in disputes, while keeping the same staff, and also reduced the times required to process files. *"In a few years, thanks to the agility and reactivity of our small structure, we have managed to digitise and upgrade all our processes, says Frédérique Coffre-Fériaud, Managing Director of the Ombudsman. We did not miss out on the switch to the digital age, which is now a requirement for all organisations, and which allows us to meet consumers' expectations, with more than half of them now referring to us online."*



## **THE OMBUDSMAN'S ACTION IS WIDELY APPROVED BY CONSUMERS**

**80%** of consumers state they are satisfied with the Ombudsman's intervention and 78% think it was helpful in finding a solution adapted to their dispute, or allowed them to better understand it. The results of the last edition of the annual satisfaction survey show the undeniable benefits of resorting to the Ombudsman, who was the decisive actor in finding a solution to their problem for 67% of people surveyed.

9 consumers out of 10 deem the time taken to process their file as being satisfactory and 93% consider the proposed solution as being clear. The teams are considered to be accessible (96%), skilled (90%) and dynamic (90%). The Ombudsman is perceived as being expert and independent by 89% and 88% of respondents respectively.

The online platform of disputes resolution, implemented in 2013 and allowing an online referral and communication during the mediation process, is compelling for a growing number of consumers; 77% think that the tool facilitated the resolution of their dispute, compared to 73% the previous year.

The only cloud on the horizon is that a third of consumers with a non-admissible dispute did not understand the reasons for this outcome. However, 60% of them eventually found a solution to their dispute, with the assistance of the Ombudsman, who advised them on which procedure to undertake.

**And 92% of consumers who referred to the Ombudsman would recommend it to their friends and family.**

\*Survey carried out by phone by the Market Audit research institute between 5 March and 8 March 2018 on a sample of 351 consumers who had referred to the National Energy Ombudsman.

**50%**

OF CONSUMERS LEARNED  
ABOUT THE EXISTENCE OF THE  
OMBUDSMAN'S VIA THE INTERNET

**30%**

REFERRED TO THE OMBUDSMAN  
ON THE ADVICE OF A THIRD PARTY

# Strengthening of the Ombudsman's independence

The law of 20 January 2017 establishes a list of 26 independent public or administrative authorities, and brings order to a complex environment that previously hosted more than forty structures with various prerogatives.

## Acknowledging its influence

By explicitly endowing the National Energy Ombudsman with the status of independent public authority, the law brings a long-awaited clarification. It sheds light on its independency and influence over the energy sector. Since its recommendations are not compelling, it is through its authority, technical and legal expertise that the Ombudsman may shake things up. "This guarantee of public legitimacy bolsters our consumer protection action and our ability to bring changes to the soft law ruling the highly competitive energy market" stresses Jean Gaubert.

## New rules apply

The text enacts a body of rules that are applicable to all authorities, relative to remits, incompatibilities, independence and ethics. Radical changes will not be brought to the Ombudsman's remit, whose course of action already complied with such principles. Sharing a few budget roles with the Energy Regulatory Commission since 2010, it complied ahead of time with the obligation to pool resources that has been imposed on independent authorities.

Only two changes are significant. The Ombudsman is appointed for a 6-year mandate renewable only once. Its rules of procedure and its ethics charter must be published in the *Official Journal*.

## The Ombudsman's ethics charter is made public

The Law of 20 January 2017 outlines the guiding principles for the members of authorities, who shall perform their duties "with dignity, honesty and integrity" and ensure they prevent any conflict of interest. They are subject to professional secrecy and must exercise professional discretion. It is up to each authority to apply these principles in an ethics charter.

The Ombudsman's charter, written in 2010, uses the foundations existing for the agents of public service and the articles of the Consumer Code relative to mediation. The institution specifies within its charter that its collaborators must remain impartial, maintain confidentiality, autonomy and exemplariness, all the necessary conditions through which consumers can trust the mediation. Some technical legal references from the recent Law were updated in the charter and its content was expanded on one issue: employees, beyond their duty, cannot practise a remunerated supplementary activity, to ensure that external interest do not result in their disregard for public interest, of which they are the guardians. The Ombudsman's ethics charter was published in the *Official Journal* on 31 October 2017.

## The Ombudsman is the subject of another assessment of its activity...

Since it was created, the Ombudsman submits their activity report to parliament. The Act of 20 August 2015, which transferred into the Consumer Code the European Directive of 21 May 2013 relative to the extrajudicial settlement of disputes, stipulates that the activity of certified ombudsmen shall be subject every two years to a review by the Commission

for the Evaluation and Monitoring of Consumption Mediation (CECMC). Made up of senior magistrates, expert figures, representatives from consumer associations and professional federations, it issues a certification to the bodies that meet the standards of quality set by the act. The National Energy Ombudsman was one of the first institutions to be certified in January 2016.



## A BROADENED SCOPE OF COMPETENCE TO FACILITATE CONSUMER PROCEDURES

**A**"one stop shop" of mediation in the energy sector would bring more clarity to consumers. This is why the Ombudsman wishes to see its remit expanded to disputes relative to the production of energy. The provisions of the law of February 2017 promote the self-consumption of electricity, by encouraging consumers to consume the electricity they produce rather than to inject it in the network for financial compensation. For these domestic consumer-producers, it is difficult to distinguish what constitutes a consumption dispute, which is covered by the Ombudsman's competence, from a production dispute which is not covered within the scope of the Ombudsman.

The Ombudsman has no intention of becoming a "backseat driver" after the installation of the photovoltaic panels. However, their experience of mediation, as well as their technical and legal skills, would prove to be highly valuable when processing contract disputes in this area: for instance, a price stated in the contract to repurchase electricity that is not applied, a payment that is not made, a malfunction of the meter that records consumed or injected electricity, wiring errors between the grid-feed meter and consumption meter etc. In 2017, a few cases were referred to the Ombudsman, with consumers instinctively turning to him.

Like production of sustainable energies, services of energy efficiency are bound to develop within the next few years. It would be logical that the public Ombudsman of this sector had its scope of competence broadened to process such disputes, presently the ones relative to the payment of works, the implementation of insurance or payment of the bonus energy economic certificates (CEE).

## ...that requires a few adjustments

In the opening of the half-day of debates taking place on 9 January 2018 to assess the outcome of the first two years of existence of consumption mediation in France, Claude Nocquet, president of the CECMC, reminded the rigorous conditions that must be satisfied by any candidate to be granted a certification, and stressed the importance of monitoring. The mediation forwarded all necessary data to meet these new requirements. This duty complements the one of the present activity report, since the information required by the Commission for mediation is only relative to disputes of individual consumers, whereas the energy Ombudsman also processes disputes from small companies or non-professionals such as associations or co-ownership managers

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## THE NATIONAL ENERGY OMBUDSMAN WAS ONE OF THE FIRST BODIES CERTIFIED BY THE CECMC, AS EARLY AS JANUARY 2016

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### Processing times are standardised by a decree

Additionally to the regulations of the Energy code that provide a framework to the Ombudsman's activity, the ones of the Consumer code set by the ordinance of August 20 2017 will bring new guidelines at the start of 2017. However, the latter were not always consistent with the former. Thus, according to the energy code, a proposi-

tion of solution had to be issued within 2 months after the referral, while the Consumer code required 3 months. In practice, the Ombudsman could use a deadline of 90 days for individual consumers, but not for small businesses, associations or co-ownerships referring to it.

*"The decree of June 27 2017 relative to mediation in the energy sector put an end to inconsistencies, by setting a deadline of 90 days to process a file, and a deadline of 3 weeks to inform the consumer that the referral is non-admissible."* specifies Pierre-Laurent Holleville, task officer of the Ombudsman's general management. The deadline to refer to the Ombudsman is two months after the written complaint is sent, whereas the wording was more vague in the Energy code. Operators could previously use two months after the issuing of a recommendation to state if they were following it or not; this deadline is now set by the Ombudsman which requires a reply under a month in order to settle disputes faster.

### A rigorous and healthy budget management

The budgetary stringency of the institution can be witnessed each year in a very practical manner. In 2017, its budget was decreased by 2.2% compared to 2016. This substantial effort, which had to be carried out without any loss in the quality of the missions, was achieved by implementing measures of resources optimisation. *"We cancelled some expenses. For instance, the Ombudsman no longer participate to consumer trade shows, an activity that was discontinued in favour of more efficient and less costly communication channels,* specifies Béatrice Gaudray, head of the Ombudsman's administration and finance department. *The rationalisation of our IT tools, which was achieved by merging 3 IT systems, lowered maintenance, hosting and licensing costs.*" New markets or contracts are now subject to hard bargaining, and expenses related to partnership agreements



## THE RULES OF BUDGET ALLOCATION FOR THE OMBUDSMAN HAVE NOT BEEN BROUGHT INTO LINE WITH THOSE OF OTHER INDEPENDENT PUBLIC AUTHORITIES

The law of 20 January 2017, which provides a framework to the status of independent public or administrative authorities, stipulates that their budget is established after a proposition of the managing director of these authorities. The text is applicable to the National Energy Ombudsman, acknowledged by this legal framework as being an independent public authority. Yet, it is the only institution in this case: the allocation of its funds, passed in a budget law in programme by the Ministry for an Ecological and Solidary Transition, remains subject to a previous provision of the Energy code. This provision places the payment of the budget allocation on hold until a ministerial ruling is signed by the ministers of the Economy, Energy and Consumption.

This particular budgetary process brings complexity to the Ombudsman's departments in charge of its management, as well as the ones of the State (Budget management, general management of energy and weather and the DGCCRF) concerned by the validation of the ruling. It delays the release of the grant, which is damaging. Thus, the budgetary decree of 2018 was only published in the *Official Journal* on 7 April, even though the Ombudsman's budget proposition was sent in June 2017, and the amount of the grant was voted in the budget law on 30 December 2017. Even if the Court of Audit encourages public bodies to operate with a working capital of one month, and criticised the Ombudsman in 2013 for using larger funds, it provided the Ombudsman with a leeway enabling him to ensure the continuity of operations during the interval. Without such funds, the Ombudsman would have no longer been able to pay wages and contracts, and its operations would have been halted.

The Ombudsman hence requests the legislator to promptly change the Energy code, so it becomes consistent with the legal budgetary provisions applicable to the independent public authorities, and eventually allows the release of the grant at the start of the year. Moreover, it constitutes a measure that would reduce the administrative burden, which is in line with the actions set up by the government...

# 11 MONTHS

IS THE ELAPSED TIME BETWEEN THE  
OMBUDSMAN'S BUDGET PROPOSITION  
AND THE PAYMENT OF ITS GRANT  
FOR 2018

**-27,6%**  
OF THE  
OMBUDSMAN'S  
BUDGET SINCE 2009

**5.6**  
MILLION EUROS:  
THE BUDGET  
IN 2017

were restricted. Restraining the total payroll is tightly supervised. Regarding this matter, the report on independent authorities annexed to the 2018 budget law 2018 indicates that the average salary of the Ombudsman's employees (amounting to a gross yearly salary of €74,366, including the employer's share) is 28% lower than the average wages of all independent administrative or public authorities.

#### **Pooling of resources with the Energy Regulatory Commission (CRE)**

Pooling the premises' resources that the Ombudsman shares with the CRE since 2010 is stated in a hosting agreement between both institutions: rent and expenses are shared on the basis of the area used by each body, along with the expenses related to the welcoming of guests, cleaning and security. Two support functions, IT systems and the management of the premises, are also shared, with the overall wages of these agents being shared on the basis of areas used by both bodies. Similarly, public contracts for the daily press review, for landlines and mobile phones, and since 2017 for the management of photocopiers, are also subject to pooling. *"We signed an agreement with the purchasing department of the State which allows us to be informed about current markets and to include bulk orders, depending on our needs."* explains Béatrice Gaudray.

#### **Independent administrative authorities are joining forces**

A network bringing together several bodies has been created. It allows exchanges about the sharing of good practices relative to the management of human resources. Regular meetings are scheduled to provide and collect information regarding various issues (complementary health insurance, wages, recruitment...). One of those notably dealt with a topic introduced by the law of 20 April 2016 relative to ethics and the obligations of civil servants, expanded further by the decree of 10 April 2017: the creation of the position of Ethics Officer "We discussed the terms of appointment and the means, within our respective institutions, to provide our employees with any pertinent advice regarding how they should comply with the obligations and principles of this law" tells Béatrice Gaudray, ethics officer of the National Energy Ombudsman since October 2017.

Finally, and in order to promote jobs and career mobility for employees between the various bodies of the network, job descriptions are available to all members of the network when vacancies arise.



“  
INTERVIEW

## **JULIEN AUBERT**

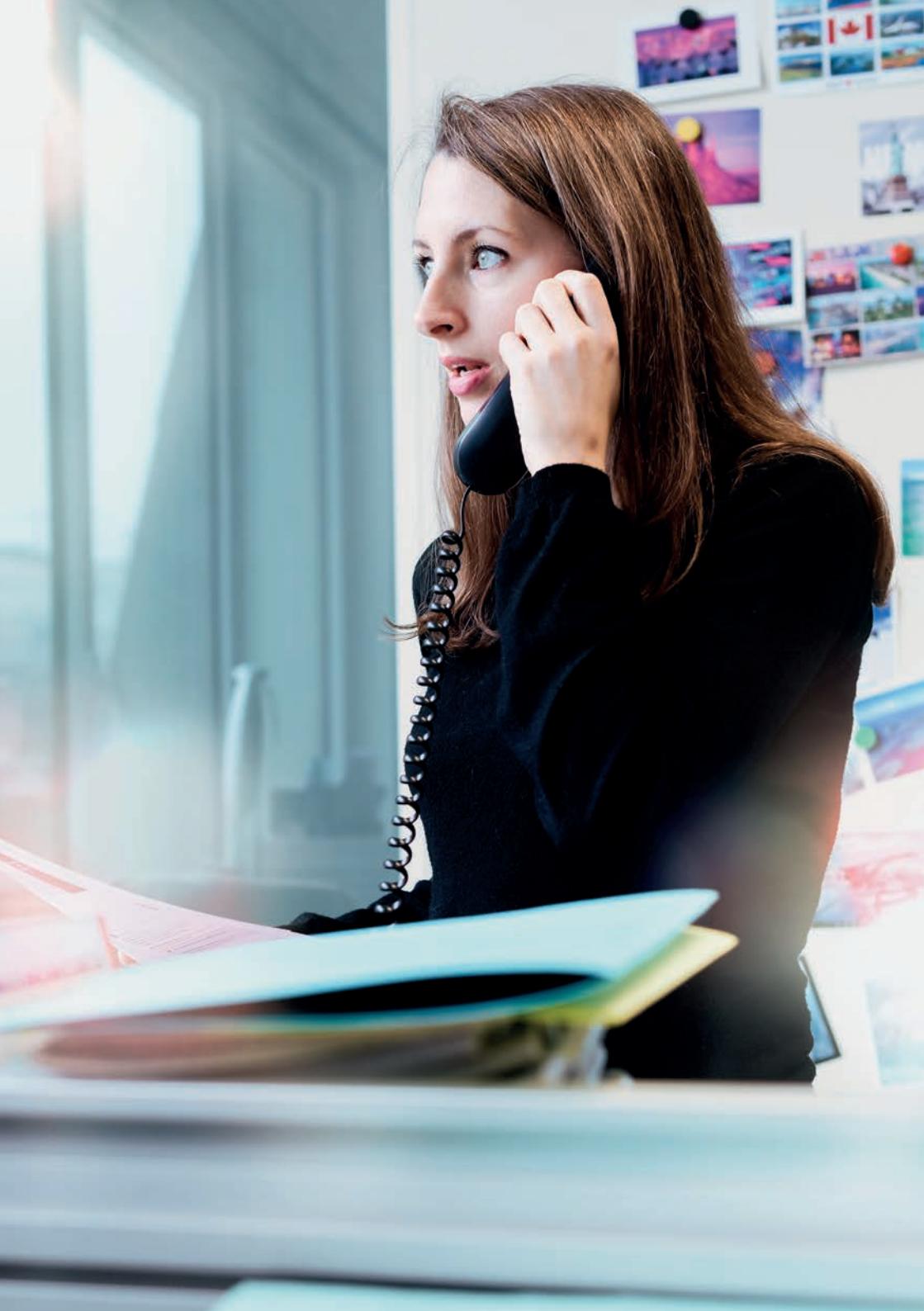
**Les Républicains' MP for Vaucluse,  
member of the finance commission of the National Assembly**

*The intervention of a neutral and professional player to foster trust*

“ **T**he popularisation of economic energy measures - through the CEE, energy related housing restoration works or the development of auto-consumption - is a challenge for public policies, which must be enforced with the proper guidelines for citizens. One can only note that unscrupulous companies try to take advantage of this situation and mislead households. Contracts for the installation of photovoltaic panels sometimes include provisions which can have serious consequences: when a household runs into difficulty paying for their monthly bill, the company is in a position to claim the entirety of the amount due.

To reduce these frauds, I supported the law proposed by my colleague Patrick Hetzel: the principle is to add an article to the Consumer code stating that an order form linked with the installation of photovoltaic panels is valid only from the moment the building permit is granted by the city hall and with an extension of the withdrawal period until this document is obtained.

When a company does not reply to a complaint or ceases to exist, citizens have no option other than to go to court. I am in favour of having a neutral and professional player intervening to settle their dispute. Having a tremendous knowledge of the market, the National Energy Ombudsman could have their remit broadened to such disputes. It would reduce the burden on the courts by having less cases, and it would foster citizens' trust in the energy efficiency solutions available on the market. ”



# THE CONSUMERS

P. 26

ENERGY CONSUMERS STILL  
LACKING GUIDANCE

P. 35

FIGHT AGAINST FUEL  
POVERTY ORGANISED

## 2.2

MILLION  
CONSUMERS  
UPDATED BY THE  
OMBUDSMAN  
IN 2017

154,000

VISITS ON  
THE ENERGIE-  
MEDIATEUR.FR  
WEBSITE (+26%  
COMPARED  
TO 2016)



In 2017, media frequently relayed the message of the Ombudsman on the ban on back-billings beyond 14 months, on the outcome of interventions for unpaid bills, on the Energie-Info barometer, on electrical risers—a complex issue, for which his analysis is expected and taken into account—as well as on the Linky smart meter

## Energy consumers still lacking guidance

Ten years after the total liberalisation of the energy market, French people still have reservations about switching companies. With some suppliers still having abusive business practices, and with the end of the regulated tariffs for the sale of natural gas being announced, the Ombudsman strives to bring consumers high quality information.

In 2017, the Ombudsman renewed its global information and communication strategy by reinforcing its presence on social media and the internet. Thus, it made a breakthrough with professional users of Twitter, with 3,167 subscribers by 31 December 2017, compared to 2,132 at the end of 2016. It is becoming a mark of reference, with its neutral and factual information about the energy market and its news. Its Facebook page targets the general public and publishes factsheets. Its audience remains limited and has yet to be developed with new content: it had 781 subscribers in 2017, compared to 571 the previous year.

### Summit meeting for the 10 year anniversary of liberalisation of the market

Organising events linked to the news, such as the roundtable meeting of 4 July 2017 dealing with the outcome and perspectives of the liberalisation of the market, were favoured instead of participating in public trade shows.

In front of an audience of a hundred people, 9 speakers — representing suppliers, distributors and consumer associations — shared their point of view regarding several topics, from fuel poverty to smart meters. Some of these topics, such as regulated tariffs, were subject to intense debates, but others were more consensual, such as the introduction of the cheque energy, although initially criticised by suppliers. “*In addition to the written minutes, the speakers’ points were recorded and organised as topic videos, and then broadcasted on social networks and on the Ombudsman’s website.*” explains Émilie Pourquery, Communication Officer for the Ombudsman.

To celebrate the 2 year anniversary of consumer mediation in France, the Ombudsman also organised a roundtable meeting on 9 January 2018.



## EDUCATIONAL METHODS TO REASSURE CONSUMERS

Mr T, who lives in Lille, referred to the Ombudsman because he contested his last bill, which, in his opinion, did not match the fixed electricity price of the 18 month contract he signed in May 2016. The explanations provided to him by phone from the Ombudsman’s team were adequate in helping him to understand and accept his billing. Indeed, the “fixed” nature of the contract to which he subscribed was relative to the kWh rate before tax, and not on the cost of the subscription, indexed on the regulated electricity sale tariffs. This information was displayed in the supplier’s terms and conditions.

Moreover, a malfunction of the subscription software had set the kWh rate on 12 months instead of the agreed 18, but the consumer had not noticed the correction of this anomaly in the next bill.

*Recommendation n° D2017-06193, available at energie-mEDIATEUR.FR/recommandations*

## FINDING THE CAUSE OF AN “UNEXPLAINED” CANCELLATION IS OFTEN TIME-CONSUMING

Mr. T, from Noisy-le-Sec (93), spent several weeks with various contact persons understanding why he received a cancellation bill even though he had not switched supplier. His supplier told him to contact the distributor, who in turn advised him to contact the Energy Regulatory Commission. The latter oriented him towards Energie-Info, which provided him with the correct information about the appropriate course of action: to write a letter to the supplier, authorising them to request the manager to investigate the cause of the cancellation. Once the procedure was undertaken, the consumer, who had still not received any answer, called Energie-Info back, who in turn forwarded the request to the distributor. The latter eventually disclosed the identity of the supplier who had mistakenly attributed Mr. T’s delivery point to a new client.



## FRANÇOISE THIEBAULT

General Secretary of the secular family associations of Paris

*For the reinforced protection of consumers  
facing new disputes*

“ Significant changes in the energy sector bring about a fear in the development of new disputes. The entry of powerful players in the market could encourage suppliers to use abusive business practices in order to expand their customer base. Furthermore, the end of the regulated gas tariffs, which should occur during the deployment of Gazpar, will coincide with a wave of new offers. For households, it may be both an opportunity and a risk, since they will be able to consume better and less with the new smart meters, provided they are well informed. The price comparison tool of the National Energy Ombudsman will be all the more essential in providing honest, clear and trustworthy information.

Developments planned in the law will stipulate that works to connect to the electrical network may be carried out by private companies, under the supervision of the network manager. Thus, they may offer services to install and connect photovoltaic panels. Such installations should prosper with the promotion of auto-consumption. But this will not be done without risks for the consumers, who might see the distributor turning against them in the event of a disruption to the network. What recourse will there be if the company carrying out the works ceases to exist or digs its heels in?

It is essential to reach an agreement on the creation of a strong measure that will protect consumers against the disputes emerging from unfair contracts or malfunctions, no matter which operator is responsible. ”

### “Consomag” back on our screens

The Ombudsman and the National Institute of Consumption (INC) extended their partnership to 2017 with a series of 5 “Consomag” shows, broadcast between 20 November and 18 December on France Télévisions’ channels, mostly during prime viewing times. Created in a 2 minute format, they provided educational information on the following topics: “10 years after the opening up of the energy

market, what are the changes?”, “How to make a sound comparison between the electricity offers and the ones of natural gas.”, “What to do if problems occur with an energy supplier?”, “What is green energy?” “How to choose the best electricity tariff offer?”. 15 million viewers watched these shows.



## ENGIE AND DIRECT ÉNERGIE SANCTIONED FOR THEIR QUESTIONABLE BUSINESS PRACTICES

In March 2017, Engie was sentenced to pay a hefty fine for the amount of 100 million Euros. The Competition Authority, which had been referred to in 2014 by the UFC-Que choisir association and by Direct Énergie, sanctioned the group's abusive business practices, who were using its customer database relative to the regulated tariffs of natural gas sale, a legacy from its former monopoly status, to promote its market offers for electricity and natural gas. Another bad practice criticised was the use of a misleading commercial argument — a supply having a higher standard of safety than its competitors — to encourage consumer to choose their offers.

In addition to this penalty, and after receiving a complaint from EDF, the Commercial Court of Nanterre condemned the company to a €150,000 fine due to unfair competition. Some salespeople mandated by Engie solicited customers by usurping the EDF name, which is also a practice reported by the Ombudsman after consumers were deceived by such a confusing marketing campaign practice.

In October 2017, Direct Énergie was also sanctioned by the Departmental Directorate of the Protection of People of Paris. An administrative fine of €60,000 was ruled, for not respecting the provisions that regulate the conclusion of remote contracts, namely for not having obtained the express consent of the consumer and for not sending a confirmation of offer during the solicitation call, instead of afterwards.

1,519

DISPUTES RELATED TO BAD MARKETING COMPAGN PRACTICES WERE RECORDED IN 2017, COMPARED TO 1,140 IN 2016



## FRENCH PEOPLE STILL HAVE LITTLE INTEREST IN THE ENERGY MARKET

**1** July 2017 marked the 10 year anniversary of the opening-up of energy markets to competition. Even though competition is growing, French people did not improve their knowledge of it: for example in 2012, 1 out of 2 French people 2 is unaware that he/she may switch supplier, and most of them cannot state another name than the one they have, according to the 2017 Energie-Info barometer. *"The fact that this unawareness persists may be surprising, with the entry of new suppliers coming with advertising campaigns, giving exposure to the market,* underlines Caroline Keller, Head of the Ombudsman's Information &Communication Department. *For our part, we regularly provide consumers with information, in particular when changes occur in the regulated tariffs, and we remind consumers that they have the opportunity to compare offers from suppliers, and to switch at any given time without any extra cost."*

French people have a wait-and-see attitude. When it is explained to them that the market is open to competition, 64% think the opening-up is a positive thing, but only 20% of them looked for information. Procedures to switch suppliers, even if they seem easy for 55% of people surveyed, remain obscure, with 20% of them thinking that the process is costly, and 12% believing it requires a meter switch.

Current events, relative to the upcoming termination of regulated natural gas sale tariffs, allowed light to be shed on this. 46% of French people state they heard of it in 2017, compared to 36% in 2011. However, this topic remains unclear, since 45% of respondents believe they may receive offers from all suppliers, and 22% think they cannot rescind once they have subscribed to a market offer.

(Source: Survey carried out by the Market Audit Institute, between 5 September to 25 September 2017, on a representative sample of 1,500 households, by telephone survey)

**29%**

OF HOUSEHOLDS STILL BELIEVE THAT EDF AND ENGIE (FORMERLY GDF SUEZ) ARE THE SAME SUPPLIER

**72%**

OF FRENCH PEOPLE THINK IT IS POSSIBLE TO HAVE REGULATED TARIFFS FOR BOTH GAS AND ELECTRICITY WITH THE SAME SUPPLIER

### The “Minute Pratique”, to know everything about energy

In 2016, this televised information campaign was made by creating 10 videos of one minute duration, in collaboration with the National Institute of Consumption (INC). Designed as questions/answers from experts, consumers are reminded of key elements, such as entering into a contract for the supply of LPG, using the cheque energy, estimating your electricity consumption, responding to marketing campaigns, or understanding the implications of the termination of regulated tariffs, or of self-consumption. They were broadcast on social networks and are available on the energie-info.fr website.

### The Ombudsman on the air

Between October 2015 and February 2018, Jean Gaubert answered listeners' questions on a radio programme called "A meeting with the Energy Ombudsman" scheduled every Friday on Bretagne 5, a local radio station which is also broadcast on the internet. On Radio France Bleu, the "Minute conso" regional radio programme regularly hosts Frédérique Coffre-Fériaud, managing director of the Ombudsman, for similar interviews.

### The energie-mEDIATEUR.fr website renews itself

The redesign of the Ombudsman's website in November 2017 has resulted in significant improvements. Now the site has been adapted for reading on smart phones and tablets (responsive site) and is compatible with social network features, used increasingly by consumers. From now on, its pages are upgraded with high definition pictures and videos. To add simplicity and clarity, the site was restructured into 3 sections: "The Ombudsman" Introduction of the institution, their missions and news; "Disputes" which covers referrals, recommendations and jurisprudence; "Energie-Info" provides links to the main features of the main website, featuring a comparison tool and factsheets.

Sophie Marin, Communication Officer for the National Energy Ombudsman states that *"This new configuration enhances the institutional section and the Ombudsman's news, which are currently the most read pages."*

**25%**  
OF VISITS ON  
THE ENERGIE-MEDIATEUR.FR  
WEBSITE ARE  
MADE FROM A  
MOBILE PHONE  
OR A TABLET

**42,000**  
VIEWS OF ONLINE  
VIDEOS



Energie-Info, the Ombudsman's information service consists of: the energie-info.fr website, a call centre that can be reached through a toll-free number (0 800 112 212) with agents answering the simpler questions, and a second-level expert centre that processes complex phone and written requests.



The 2017 ranking of the most-read pages of the energie-info.fr website shows that the price comparison tool is in the lead, with 35% of visits. Then comes the calculator used to evaluate the consumption of electricity (20%), followed by the database of the suppliers of electricity and natural gas (15%) and the factsheet "How to read the indexes on my electricity or natural gas meter?" (6%).

#### The energie-info.fr website is upgraded with new features

With the gradual deployment of the Linky smart meter, suppliers of electricity started designing new tariff offers in 2017, with "peak hours/off-peak hours" concepts for evenings and/or week-ends. One of them is promoting a concept of "super" off-peak hours at night. "Our price comparison tool has evolved in order to take into account these new tariff offers which are specific to consumers who have Linky installed. The tool was redesigned to include up to ten different prices and is ready for the future," explains Nabil Boubakeur, Head of IT Projects for the Ombudsman.

Only the gas offer from the Ekwateur supplier was not integrated into the comparison tool, because it is highly complex and based on several hundred tariff zones - when other suppliers usually have only 6.

#### A calculator to assess gas consumption

A calculator was created to assess gas consumption from a series of questions on gas use, type of dwelling and details of the household. This project was carried out with the GRDF distributor, who designed a calculation engine. Consumers may use the calculators to find hints if their consumption is too high or to assess it when they move into a new home.

Once the assessment is completed, they may input it into the comparison tool and run a simulation. This tool was upgraded with a new indicator to inform consumers about the percentage of biogas in suppliers' offers, similar to what is done for green electricity.



## ENERGIE-INFO, A FOUNDATION TO ASSIST CONSUMERS

Just over 200,000 consumers called Energie-Info's toll-free number in 2017. 115,000 used the voice server to listen to the suppliers' list, and 89,000 chose to talk to an agent. The expert centre, at Energie-Info's second level of service, processed about 9,000 requests in 2017. 31% are questions on offers and procedures, and 69% of requests that are related to disputes, contesting consumption levels on the bill being in the lead (13%). Following those are calls from consumers who report misleading business practices (10%), disputes relating to payment of bills (9%), and difficulties arising from interruption of supply (7%).

Unexplained cancellations, whether they are due to mistakes made by suppliers on a delivery point, or to the unrequested activation of a contract with another supplier after a marketing campaign, are nothing new. This is a head scratcher for consumers, because the suppliers' customer services lack the knowledge to advise consumers on the procedure to follow, and do not properly process the complaints made to identify the cause of cancellations. This is why the Ombudsman is asking for the consumers to have the facility to contact the distributor directly to obtain this information.

1.8

MILLION VISITS ON THE  
ENERGIE-INFO.FR WEBSITE,  
I.E., A 2% INCREASE COMPARED  
TO 2016

204,000

CALLS MADE TO 0 800 112 212,  
THE TOLL-FREE NUMBER PROVIDED  
BY ENERGIE-INFO'S SERVICE



## THE ENDING OF THE REGULATED TARIFFS OF GAS MUST GO HAND IN HAND WITH SUSTAINED INFORMATION

The decision of the Council of State, stipulating that the regulated tariffs for the sale of natural gas are contrary to the European law on competition, opens the door to their future cancellation, probably so by 2023. Since 1 out of 2 people do not know that they can change energy supplier, the Ombudsman thinks that a major educational and informative effort is essential to provide assistance to individual consumers during the transition.

The difficulties met during the removal of regulated tariffs for professionals since January 1 2016 highlight which obstacles to avoid: with poor preparation and poor information, several thousand of them had not started any procedure to subscribe to a market offer before the deadline. This failure to anticipate led public authorities to urgently set up a transitory solution, with deterrent tariffs for stragglers.

*"We must intensify the efforts we make on our mission of information, so consumers will be encouraged to understand the key issues of the market, indicates Frédérique Coffre-Fériaud, Managing Director of the Ombudsman. However, specific communication actions should be carried out right now, so that consumers can be informed very early on, and avoid waiting till the last minute to subscribe to a market offer."*

The Ombudsman also advocates the setting of a reference price of natural gas after the end of regulated tariffs, which would provide a guideline for consumers in the process of choosing an offer.

## 5 MILLION

INDIVIDUAL CONSUMERS, CO-OWNERSHIPS AND SMALL BUSINESSES HELD A CONTRACT WITH A REGULATED TARIFF OF GAS ON DECEMBER 31 2017

## The fight against fuel poverty is being organised

**C**lose to 6 million households have difficulties paying their electricity, gas or domestic fuel bills, and 7.4 million households live in poorly insulated homes. The new plan for the energy renovation of buildings places the fight against fuel poverty at the top of its priorities, with the goal of refurbishing 150,000 "energy sinks" every year. After two years of successful experimentation, the cheque energy will replace the past social tariffs of gas and electricity as of 2018.

The poor thermal performance of buildings and the poor condition of heating or hot water appliances puts a burden on energy bills. Some households relinquish paying them, or choose to deprive themselves to restrict the amount, a reality that is well known by the Ombudsman. About 10% of the level 2 requests to the Energie-Info information service concern payment difficulties, and 7% are the consequence of a power cut, mostly due to unpaid bills.

### **Energy bills, a source of growing concern**

According to the 2017 edition of the Energie-Info barometer, two thirds of French people estimate that energy bills constitute a major part of the household's expenses, whereas only 56% of them had that opinion in 2016. A third of households reduced their heating consumption to avoid paying too high a bill. This hardship is more common amongst people in large cities (40%) and younger ones (42%).

**1 / 3**

OF HOUSEHOLDS  
STATED THEY  
HAD REDUCED  
THEIR HEATING  
CONSUMPTION  
(Source: Energie-Info  
barometer)

**€1,925/YEAR**

ON AVERAGE OF  
ENERGY SPENDING  
BY VULNERABLE  
HOUSEHOLDS,  
COMPARED TO  
€1,584/YEAR  
ON AVERAGE  
NATIONALLY  
(Source: ONPE)



The Community Centres for Social Action believe that the winter truce has a positive impact to assist people in vulnerable situations. It allows acting jointly with energy suppliers on the mediation of unpaid bills, and allows a different course of action on the longer term with people experiencing fuel poverty.

# 48%

OF ADULTS EXPOSED TO FUEL POVERTY SUFFER FROM MIGRAINES, AND 22% FROM CHRONIC BRONCHITIS, COMPARED TO 32% AND 10% OF PEOPLE RESPECTIVELY WHO ARE NOT

(Source: CREAI-ORS-Gefosat, 2013)

### **The winter truce for power cuts, a progress...**

Since 2013, the truce that prevents the eviction of insolvent tenants during winter has been extended to the supply of energy. This is a major progress from the “Brottes” law that was notably achieved after the Ombudsman committed itself to support strong measures against fuel poverty. Between 1 November and 31 March, the tenants of a home who have not paid the entirety of their bills cannot have electricity or natural gas cut off. Suppliers may however restrict the power of the meter, except in households that benefit from the cheque energy.

### **... which does not benefit everyone**

“However, some vulnerable households do not benefit from the protection of the winter truce and come to us because they go through very serious situations.” state Jean Gaubert. The ones that underwent an energy cut before 1 November remain without electricity or gas during the full duration of winter if they do not pay their debts. The ones who have empty LPG or domestic fuel tanks, and who cannot afford to fill it up, will also go through winter without heating and/or hot water. Some people, who live in buildings serviced by smaller networks of propane gas may also undergo gas cuts during winter if they have unpaid bills, because the law only pertains to natural gas. Sometimes, the electrical power limiter may blow if a household has a consumption above the authorised limit, for instance by using an auxiliary heater; in such cases, after an action of the Ombudsman, the distributor promptly replaces the device, which allows restoring electricity even if the power remains limited.

### **A decrease of the number of actions due to unpaid bills**

After steadily increasing during the past few years, the number of actions due to unpaid bills - energy cuts and restrictions of power - decreased by 10% compared to 2016, and reaches a similar level to the one of 2015. Suppliers carried out 543,874 cuts in the supply of energy or restrictions of power in 2017. They forward this data on a quarterly basis to the Ombudsman, so he may fully understand the situation of consumers experiencing fuel poverty.

In 450,012 actions on electricity, 228,472 were cuts, 211,797 were restrictions of power— with most of them being carried out during the winter truce — and 9,743 were cancellations of contracts decided by the supplier, without a prior cut. This figure decreases by 6% compared to 2016.

In 93,861 actions on natural gas, 53,848 were power cuts and 40,014 were contact cancellations. This figure is 26% lower than the one in 2016 and is close to the level of 2015. The 2016/2017 winter, milder than the previous ones, also provided some leeway for the payment of bills. The decrease can also be explained by the limitation of back-billings to 14 months, a raised awareness of assistance solutions and a greater tolerance of suppliers.

Some of them unfortunately tend to order energy cuts for debts with limited amounts, in the hundred Euros range (see p. 78, chapter “The Suppliers”, Case Study D2016-03252).



FOCUS

## FUEL POVERTY UNDER HEAVY SCRUTINY

**I**t is Europe's turn to have an observatory of fuel poverty at its disposal. Launched on 28 January 2018, it collects various sources of information from all over Europe, and allows sharing good practices, measures and training tools, and it acts as a forum to connect all the various actors. Member states will have to regularly forward reports to the observatory to feed its database. By creating this platform, the Commission intends to show that fighting fuel poverty is one of its priorities, in accordance with the “A clean energy for all Europeans” package that was introduced at the end of 2016.

In France, the National Observatory of Fuel Poverty has been created by the “Grenelle 2” Law of 2010, to develop a greater understanding of the phenomenon, primarily in the field of housing but also as it relates to mobility. Identified by a new logo, it published its third wave of key figures under an innovative format. The “Fuel poverty dashboard 2017” provides an easier access to data and adds increased readability, by categorising them into broad chapters: quantification indices of the phenomenon, context, difficulties of households to pay their bills, and follow-up of the national financing schemes used to fight poverty.

Such observatories have the mission to increase awareness to improve assistance. However, developing knowledge is not an end in itself, but it is putting new measures in place to fight poverty that must be the ultimate goal.

# 50 MILLION

EUROPEAN HOUSEHOLDS EXPERIENCE FUEL POVERTY, I.E., 10% OF THE POPULATION

(Source: European Commission)

# €150

THE AVERAGE AMOUNT  
OF THE CHEQUE  
ENERGY, COMPARED  
TO €114 FOR THE PAST  
SOCIAL TARIFFS

# 4 M

UNDERPRIVILEGED  
HOUSEHOLDS ARE  
ELIGIBLE FOR THE  
CHEQUE ENERGY

(Source: Ministry for  
an Ecological and  
Solidary Transition)



The eligibility conditions and the amount of the allocation from the Solidarity Fund for Housing (FSL) may vary from one department to another. The resources ceilings are also different. Grants are sometimes given to tenants only, or to a specific type of owner (older than 65 for instance). Energy sinks may not always benefit from the FSL allocation, while some regulations set to be a customer of Engie or EDF as a condition.

### Untraceable “solidarity poverty contact”

Energy suppliers are obliged to appoint a “solidarity-poverty contact” to facilitate relations with social services of the city or of the department, as well as with consumer protection associations. The Ombudsman wonders if there is any reality to this position for some suppliers, notably for new entrants on the energy market. Regularly, social workers who manage the files of vulnerable households state they have no contact address for the relevant supplier; they cannot identify the person in charge of the solidarity centre. It is critical that companies comply with this obligation in order to better assist people in trouble.

Furthermore, 16% of the Social Action Community Centres (CCAS) never receive the list of people with unpaid energy debts that suppliers are bound to send them, according to the 2017 edition of the “Social Investigations and Observations” report of the National union of CCAS.

### The cheque energy is coming to the aid of vulnerable households...

On 5 January 2018, the Ministry for an ecological and solidary transition announced that the cheque energy would be allocated as of 26 March 2018. Created by the Law of August 2015, it replaces the electricity and natural gas social tariffs to assist vulnerable consumers, by helping them pay for their energy bills, no matter heating appliances are being used (domestic fuel, LPG, wood...). It also includes expenses incurred on works of energy renovation.

The Ombudsman is a longstanding advocate of this scheme and believes it to be fairer and less complex than social tariffs, which was paid to a lower number of households than those eligible. The cheque energy is automatically sent to low-income households, on the basis of their fiscal income, without them having to undertake procedures.

### ...which embraced the scheme in test-departments

The assessment report of the cheque energy, which is based on what was learned from a trial carried out for two years in Ardèche, Aveyron, Côtes-d'Armor and Pas-de-Calais, shows encouraging results. 170,000 cheques energy were allocated in 2016 and 2017. Beneficiaries embraced the scheme, with most of them understanding clearly its usage and seeing it as being more practical than the past social tariffs.



## LENGTHY PERIODS WITHOUT ELECTRICITY

After losing his job, Mr. T. and his wife, who is using her parental leave to raise their 4 children, could no longer manage to pay for their electricity bills. The energy supply was cut in July 2017. The Commission for Excessive Debt has put a plan in place to have their debts on standstill for 2 years.

However, this plan does not include their outstanding debt with the supplier: since the meter reading had not been logged before the detailed statement of their debt, bills kept on being sent, adjusting the previous estimated consumptions... even though the distributor came to their home at the beginning of the year to implement a restriction of power but did not record the meter reading, despite an action stipulated in the procedure relative to actions due to unpaid bills.

In December 2017 the power was still cut off. The supplier refused to reconnect the supply until the couple paid their full debt. The family equipped itself with two power generators and heated the home with a wood burner. Hot water was no longer available. They sent a request for help to the Housing solidarity fund, but the procedure takes time. They could not subscribe to a contract with another operator because there is only one supplier of energy in the area they live, a zone serviced by a local distribution company (EDL).

**The Ombudsman recommended that a plan be offered to Mr and Mrs T to clear the debt and that energy be restored after the payment on the first deadline.**

*Recommendation n° D2017-06096, available on the energie-mEDIATEUR.fr/recommandations website*

*“With a rate of non-use of about 22% during its first year of experimentation, the cheque energy belongs to the most efficient welfare schemes.”* specifies the report. Almost 70% of beneficiaries are in the lowest income category, which grants the highest allocations. For consumers who do not have gas heating, the amount has increased by €70 per year; in contrast, for households equipped with gas heating, the allocation decreased since they no longer benefit from both the social tariffs of electricity and of gas.

For the Ombudsman, it is critical that the amount of the cheque energy be significantly enhanced to fight fuel poverty.

#### **Areas of improvement are identified**

Beneficiaries of the cheque energy like those who were on social tariffs, can benefit from additional assistance, such as a free service start when they move in, a ban of the restrictions of power during the winter truce, an 80% deduction on expenses incurred because of actions for unpaid bills, and an exemption of banking costs when payments are rejected.

Also they must make themselves known to their supplier, notably by using the validation certificate they receive along with the cheque energy. In order to improve access to assistance schemes, the report advises using other means of reporting vulnerable consumers to operators.

In order to optimise the benefit of the cheque energy, the report deems it necessary to use greater means to inform beneficiaries; for instance a major national information campaign and increase the involvement with local authorities, associations and social workers. Its use could also be simplified, by making it more digital and allowing an online use.

#### **The creation of a last resort supplier**

For the Ombudsman, the assistance provided to French people experiencing fuel poverty needs to be implemented with a last resort universal supplier of electricity, similarly to the existing one providing minimum banking services. Households having financial troubles and left unable to subscribe to a contract with a supplier, should be able to benefit from a minimum supply of electricity that provides for their most vital needs: lighting, feeding, heating. Households that rack up unpaid bills have their contracts terminated by their operators. Contrary to some common misconceptions, regulated sale tariffs proposed by the historical suppliers do not bring any specific protection; these suppliers also cancel contracts with regulated tariffs when consumers become insolvent. Even though the refusal of sale is illegal, some operators—when they are informed that consumers have difficulty with payments—refuse to enter into a contract with customers they believe to be “bad payers”. The Energie-Info service regularly witnesses this situation.

#### **Increased difficulties on ELD zones**

*“This issue is particularly significant on areas serviced by local distribution companies (ELD) where competition is almost non-existent, stresses Frédérique Coffre-Fériaud, Managing Director of the Ombudsman. Consumers regularly refer to us when their energy supply is cut and they cannot have it restored, even in cases where the unpaid bill concerned a previous home, with a contract that was already terminated.”*

The case of a family deprived of power for a year was forwarded to the Ombudsman by the Directorate-General for Energy and Climate (DGEC), whose action was without remedy. It is only after a lengthy negotiation process that the Ombudsman managed to convince the supplier to restore the electricity supply, with a reduced power, after making a compro-

mise with a payment plan of the debt. Several files, involving terminations of contracts and energy cuts on areas serviced by ELDs, were processed by the Ombudsman in 2017, which further highlights the need of establishing a supplier of last resort.



## **THE SOLIDARITY FUND FOR HOUSING ADAPTS TO THE CHEQUE ENERGY**

The Solidarity Fund for Housing (FSL), a scheme monitored by the Departmental Council, grants financial support to households that meet difficulties in paying for housing expenses, notably electricity or gas bills. Suppliers of energy may top up this fund by making agreements with each department, which determine the amount of their financial support. The latter is reimbursed to a certain extent by public subsidies.

Until the end of 2017, the compensation rule, set by regulations, was calculated using the rate of the Tariff of basic necessity (TPN), proposed by all electricity suppliers to their customers with lower incomes. Up to 20% of the amount dedicated to the TPN, paid by energy companies to the FSL, was compensated using state budget. With the implementation of the cheque energy in 2018, the terms of compensation have changed: it is now calculated on the basis of the number of individual customers of electricity for each supplier. It makes little sense though that customers of natural gas are not included in this calculation.

Above all, why should suppliers be in charge of transferring public funds? The State could pay these amounts directly to the FSL, on the basis of the number of people benefitting from the cheque energy for each department. In turn, suppliers would additionally be free to top up this fund, in accordance with their solidarity policies.

**150,000**

HOUSEHOLDS BENEFIT FROM  
ASSISTANCE FROM THE FSL IN 2014  
(OUT OF 203,000 REQUESTS)  
*(Source: National Observatory of Fuel Poverty)*

# 15

EUROPEAN MEMBER  
STATES HAVE  
ALREADY SET UP A  
SUPPLIER OF LAST  
RESORT TO PROTECT  
CONSUMERS  
EXPERIENCING  
PAYMENT  
DIFFICULTIES

(Source: Council of European Energy Regulators - CEER)

## A public service for the general interest

A service of last resort supply, compatible with the mechanisms of a competitive market, must be simple and affordable for the community. It is essential that such a scheme is carefully designed so that it does not encourage non-payment of bills, is transitory, and does not stigmatise people benefiting from it.

This mission could be carried out by network managers, who have a monopolistic position and are close to people, slightly less so though since the market opened up. They do so de facto today, outside of any legal framework, through the “non-technical losses” that cover consumption from households with terminated contracts but whose energy supply is not cut. Since the latter do not have any customer service, billing solutions should be designed in order to avoid heavy management costs, such as prepayment for instance.

## Priority must be given to refurbishing “energy sinks”

If assistance for the payment of bills constitutes an essential step in fighting fuel poverty, the Ombudsman believes that a major effort must be made on the energy refurbishment of buildings, with a view of preventing the phenomenon by having a long term action. “Additionally to financial incentives, I advocate reaching a high level of energy performance for rented homes” restates Jean Gaubert.



**NATHALIE APPÉRÉ**

President of the National Agency for Housing (Anah)

## *Sustaining the effort of energy refurbishment for vulnerable households*

“ **T**he Habiter Mieux programme, dedicated to fighting fuel poverty, falls within the priorities of the climate plan and of the Government’s plan of energy refurbishment. While the goal of rehabilitating 75,000 homes, namely the ones called “energy sinks”, is ambitious, it can be achieved through the application of a number of simplified measures which will facilitate procedures for home owners. This programme is partially financed by the major investment plan that supports the budget of the Anah. Financial stability, with its objectives and rules, allows the beneficiaries, as well as the Agency’s partners including local authorities, to enjoy greater public awareness

The various assessments we carried out showed that assisting households is essential. Support operators are trustworthy third parties. To meet further objectives, the Anah wishes to associate its programmes to new forms of support. Hence, we think we may assist the associations that work with the most vulnerable households and offer tailored assistance. It presumes that those already engaged in local social actions will assist us. Financing the excess expenses of home owners in the more serious situations is a critical issue. The agency wishes to develop partnerships that will allow them to benefit from financing schemes, which may incorporate public subsidies, subsidised loans, social loans, advance schemes etc. ”



# THE DISTRIBUTORS

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A FEW IMPROVEMENTS FOR THE DISTRIBUTION NETWORKS

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SMART METERS: THE BENEFITS FOR CONSUMERS  
ARE YET TO COME

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STILL NO END TO THE RISERS' SAGA

## A few improvements for the distribution networks

The types of disputes with networks managers saw little change in 2017: the issues of quality of supplies and of connection remain predominant. There was a slight improvement in processing such disputes.

In 2017, the number of files related to issues of quality in the supply of electricity has slightly decreased: 9% of admissible disputes, compared to 10% in 2016. Inversely, the proportion of disputes relative to connection or to network equipment went from 6% to 8% in 2017, an increase that may be explained by the growth of referrals linked to the renovation of risers (1.5% of files) and by the ones that involve public equipments on private properties. The troubles caused by the installation of Linky, which were inexistent last year now account for close to 3% of files processed through mediation.

### “Customer culture” is growing

Cases referred to us because of the quality of supply cover various issues: voltage drops or surges, accidental outages or micro-outages, with significant financial sums at stake, sometimes amounting to several thousand Euros. “*We noticed in 2017 improvements in the practices of the Enedis distributor, which more frequently offers to compensate consumers for the inconveniences incurred. However they do not admit to any substantial wrongdoings, except in the event of a loss of neutral (an electrical surge that damages equipment), for which they usually acknowledges their responsibility and compensate for damages.*” recounts François-Xavier Boutin, Head of the Ombudsman’s Natural Gas and networks division. The fact that distributors improve their relationships with customers is a good sign, because their monopoly position prevents

consumers benefiting from competition. A little more “customer culture” would not be harmful, far from it.

### Better compensation paid for damages caused by phase inversions

Furthermore, Enedis has softened its position regarding damages causes by phase inversions. During works or electricity cuts on the networks, these cause heating that may lead to damage. Until now, distributors refused to compensate customers, deeming that it was up to them to be equipped with thermal protection for their electrical devices. As of now, the network manager agrees more often to bear a fraction of the repair costs, usually about 50%. “*From our own analysis, it is only half of what it should be, indicates François-Xavier Boutin. It is up to the technicians to check out the phases. Therefore, the distributor is liable if they do not comply with this business rule.*” For instance, Mr B’s heat pump was damaged by a phase issue. It took several months to have it back in service. As part of the mediation, Enedis agreed to bear the costs due to fault-finding and half of the repair expenses, for a total amount of €1,000, and further compensated Mr B. with €100 for the late carrying out of works and the inconvenience it led to.

### Insurance company referrals to the Ombudsman

One of the specific issues of disputes caused by the quality of supply is that a significant fraction of referrals is made by insurance companies.

After reimbursing their clients a fraction of expenses, they refer to the Ombudsman to

recover the sums paid from the distributor, as well as the deductible amount borne by the consumer. Since this referral is carried out as part of their subrogatory action, the Ombudsman believes it is within its remit to process these disputes, as if it had been referred to by the consumer. It is sometimes a point of divergence with Enedis, which challenges the legal basis of this competence. However, Enedis replies indeed to the Ombudsman’s requests, which allows the latter to process such cases... even if its recommendations are usually not followed, or only partially.



Enedis’ view is that it is not bound to an obligation of results regarding the quality of supply. For the Ombudsman, the distributor is responsible for the network equipment and must supply electricity of high quality without interruptions, except in cases of force majeure such as a large storm.



## A PROPER FORWARDING OF INDEXES TO AVOID DOUBLE BILLING

Mr D and Mr T who both live in Tiercé (49), cancelled their electricity contract with supplier X and became customers of Y. They contest the reading index set for their change of supplier, which was overestimated. Indeed, as stated in the procedure to change suppliers, these consumers sent a self-reading to supplier Y, lower than the index estimated by the distributor during the switchover. The latter agreed to correct their estimate using the self-reading from the consumer. The bill for service with the new supplier was consequently modified, but not the one relative to the cancellation from the former supplier, because the former distributor neglected to forward the adjusted index. Following action from the Ombudsman, the distributor agreed to forward the data to supplier X forthwith, cancelling an overbilling of around about €235.

After processing several similar disputes, the Ombudsman reminded the distributor the procedure it has to follow in cases where the contractual index is adjusted.

*Recommendation n°2016-04268, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website*



CASE STUDY

## **More transparency in the connection estimates**

The last activity report of the Ombudsman underlined a lack of clarity in costs estimates from Enedis and GRDF. The price of these connection works, outside of the scales approved by the Energy Regulatory Commission (CRE), is established on the basis of a service grid that remains unidentified, which prevents any verification. Unlike estimates for other works, subject to the framework of the Consumer code and of the decree of 2 March 1990 that specifies which items must be listed, the ones of networks managers lack any explanatory details and provide little information to consumers. However, the scope of works belonging to the price grid approved by the CRE was broadened. This new scheme should come into effect as of the first half of 2018.

## **End of dramatic and unexplained price increases?**

According to Enedis, 80% of connection works will now be subject to flat rates or to a simplified pricing formula; some works—*aerial connection being undergrounded, removal of connection, replacement of the meter panel, with or without a site visit*—will no longer be invoiced after a cost estimate. The Ombudsman has been regularly referred to after abnormal price increases were applied without any justification, sometimes up to 40% over a year. The new price grid will be based on a new method to calculate costs, which, according to Enedis, will better account for true costs and should in the future avoid having dramatic price increases, so prices may be in line with inflation.

## **GOODWILL EVIDENT IN THE APPLICATION OF THE 14-MONTH LIMIT FOR BACK-BILLINGS**

One of the measures of the law of energy transition of August 2015 banned back-billings of over 14 months, with the law taking effect on August 2016. A year and a half later, the Ombudsman notes improvements regarding its enforcement. The Enedis distributor committed very early on to systematically limit back-billings to 14 months in cases where the meter malfunctioned. “*This position is now the rule for all files processed through mediation*” specifies Catherine Lefrançois-Rivière, Head of the Mediation Department. These disputes are not challenging, and are resolved amicably, since Enedis is automatically offering to limit the adjustment to 14 months. However, it is deplorable that such cases are not solved upstream, because it is required by the strict compliance to legal provisions.

**17 AUGUST 2016**

LIMITATION OF 14 MONTHS OF ADJUSTMENTS FOR UNBILLED CONSUMPTIONS COMES INTO FORCE



**FRÉDÉRIC GONAND**

**Professor of Economics at Paris-Dauphine, Co-President of the “Energy Networks and Systems” workgroup in the oversight Committee of the Energy Regulatory Commission**

*Storing energy is a major challenge for tomorrow*

“ **B**ringing together the principal players in the energy world, companies and public bodies, is a key aspect of our workgroup. This facilitates a projection of the energy networks in 2030. The date may seem distant, but investment decisions must be made now to meet future needs. The first topic we will tackle is the issue of storage, which is due for a report before summer. It is a key challenge to meet the increased needs of flexibility of the energy system, in a context of energy transition and sustainable energies. Several technologies already exist, such as centralised or decentralised batteries, hydrogen as a carrier gas, the power-to-gas... But will they meet the conditions of economical viability? It is up to us to examine the adequacy of such business models.

One of the unique aspects of our workgroup is its ability with the key people in the electricity and gas networks, so we can work on issues in a complementary manner, which proves essential if the rise of power-to-gas is considered. This solution allows storing electricity by transforming it into hydrogen that can be injected in the natural gas networks.

These changes are beneficial for consumers. To be able to release energy when demand is high, and inversely to store it when demand is low, should lead to a smoothing of prices on the wholesale electricity market. Prices should be lower in peak periods of consumption. **”**

## Benefits for consumers are yet to come from Smart meters

The deployment of the Linky and Gazpar smart meters continues seamlessly, despite the opposition of some groups and mayors. In 2017, the Ombudsman started to receive referrals for disputes arising from the installation of new meters or misunderstandings regarding the level of consumption.

By the end of 2017, the deployment progress met initial expectations, with 8 million meters already installed, i.e. a fourth of households equipped with it. At the same date, 712,000 Gazpar meters had been installed, consistent with GRDF's objectives. This process was achieved despite opposition from individuals, groups and communes, all continuing to voice their protest. The Ombudsman received 161 disputes related to a refusal to have Linky installed; they are not going through the mediation process because consumers are not allowed to oppose this installation (See p. 9 chapter "The Ombudsman").

In 2017, the Ombudsman processed about a hundred disputes relating to the installation of a Linky meter, compared to around ten in 2016. Electrical issues are at the core of the disputes: contesting the consumption levels recorded by Linky, questioning the meter reading recorded when the previous meter was removed, faulty new connections to the network or lack of information during the installation. Only 3 referrals relative to Gazpar were received in 2017.

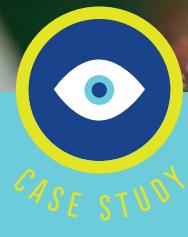
### Typical issues of deployment

One of the reasons for consumer dissatisfaction is the lack of information about the installation date of Linky, notably when it is located outside the home. "It is an issue that was discussed by the Linky workgroup of

the Energy Regulatory Commission, explains Christian Souletie, Head of the electricity section in the Mediation Department. When an individual consumer, who has a meter installed outside their home is not at home for the set appointment, agents fulfil their schedule and quotas by carrying out their work on accessible installations in the neighbourhood. They do so without sending a notice to the concerned people at least 3 days before the week during which works will occur, as it is normally expected."

### ONE OF THE REASONS FOR CONSUMER DISSATISFACTION IS THE LACK OF INFORMATION

The Ombudsman sent a generic recommendation (see opposite page) to the Enedis distributor requesting the company to ensure it would provide sufficient information prior to installing Linky. This information is required so consumers may be present during the installation and make arrangements to anticipate the electrical cut that is bound to occur when the meter is changed.



### LINKY INSTALLED WITHOUT ANY PRIOR INFORMATION

Mr D from Montluçon is not happy with the way his Linky meter was installed. The installation took place without warning, while he was downloading files required for his work, and his electronic data vanished during the electrical cut because of the installation. He referred to the Ombudsman to obtain compensation for the professional damage.

In accordance with its commitments, the Enedis distributor had sent a letter 30 to 45 days beforehand, explaining to the consumer that he would be contacted by an agent and be informed of the schedule of installation. The agent in question called Mr D the day of his visit, but could not reach him. He still installed Linky since the meter was accessible.

The Ombudsman deems that the phone call, even if it did take place, was late and cannot be considered as a valid information about the installation schedule, as provided in the letter. Furthermore, the market players, gathered under the auspices of the CRE, have approved in principle to notify the consumers at least 3 days before the week of installation of the meter.

**In its generic recommendation, the Ombudsman requests Enedis to remind its subcontractors that they are required to follow the procedure, since the information is essential for consumers so they can take precautions and unplug all of their electrical devices to avoid any hazard.**

# 3 DAYS:

TIME REQUIRED TO WARN CONSUMERS BEFORE THE WEEK IN WHICH LINKY WILL BE INSTALLED IF ACCESSIBLE

Recommendation n° D2017-08604, available on the site [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website



## A BOILER STRUGGLES TO RESTART FOLLOWING THE INSTALLATION OF GAZPAR

Mr S. from Lyon, went on holidays leaving his boiler in standby mode. GRDF proceeded with the installation of Gazpar while he was away, and when he returned, the device could not be restarted, which resulted in Mr S. calling a technician. Initially, the distributor refused to pay the €127 invoice, using the argument that “changing a meter cannot be considered as a potential source of damage to a boiler”. As part of the mediation, the distributor acknowledged that its technician had not correctly purged the gas network and compensated the consumer.

Recommendation n° D2017-11515, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website

## POSTPONEMENT WITHOUT WARNING

The network manager installed Gazpar while Mr L. who lives in Manéglise (76), was away. The latter was surprised that GRDF did not carry out works at the date scheduled to change the meter, without warning him beforehand of the new installation schedule. The consumer was forced to call a heating specialist to restart his boiler. As part of an amicable agreement, the distributor agreed to reimburse a sum of €77, equal to the invoice.

Recommendation n° D2017-11185, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website

### Wires are sometimes poorly reconnected

A few disputes show that installations are not always carried out within professional standards. This happens in the case of the poor reconnection of pilot wires to the peak /off-peak hours contactor. This impairs the proper functioning of the hot water tank, resulting in households having to call a technician to repair the malfunction. Enedis states that it is the primary reason why people send complaints following the installation of Linky

The consumer then must deal with two interlocutors: the agent who carried out the installation at level one, and on a second level, the distributor who does not always process the claim satisfactorily. *“These disputes have successful outcomes, resulting in amicable agreements*, points out Christian Souletie. Enedis takes responsibility for the consequences of random issues caused by the installation, and usually bears the costs arising from the electrician’s bill, unless there are mistakes made by the latter.”

### Difficult comparisons...

A new category of disputes has appeared... even though they are not truly disputes as such. They originate in the difference between the consumption recorded by Linky and the history of past estimates. Some suppliers provide their customers with online tools to enable them to follow energy consumption month after month, with charts in kWh and in Euro. However, with common meters, readings are carried out at best every 6 months, which results in an average consumption based on estimates, whereas Linky displays true monthly consumption, with remote readings.

### ...require better information from suppliers

The comparison between the accurate data provided by Linky and the ones averaged from previous estimates resulted in confusing some people, who contest the level of consumption recorded by the smart meter, which they believe to be malfunctioning. For the Ombudsman, it is a matter of explaining clearly to people that their own perception is at stake, and why both sets of data cannot be compared to each other. The Ombudsman recommends suppliers to display this information clearly to avoid misleading their customers.



**57% of French people have heard about smart meters, according to the Energie-Info barometer of September 2017. More than 80% are aware they will allow billing based on actual consumption, through a distant logging of meter readings. And 60% of them agree with having a supplementary display unit at home to read consumptions in real-time.**



## MATTHIEU ORPHELIN

MP for La République En Marche!,  
member of the Committee for the sustainable development  
and land planning of the National Assembly

### *Smart meters must enable increasing knowledge of energy uses*

**T**he installation of smart meters, and more particularly the supplementary display unit, will provide consumers with a real opportunity to better control their consumption of energy. They will allow accurate consumption data to be obtained, an essential prerequisite to mastering the demand of energy on an individual basis. Thus, according to a study of the Agency for environment and energy of June 2017, additional energy savings generated by real-time display may go up to 7.7%, and up to 10% for households equipped with electrical heating with a consumption above 7,000 kWh/year. With this strong ambition, these meters will benefit both the environment and the purchasing power of the French!

However, the reality is quite different and consumers are not getting the most out of the meters. There is too little available information today for users to obtain their detailed consumption. It is therefore urgent to set up a plan of action to ensure the deployment of these meters will lead to consumers being more knowledgeable about their own energy use.

Finally, the law of energy transition made it compulsory for electricity suppliers to make free display units available to low-income consumers. It is necessary to implement this scheme without delay for beneficiaries of the cheque energy. This measure will enable the fight against fuel poverty, one of the key objectives of the Government. **”**

### Gazpar's response in the absence of consumers

In order to secure its Gazpar objectives, GRDF changed how its agents would operate. Initially, a meter could not be replaced if the consumers were not present, including when the installation could only be accessed if the level of gas consumption was low (smaller than 10 MWh/year). A new practice has therefore evolved as follows. In their letter informing the consumer about the installation date, the distributor asks consumers whose presence is not required to switch off their devices connected to the gas network. If no consumption occurs when the installation is planned, technicians proceed with the replacement of the meter.

**70%**  
OF CONSUMERS  
FAMILIAR WITH  
THE SMART METERS  
BELIEVE THIS WILL  
ENABLE THEM TO  
BETTER MONITOR  
THEIR ENERGY  
CONSUMPTION  
(Source: Energie-Info barometer)



RED CARD

## CONSUMERS LEFT ON SIDELINES

**L**inky's promise to help consumers save energy is by accurately determining their consumption of electricity. The Ombudsman notes some failures in this scheme with regret, and shares a few criticisms with the Court of Audit, which dedicated a chapter to Linky in its annual public report of 2018.

Tools designed to provide every household with its daily consumption data are not fully operational. Is this a failure of Enedis to inform and instruct consumers, or is it a technical issue caused by the website's ergonomics? By the end of 2017, only 140,000 customers had managed to create their access account, i.e. 2.2% of households equipped. Some of them were simply not able to connect to the website because of technical issues. With an average time of 2 months required for Linky to become truly smart, others may have given up, since data cannot be displayed quickly after the installation.

Only a third of these people asked the distributor to record their load curve, which displays the power requested by the installation every half an hour. The National commission on Informatics and Liberty (CNIL) has set a 1 year limit to the recording of this curve in the meter, a 2012 recommendation that was taken into account in the decree of 10 May 2017. Enedis took too long to implement this feature. Consumers will have to wait until 1 July 2018 to have Linky recording the load curve by default, unless they are opposed to it. When consumers require this information, they will be provided with a history allowing them to compare offers and choose the one that is most adapted to their purposes.



**Following a request from the Regional centre for consumption, an employee of the Ombudsman was one of the speakers in an information meeting about Linky held in Blois, with Enedis being present. The speech of the Ombudsman, an independent third party with a strong knowledge of the issue having participated in the steering group of the Energy Regulatory Commission, was helpful in shedding light on a complex topic.**

#### **Multiplying of installations without appointment**

The percentage of individuals, absent for the appointment to change the meter, is high, up to 45% in some months. GRDF have raised the yearly consumption threshold to install Gazpar beyond which the presence of the customer is required: it was brought to 25 MWh/year, instead of 10 MWh/year previously. However, customers who have a consumption below the threshold, and who wish to be present, can still set up an appointment. The Ombudsman is worried about the potential consequences of such a decision, notably an increase in disputes related to the installation of Gazpar when the consumer is absent. It wishes that GRDF would compensate consumers for the possible expenses they would have to pay, for instance the restarting of a boiler by a professional technician, similarly to what Enedis does.



## A DISAPPOINTING DELAY

Vulnerable households, which should be equipped with a free display unit to follow their electrical consumption in real-time and in Euro in their homes, will have to remain patient. This provision of the law of energy transition of August 2015, which should have been enforced on January 2018 for the beneficiaries of the cheque energy has been delayed by a year... at least. Suppliers, who are responsible for providing the display unit, must be financially compensated. But several texts, with decrees setting the level of compensation, still remain unpublished. The Government is now considering the possibility of favouring access to data on other devices (smart phones etc.) rather than on a home unit. The Ombudsman regrets that this scheme, which is in line with the deployment of smart meters, and that the institution always advocated because of the educational qualities it provides to consumers, has been delayed by such a large amount of time. It is detrimental to the lowest-income households, as such a tool can help them better understand and manage their energy consumption, and reduce their bills.

9 %

AVERAGE LONG TERM ENERGY SAVINGS ACHIEVED

THANKS TO REAL-TIME INFORMATION

(Source: American Council for an Energy-Efficient Economy)

## Still no end to the risers' saga

**B**earing the costs of the renovation of electrical risers in buildings remains an issue. In 2017, administrative jurisprudence proved to be on the side of the Public offices for housing.

The renovation of electrical risers, which are the wires and sheaths that bring electricity from the public network to homes and buildings, is an issue that keeps on feeding the list of disputes processed by the Ombudsman. Its services received 82 files of this type in 2017, compared to 70 in 2016 and 59 in 2015. Let us remind ourselves as to what is the bone of contention: managers of co-ownership and distribution networks - mainly Enedis - try to shift the burden of bearing the renovation costs onto each other. Maintaining these risers should, in principle, be the responsibility of the "owner". However, demonstrating who "owns" the risers often proves to be a legal puzzle, as shown by the conflicted jurisprudence of the past years.



**300,000 electrical risers still need to be renovated. The Governmental report submitted to the Senate in April 2017 states that the estimated amount of 6 billion Euros, required to meet standards, is largely overestimated.**

**A decree of 21 April 2016 binds Enedis to carry out a precise inventory of the number of all risers incorporated in the concession. Results are requested for 1 January 2018, but are yet to be made available.**

**IN PRINCIPLE,  
RENOVATING THE  
RISERS IS THE  
RESPONSIBILITY  
OF THE "OWNER"**



## BEARING THE GLOBAL COSTS OF RENOVATION

Following maintenance works on a riser in a Parisian building, the distributor informed the co-ownership manager that it was in a general state of disrepair. They pointed out that this equipment was not part of the works of concession in Paris, and therefore its renovation costs should be borne by the co-owners. The co-ownership manager contested this opinion and had recourse to the Ombudsman.

After examining the case, progress was made on one point: the network manager acknowledged that, according to its database, the risers formed part of the concession. For this reason, they should bear the financial burden relative to compliance works. However, even if it has the responsibility of renovating electrical equipment, works due to civil engineering around the riser — formwork building, floor drilling, woodwork, paintwork — were deemed to be borne by the co-ownership.

The Ombudsman does not share this point of view. These works are indeed related to the electrical renovation and should not be financially imposed on the co-ownership since they did not initiate the renovation of the riser.

**In order to prevent any further disputes, the Ombudsman recommended that the distributor be liable for all of the works when the decision is taken to renovate a riser in a concession.**

Standing its ground, the distributor did not heed the recommendation.

Recommendation n° D2017-04232, available on the [énergie-mEDIATEUR.fr/recommendations](http://energie-mEDIATEUR.fr/recommendations) website

### **An administrative jurisprudence favourable to co-owners**

Under the decrees of 1946 and 1955, a co-ownership may surrender its risers to the distributor. Enedis deems that they must be renovated by the owner before being integrated into the concession. Several Housing public offices went through a deliberation process that transferred the ownership of the risers on their real estate to the assets of the concession authority.

On 29 June 2017, the Administrative Court of Douai confirmed a ruling of the Administrative Court of Amiens which acknowledges the possibility of carrying out a transfer, without

any substantive conditions. The ruling by the Administrative Court of Montreuil of 9 March 2017 points out that neither the condition of the equipment nor a supposed breach of equality between users of the public service constitute conditions in the validity of the transfer. The Administrative court of Bordeaux took a similar decision on 3 July 2017, as well as the one of Clermont-Ferrand on 28 December 2017.

The entire administrative jurisprudence is in line with the abandonment of the electrical risers without any prior works of compliance. These decisions are critical as this involves several hundred risers when a Public office for housing decides to transfer the ownership.



FOCUS

## A VERY DISCRETE REPORT

The governmental report forwarded to the Parliament relative to the status of risers in buildings was published discretely in January 2018 on the [data.gouv.fr](http://data.gouv.fr) website. As part of the August 2018 law of energy transition, it was expected to clarify issues of the ownership of risers and financing of the required compliance works. 2 points draw attention:

- Through a legal provision, the government proposes to confirm that owners can legally transfer a riser that is “outside any concession” to the benefit of the public network of distribution, provided it is renovated first.
- It proposes that 40% of the costs are borne by the TURPE (Tariff of utilisation of public networks of electricity), which is paid by French people via their electricity bill. This amount could gradually diminish in order to encourage co-ownerships to carry out renovation works swiftly on risers, before transferring the ownership to the distributor. Works related to refurbishing the property would entirely remain at the expense of the co-owners.

**766,000**

ELECTRICAL RISERS  
BUILT BEFORE 1996  
ARE SUPPOSED TO  
BE OUTSIDE OF ANY  
CONCESSION

**€2,000**

PER BUILDING ON  
AVERAGE NEEDED  
TO REPLACE A RISER  
(ELECTRICAL AND  
PROPERTY WORKS)

(Source: government report)

### Contrasting results from jurisprudences

In February 2017, the Court of Appeal of Chambéry found that compliance works of an electrical riser are the responsibility of the co-ownership, since they own the equipment. The ruling of the Court of Appeal of Montpellier points out that the transfer can only be of well-maintained conduits, thus assuming renovation should be carried out if needed. In contrast, the Court of Appeal of Limoges used the basis of the 1946 and 1955 decrees to state that risers belong to the public network of distribution.

### Toward the creation of a unified jurisprudence in 2018?

Could the decisions of the Court of Appeal of Aix-en-Provence on 23 January 2018 and of Paris on 15 February 2018 be the sign of an evolution?

In any case, they tip the balance in favour of the co-owners. The first decision clearly acknowledges, under the decree of 1946, an assumption of ownership of the riser by the distribution network: it is up to the network manager to prove that the co-owners made the choice of retaining ownership. This assumption of ownership is all the more evident since electrical equipment includes "safety seals", which prevent carrying out maintenance or renovation operations by a company other than the distributor. Furthermore, for the first time, this ruling acknowledges that the distributor may not invoke co-ownership regulations that list risers as being part of the common areas to settle ownership, since such regulations only manage relations between owners.

The Court of Appeal of Paris also acknowledges this assumption of transfer and disproves the various arguments put forward by the network manager, namely the existence of the 1955 concession treaty of Paris: according to the judge, the provisions of the treaty do not have a retroactive effect and cannot govern the status of a 1912 riser incorporated in 1946.

The jurisprudence on risers is far from being final. The legal impasse will remain as long as the Court of Cassation does not settle the issue as a last resort.



CASE STUDY

## A RIGHT TO SURRENDER WITHOUT ANY PRIOR CONDITIONS

In a Parisian co-ownership, the electrical equipment undergoes recurring incidents, requiring works so that risers meet standards. Owners request the network manager to carry out the works and bear its associated costs, unless it manages to prove that the structure is outside of any concession.

The distributor claims it holds an agreement showing the risers belong to the co-ownership, but refuses to disclose the document, because it is confidential and belongs to its "assets base".

The Ombudsman decides that confidentiality cannot be invoked when documents directly concern the co-owners. In order to prevent any further dispute, the Ombudsman directs the network manager to disclose the documents relating to the ownership of risers. This recommendation has been followed and the distributor will from now on give a positive response to such requests from owners.

**However, even in cases where the risers belong effectively to the co-ownership, the Ombudsman wishes to remind that nothing prevents a transfer to the distributor, as set in the decrees of 1946 and 1955, and that the transfer is not subject to any prior condition. The distributor does not share this legal point of view though, and refuses to incorporate risers unless they have been renovated by the co-owners.**

Recommendation n° D2017-02979, available on the energie-mediateur.fr/recommandations website

## A solution mentioned in the upcoming model of concession contract from the FNCCR

A new model of concession contract was adopted in December 2017, after negotiations took place between Enedis, the National federation of public service authorities (FNCCR) and *France Urbaine*, the association grouping major cities together. Its purpose is to replace the past model of 1992, notably to include the changes brought by the law of energy transition, pertaining to the management of distribution networks. It recommends a national negotiation involving the concession authority, the network manager and the co-ownership to determine the respective financial responsibilities when risers are renovated. The results of this negotiation would set a framework in which the financing of risers could be subject to an agreement between all three parties.

Would it be another step forward? As of now, the Intercommunal Association of the Paris Periphery for Energies and Communication Networks (SIPPEREC) and Enedis signed an agreement on 14 April 2016 which extends the concession contract by 10 years for the public distribution of electricity on a territory that covers 82 cities of the Parisian suburbs. The energy association and the distributor agreed to share the costs each year due to renovation works on 500 risers that are assumed not to belong to the concession.

1.7 M

ELECTRICAL RISERS CURRENTLY  
IN OPERATION  
(Source: government report)



RED CARD

## NO TO THE RECURRING NIGHTMARE OF ELECTRICAL RISERS

The Ombudsman's recommendations are not being followed by Enedis. The legal controversy is growing over the years with each new legal ruling and provides no stable legal guidelines, whether they are in favour of the co-owners or of the network manager. The government report on the status of risers was published discretely and lacks any legal prospect to implement solutions.

**The absence of any decision places co-ownerships in a difficult position**, and when mediation fails, not all of them have sufficient resources to go to court and settle the dispute. The Ombudsman hopes that the issue will finally be tackled and succeeds in setting clear stated finance terms, without the need of a trigger such as a serious accident occurring due to the state of disrepair of some risers.



**PIERRE SABLIERE**

Consultant in Energy Law

### *Is Enedis afraid of the Court of Cassation?*

“For the past 10 years, I have recorded 19 rulings from the Appeal Courts regarding the issue of risers, 10 of them in favour of Enedis and 9 in favour of the owners, with the Court of Cassation not intervening to end the disagreement. It must be noted that responsibility lies with Enedis.

A co-ownership who made a cassation complaint against the ruling of the Court of Appeal of Toulouse on 6 October 2014, was proven wrong. However, the cassation complaint was withdrawn, as shown by a Supreme Court judgement of 1 December 2016, following a transaction at the request of Enedis.

Even more surprising is that even though Enedis had made a complaint against the ruling of the Court of Appeal of Versailles of 29 March 2016, which was in favour of the concerned co-ownership, Enedis withdrew its complaint, as recorded by the Court of Cassation on 15 February of this year.

In both cases, the withdrawal occurred after the reporting counsellor of the Court of Cassation made their opinion known, and it is safe to assume that this opinion was probably not in favour of Enedis. ”



# THE SUPPLIERS

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1001 PROBLEMS OF LPG CONSUMERS

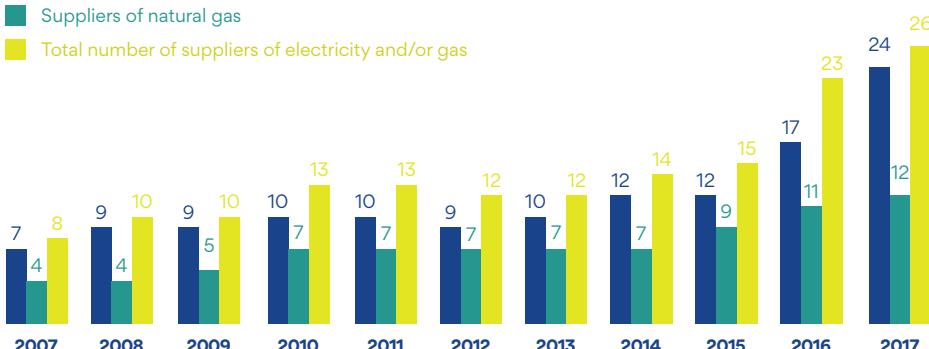
## The energy market offer is expanding

The energy market went full throttle in 2017 with the entry of new suppliers, including some heavyweights. The price war was launched and offers on electricity or natural gas are diversifying: they increasingly include features such as sustainable energies or possible options from the Linky meter.

Since the opening-up of the market in July 2007, historical providers saw new entrants gradually competing with them. The year 2017 was marked by the entry of alternative suppliers, who were very determined to gain market share. While at the end of 2015, 15 suppliers of electricity and natural gas could be listed, they were 26 by the end of 2017. Total relies on a base of 400,000 customers from Lampiris, a company it acquired in 2016,

and since then on the 2.4 million customers of Direct Énergie, a company purchased in 2018. "Total Spring, Mint Energie, Cdiscount... All enter the market with catchy price policies, proposing offers advertised with attractive discounts, in comparison with regulated tariffs, but which may prove unclear to consumers, explains Caroline Keller, Head of the Information and Communication Department of the Ombudsman. Difficulties are encountered when trying to make comparisons between the various offers of set prices (or almost) and the ones indexed on regulated tariffs."

- Suppliers of electricity
- Suppliers of natural gas
- Total number of suppliers of electricity and/or gas



EVOLUTION OF THE NUMBER OF SUPPLIERS since the opening-up of the market in 2007  
(Source: list of suppliers for individual consumers from Energie-Info as of 31 December)



EMMANUEL TRIVIN

President of Butagaz

*Simplicity and quality service  
to build consumer trust*

“ Our ambition is to attract 1 million new individual customers within 5 years, with the offers of electricity and natural gas launched in October 2017. Butagaz is an historical company in the energy sector with the LPG, gas cylinders and gas tanks, and we can rely on our experience to reach a new and more urban customer base. How can we shake things up? When 10 years after the opening-up of the market, the French stayed largely with the historical operators who have regulated tariffs, even though cheaper offers exist in the market?

Energy is a major issue for households, both in terms of cost and comfort, and they need reassurance. Beyond having competitive prices, this is why our motto is to provide simplicity, a quality service and transparency. Therefore we only introduced 2 offers for electricity and gas plus a combination of both, so that we do not confuse consumers with a maze of offers. In order to make their lives simpler, our website has innovative features which allow, for instance, the identification of their delivery point from a photo of their bill. We have rolled out teams to explain our offers by phone, in addition to our online information. We have stopped direct market campaigning. We aspire to become the most trustworthy supplier, as well as the one that offers the best value for money. ”



## A NEW SUPPLIER STRUGGLES WITH THE CLIENT SETTING UP PROCESS

Mr M. experienced many problems when he moved into his home in Marseille, which could have been avoided if his supplier X had not made so many mistakes due to its poor knowledge of procedures. Indeed, it deprived him of electricity for a week, forcing his family to move elsewhere and delaying the start of scheduled works, resulting in additional expenses.

When Mr M. signed his contract, the supplier proceeded with the request to change supplier, even though the procedure requires a service set up in such cases. However, due to unpaid bills the previous tenant's electrical power had been limited to 3 kVA. This restriction would have been lifted automatically during service set up procedure, as it certifies that new people have moved in the house. In addition, despite being informed by the distributor about the power limitation, supplier X did not request the delivery point to be readjusted to the new conditions.

Following the consumer's call to the supplier to request the power to be restored, they rushed to correct their error and requested the network manager to take the necessary measures promptly. But by going back to the procedure of the setting up process, which sets a time of 5 workdays for such an operation, it delayed it further. A mere request to restore power to the one subscribed by Mr M. would have been enough.

€ 250

OF COMPENSATION GRANTED BY THE SUPPLIER, IN LINE WITH THE OMBUDSMAN'S RECOMMENDATION WHICH DEEMED AS INSUFFICIENT THE INITIAL OFFER €156.

Recommendation n° 2017-06502, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website

### The offer on the electricity market has more momentum than demand

Is this frenzy creating interest for consumers? According to the conclusions of the Energy Regulatory Commission, market offers saw a sustained growth in the second half of 2017. However, the percentage of households who kept a contract with an historical supplier, with regulated tariffs, remains substantial. At the end of 2017, only 18% of consumers had chosen a market offer of electricity, with an overwhelming majority choosing an alternative supplier. Market offers of gas became predominant though, and attracted 54% of households; they are almost evenly shared between historical suppliers and alternative ones, which gained a market share of 26%.

### The mechanics of the energy market remain unfamiliar to consumers

The French still know little about the energy market. 1 out of 2 are unaware that they can change supplier, according to the 2017 edition of the Energie-Info barometer, carried out every Autumn by the Ombudsman through a survey of 1,500 people. A third of them believe that the procedure is complex. On average, they are aware of less than 2 suppliers of energy. Households do not perceive the opening-up to competition as being a force to drive prices down: half of them believe it has no impact whatsoever and 15% even think it may result in price increases.

### More complex offers

The deployment of smart meters provide an opportunity for suppliers to offer more diverse tariff options that are better tailored to meet the various needs of consumers. Both historical suppliers are pioneering the market by having offers dedicated to Linky. ENGIE offers the Elec Weekend, with off-peak hours on evenings during the week, and from Friday night to Monday morning, which leads to a 30% decrease on the kWh price. The green electricity offer by EDF is available in two options: off-peak hours + week-end or simply week-end. In return, the subscription price of peak hours is dearer than the regulated tariffs.

Suppliers also adapt to the energy transition and provide offers specifically designed for "electric cars" which permits recharging vehicles during the least expensive hours. The price comparison tool of the Ombudsman had to evolve to integrate these new offers.



Regarding the change of suppliers, some popular misconceptions tend to persist. According to the Energie-Info barometer, 20% of people surveyed believe that the procedure must be paid for, 17% think it will lead to energy cuts, and 12% are convinced they will need to switch meters.



## EMMANUEL SOULIAS

General director of Enercoop

### *Attracting households who wish to have meaningful consumption*

“ Enercoop is the first supplier that introduced an offer of electricity that is 100% sustainable, using solar, wind, hydraulic and biomass energies. Even if most operators now provide such green offers, ours is highly distinct. Other suppliers purchase fossil and/or nuclear energy on the one hand and guarantees of origin from another market, which is inexpensive and do not promote the growth of sustainable energies. We work jointly with 170 French producers and are able to track the origin of any kWh we purchased; if our green offer is more expensive, it is because we have contracts that run over several years with these producers, which allow them to grow and be profitable. It strongly assists the French sector and constitutes a bet on the future.

Originally, Enercoop's customer base comes from militant groups. Today, we reach a slightly broader target, that we will call “eco-sensitive”. We number 55,000 customers, including 10% of professional ones such as associations, companies of the social and solidary economy, local authorities committed to actions of sustainable development, as well as major companies.

However, we suffer from a lack of awareness from individual consumers. We wish now to attract people who want to increasingly give meaning to the way they consume, and therefore to their consumption of electricity. We must use educational and communication skills about our offer, our cooperative specificity and our operating mode that uses a short supply chain. ”

### Green electricity ramps up...

The offers of what is called “green electricity” are on the rise, and appeared in 2017 in the offer range of several suppliers, with increased advertising efforts. From now on, Engie only offers contracts of green electricity, to both individual and professional consumers. “However, these options lack transparency for consumers” points out Caroline Keller. This is the result of practices which vary greatly from one supplier to another: some purchase their electricity directly from the suppliers of sustainable energies, on the model of Enercoop, some stock up on the market irrespective of where the energy comes from then buy guarantees of origins which certify to their customers that for any amount of kWh that is consumed, an equivalent amount of green electricity is injected into the network. The demand for green energy is not very high though, which allows buying cheap guarantees of origins. On the Energie-Info price comparison tool, only 3% of searches are done after selecting the “green offers” criteria; an overwhelming majority of users selects the “price” input.

### ...when biogas has a timid start

2017 saw the first offers of green gas, produced by degrading biowaste through anaerobic digestion and then injected in the natural gas network. They are operated with a scheme of guarantees of origin, similar to the one of sustainable electricity. However, suppliers remain sparse on this niche: a single one of them has introduced a 100% biogas offer, and only a few with 10% of biogas. “Gas neutral” offers are more frequent: electricity is purchased by the consumer at a higher price, which allows the supplier to finance, through the mechanics of carbon credits that can be traded on the CO2 market, projects of environmental protection.

### Campaigning is in full swing

In 2016, the Ombudsman raised the alarm on aggressive or unfair business practices of some suppliers, which it witnessed after processing the files of disgruntled consumers. We can only point out that such practices do not reduce in 2017: we recorded 1,519 disputes caused by campaigning which abused consumer trust, compared to 1,140 the previous year. This figure accounts for more than 10% of the disputes received in 2017.

2 suppliers, Engie and Eni, use doorstep selling methods. Direct Énergie solicit people through phone or internet marketing; for example, it attracts people through partnering with price comparison websites.



54% of French people state they would be favourable to offers of green electricity, according to the Energie- Info barometer, but only 10% would be willing to subscribe to such offers if their prices were higher.



New suppliers struggle to comply with regulations. The latter bind new entrants to propose a method of payment by cash. Even though a new entrant provided for payment by postal order in their terms and conditions... they did not sign an agreement with La Poste to implement it!

Some searches made on the internet with the intent of subscribing to the historical supplier sometimes bring consumers to... an energy trader, who quickly proceeds to advertise an alternative supplier with which they have a partnership.

#### Contracts including... more than just energy

In their contract, operators offer options that are supplementary to just the supply of energy: repair or maintenance services for boilers, various insurances for potential damages and hardships. Some consumers may realise that they subscribed to such additional services only after they checked their first bill, where an additional monthly item is displayed... or for the less perceptive ones, after several months. They ticked a box on their contract without realising what it implied.

Even though they believed their offers was less expensive, the cost of such options - in a range of €2 to €10 monthly -, may cancel the savings they hoped to achieve.

## SOME CONSUMERS ONLY REALISE THEY HAVE SUBSCRIBED TO ADDITIONAL SERVICES AFTER CHECKING THEIR FIRST BILL



## ATTRACTIVE YET DECEPTIVE PRICE DECREASES

The promise of having the cheapest energy is the commercial argument of suppliers who take on the market. New offers of electricity stand out by claiming to have prices cut in comparison to regulated tariffs: minus 16% for a green offer by Mint Énergie during the Cop 23, minus 15% for a classic offer by Cdiscount Énergie in October 2017. However, these "shock" price cuts must be kept in perspective, because the discount does not apply to the full bill, but only to the kWh price, excluding taxes and subscription. The Ombudsman carried out a few simulations which highlighted that a 16% decrease would be limited to savings of 11% on the bill in comparison with regulated tariffs. When advertising from a supplier claims "minus 10%", the effective decrease does not exceed 7%. Consumers must remain cautious, and beware bombastic announcements. Incidentally, the consumer association CLCV brought into court in April 2018 the Cdiscount, Total Spring and Engie suppliers for "deceptive business practices", convinced that these companies promised price cuts that were more lucrative than the true amount of savings.

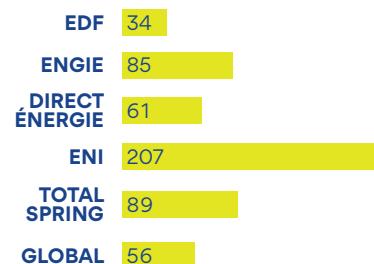
## Billing, the main source of dissatisfaction

The rate of disputes varies widely from one supplier to another. The contestation of billed consumption remains the main issue in 2017. Limiting bills to consumption up to 14 months is not always applied by suppliers, who continue to contest the Ombudsman's analysis in some cases.

The rate of disputes, i.e. the number of disputes received (whether they are admissible or not) may vary widely from one supplier to another. Eni is again in the lead this year, because of its issues with billing and doorstep solicitations. Engie saw its rate increase, because of disputes due to solicitations as well, but also due to the rise of disputes received by its internal Ombudsman (5,986 disputes, compared to 2,827 in 2016).

### RATE OF DISPUTES, FOR 100,000 RESIDENTIAL CONTRACTS

(Disputes received in 2017 by the national energy Ombudsman and by the internal ombudsmen of the EDF and Engie groups, sent by their residential customers, brought to a basis of 100,000 gas or electricity contracts in portfolios)



### The contestation of levels of consumption still in the lead

In 2017, 52% of admissible disputes dealt with the contestation of billed consumption, the same rate as last year. In most cases (57%), individual customers are clueless as what are the true causes that led to having a bill with an amount higher than usual. "This increase may not always be due to consumption, and can sometimes be explained by back-billing following an absence of reading, or by an adjustment consecutive to a meter malfunction" explains Catherine Lefrançois-Rivièvre, head of the mediation department

In 22% of cases, the issue is due to the set index, and more notably to the index set at contract cancellation or for a change of suppliers. Its value is contested, either because the supplier does not take into account the self-reading that was sent, or did not take the time to collect this reading, or because the consumer forgot to forward it, this index being critical in obtaining a reliable bill.

Meter malfunctions and corrections of billed consumptions amount to 20% of disputes that belong to this category, a decrease compared to 2016 (26%). 2 reasons may explain this trend: the legal limitation of back-billing to consumption over 14 months and the lack of adjustments when an old meter is replaced with Linky.



In March 2018, Ofgem, the British regulator of electricity and gas markets banned the energy supplier Iresa from taking new customers, as long as it would not improve the operations of its customer service.

#### Bills are not always produced with the required thoroughness

Amongst the 22% of processed disputes that are caused by the way bills are produced or paid (payment, prices applied, billing pace), gas is increasingly present, and now concern 65% of such files, as well as some suppliers who have faulty billing systems. Bugs in the latter lead to various anomalies: frozen bills, failure to implement monthly withdrawals or to stop them, requests of erroneous payments and balances... They result in confusing consumers. The Eni supplier is this year once again stuck in such disputes, which remain high for gas and started increasing for electricity (see below: "Eni's goodwill is not enough"). Engie's customers are not shielded against this type of failures, which were notably observed with billing stops and adjustments that consumers contested.



RED CARD

#### ENI'S GOODWILL IS INSUFFICIENT

Eni does not have an efficient billing system at its disposal, worthy of a major energy player. The issue is far from new since the Ombudsman had already met with the supplier in 2016 to warn it about the large number of disputes it was processing because of failures in its bills. The improvement shown at the start of 2017 has faded away during the second half of the year, when Eni started selling its electricity offer in addition to its natural gas offer.

Disputes came back in full force: troubles in producing bimonthly bills and in implementing a monthly payment plan, major delays when sending cancellation bills and reimbursing over-payments, display errors on the bills with undisclosed withdrawals or erroneous deductions. Some customers had untimely and unexplained amounts withdrawn from their accounts, some were granted payment terms that were not applied, some have tariffs that are unfit for their consumption.

Notwithstanding, Eni's customer service is unable to answer customers satisfactorily, who become disgruntled and refuse to pay their bills, which sometimes leads to energy cuts. When carrying out a mediation, its employees are not in a position to provide reliable explanations, or even to accurately quantify the balance amount. Admittedly though, the supplier shows goodwill and most disputes end up with amicable agreements. Eni acknowledges its shortcomings and agrees to compensate customers, while committing to improve its billing processes. However, the compensated amounts are not always in line with the inconvenience that consumers experience, with long months of misunderstanding and worries.



CASE STUDY

#### ANTICIPATING THE CHANGEOVER DATE OF OFF-PEAK HOURS

The off-peak hours schedule of Mrs N. from Joué-les-Tours (37), was changed. She contests this unilateral modification, with her supplier informing her by email the very day of its entry into effect.

The recommendation recalls that the decision to change the "off-peak hours" period is the responsibility of the distributor, and is not made in response to the wishes of suppliers or consumers. However, the methods used to inform the supplier raise questions. Since such changes can impact consumers' habits, market rules stipulate that the distributor must warn suppliers 6 months before the changeover of schedule occurs. In Mrs N.'s case, the distributor met the deadline. For its part, the supplier pointed out that it provides the information to its customer as close as possible to the changeover date, and at the latest... 2 months afterwards.

This practice appears to be a poor one to the Ombudsman. With late warnings, consumers end up operating their appliances during peak hours even when they believed it was off-peak hours. The objective of postponing consumption to the new schedule is not met. On the other hand, customers must be warned sufficiently early so they may have enough time to adapt their appliances and uses. This is why the Ombudsman requests suppliers to communicate the information regarding new off-peak hours schedules as soon as they receive it from the network manager.

*Recommendation n° D2017-01700, available on the energie-mEDIATEUR.fr/recommandations website*

## Adjustments to billed consumption may not exceed 14 months

A year and a half after the entry into force of the ban of back-billing beyond 14 months, the Ombudsman noticed a few improvements in the way it is applied by suppliers. Meetings were scheduled between the Ombudsman's teams and the suppliers to debate how this article of the law of energy transition of August 2015 could be applied in practice: "This dialogue allowed sharing of our respective analyses, using case studies, tells Catherine Lefrançois-Rivière. Since the billing of energy affects the daily lives of thousands of people, we had to reach an agreement on joint practices for an uniform enforcement, without ending up with a thousand exceptions to the rule. Some points were clarified, even if divergences remain."

## A hindrance to the application to the limitation of backbillings to 14 months

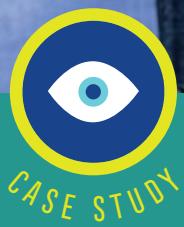
However, suppliers do not implement readily this provision. They did not upgrade their information system with a feature that integrates the provision into the billing software, seemingly thinking it was unnecessary since smart meters will soon replace the past ones. With Linky and Gaspar enabling a distant monthly reading, disputes caused by back-billings based on estimated consumption should progressively vanish. Because suppliers did not change their operations, simple cases where the application of the limitation to 14 months cannot be argued still end up in the Ombudsman's offices. These disputes are easily solved with an amicable agreement, but an action from the Ombudsman should have not occurred.

## Nevertheless, different interpretations remain

The principle is a simple one: no consumption of more than 14 months can be billed. Only 2 exceptions exist: cases of fraud, or if the distributor cannot access the meter to record a reading, after informing the consumer of their visit through a registered letter with an acknowledgement of receipt. However, some suppliers consider customers as being wrong-doers as soon as they send the registered letter and believe they are authorised to re-establish bills for consumptions well beyond the 14 months before the sending of the letter.

## **NO CONSUMPTION CAN BE BILLED BEYOND 14 MONTHS**

For the Ombudsman, billing may exceed 14 months of consumption from the date of reception of the registered letter until the next actual reading. Before the letter, the back-billing may not be carried out beyond 14 months in arrears. The idea is not to exempt suppliers from any responsibility for an indefinite period prior to the reception of the letter... Several players agree with the Ombudsman's analysis, but further efforts of persuasion are needed...



## **ENFORCING THE LIMITATION OF BILLING ADJUSTMENTS TO 14 MONTHS**

Mrs V.P. who lives in Montreuil (93), cannot understand her cancellation bill of 12 December 2016, which displays a €3,120 amount that seems excessively high. Would her electrical meter be malfunctioning? No, says the Ombudsman following his analysis. But he also notices a lack of thoroughness in the readings and billing. Even though the distributor must take a reading of meters once a year, and even though suppliers must issue their bills based on actual consumption once a year, it was not the case for Mrs V.P., whose bill was estimated over 3 years. The network manager did not take reasonable care to read the consumer's meter, and the supplier did not consider a special reading that had been done following its request at the end of 2015.

Furthermore, the supplier did not readily comply with the provisions of the Consumer code limiting back-billing to 14 months, which came into force in August 2016. Given the respective responsibilities of operators in this back-billing, which did not comply with the new regulations, the Ombudsman recommended that the distributor bear a third of the consumption that was cancelled because it exceeded the 14 months, i.e. €650. The compensation charged to the suppliers amounted to about €1,000. The recommendation was fully followed.

*Recommendation n° 2017-02608, available on the [energie-mEDIATEUR.fr/recommandations](http://energie-mEDIATEUR.fr/recommandations) website*



## ONE SHOULD NEVER CEASE STRIVING FOR IMPROVEMENT

Operators turning a deaf ear to the recommendations are constantly reminded by the Ombudsman of the principles that apply. Mrs F's case, whose gas was cut because of an unpaid bill, is a typical experience. She believed her monthly consumption to be overestimated and stopped paying her bills, while requesting bimonthly bills instead. Her supplier informed her that she needed to pay in full first.

However, this supplier did not abide by its own terms and conditions, which stipulate that its customers may change the terms of billing at any time. Incidentally, and as recently as 2012, the Ombudsman recommended to all suppliers to establish bills on a bimonthly basis when monthly withdrawals were denied twice in a row.

In 2016, the Ombudsman requested energy suppliers to implement "proportionate and graduate measures" to recover unpaid bills, in order to avoid punishing consumers with an energy cut when the debt is low. In fact, in Mrs F's case, the debt was only €137 when her gas was cut. The Ombudsman therefore recommended the supplier to grant her compensation of €250 for the inconvenience experienced. The supplier did not comply with the recommendation, arguing that the consumer had received several dunning letters.

*Recommendation n° 2016-03252, available on the [energie-mediateur.fr/recommandations](http://energie-mediateur.fr/recommandations) website*

### Recommendations on back-billing over 14 months are not being followed

Mrs B.'s dispute who contested her January 2017 bill for the amount of €2,959 due to the back-billing of her electricity consumption over roughly 2 years, reflects these diverging views. In her case, nothing can prevent a back-bill limited to 14 months, which was what the Ombudsman concluded in his recommendation. The distributor acknowledges that the recording of incorrect readings occurred on three occasions. The supplier did not proceed to obtain a self-reading or request a special reading, which are actions required to comply with its obligation to produce bills on actual consumption. Even worse: it did not consider

an intermediary reading, which aggravated the January back-bill.

The amount of consumption that should be cancelled, beyond the 14 months limit, is €2,040, a sum that should be split between both operators, depending on the analysis of their respective responsibility in the dispute. However, the supplier does not accept the Ombudsman's opinion, which requests the former to bear an amount of €1,575, but merely agrees to compensate the consumer with €500. However, it has no explanation for its decision to not apply the 14 months limit.

*Recommendation D2017-03806, available on the [energie-mediateur.fr](http://energie-mediateur.fr) website*



## THE UNFATHOMABLE BILLING OF VERTUOZ CONTRACTS

The "Vertuozi Habitat" contracts, proposed by Engie to co-ownerships equipped with a collective boiler, were a source of so many troubles since they were first introduced that the supplier ceased marketing them. They were a redesign of the past "Vente de gaz réparti" contracts (VGR, shared gas sale), and allowed splitting the costs of heating and hot water for each home, using meters that measured respective consumptions. Bills were then sent directly by Engie to each home.

However, nothing works properly in these contracts: random bimonthly settings, erroneous carryover of balances, billed consumption data that does not match the readings, monthly payments that are not renewed.

For the Ombudsman, these recurring disputes contain too many variables. Even if it manages to correct the blatant mistakes, the Ombudsman still cannot tell if the bill is correctly produced. Indeed, Engie does not forward the information required to verify those bills, and notably the conditions set to allocate costs between homes. This a serious limiting factor when mediation investigations are carried out. No one knows if this position is one of unwillingness or of inability. In the 2016 report of the internal Ombudsman of the Engie group, the Vertuozi offer was subject to a recommendation that brought some improvements. However, it seems that no progress was made in 2017. Such disputes are on the rise: 62 files were processed through mediation in 2017, compared to 26 in 2016.

## **Some suppliers have monopoly positions on 5% of the nation**

On 5% of the land, local distribution companies (ELD) have a mission of public service, and are in charge of managing the distribution network, duties which are elsewhere the ones of Enedis and GRDF. They also supply energy at regulated tariffs. Alternative suppliers scarcely established themselves in these areas to propose market offers to consumers, because they view such operations as yielding too little profit, due to the high costs of adapting their IT systems. De facto, ELDs end up having monopolistic positions as suppliers. Consequently, consumers in these areas may be in awkward situations, because in the event of disputes they cannot apply to competitors.

## **THE OMBUDSMAN OFTEN WITNESSES SITUATIONS WHERE WEBSITES, AND ABOVE ALL TERMS AND CONDITIONS, OF ELDs SHOULD BE IMPROVED OR UPDATED.**

### **Information is not up to date**

When it analyses files pertaining to some ELDs, the Ombudsman often notices that their websites, and above all their terms and conditions, should be improved or updated to comply with regulations. For instance, this was observed with Mrs D.'s dispute in the Haute-Vienne department. Her electri-

city meter was replaced after she expressed worries about the increase of her consumption. She was sent an invoice for the replacement. The Ombudsman points several errors out in the management of her case. The ELD for her city only told her orally the conditions which applied to replace her meter, which does not comply with the obligatory duty of information required prior to any execution of service. Its website provides a link to the "Catalogue of EDF's services", a designation that is long obsolete since, when the market opened-up in 2007, the network manager became ERDF, and then Enedis in 2016. Furthermore, the link is inactive! And when one reads the actual catalogue of the distributor there is no mention of services to change meters on the mere request of a consumer. The ELD does not abide either by a provision of the Consumer code that requests professionals to point out the possibility of recourse to the Ombudsman.

*Recommendation D2017-00570, available on energie-mediateur.fr*

### **The procedure to cut energy because of unpaid bills is not always followed**

The Ombudsman notes that the procedure to cut energy because of unpaid bills is not always meticulously followed by ELDs: threats to cut one energy because a bill for another energy is unpaid, for instance refusal to establish a contract for a new home because of debts in a past one. Another example: the ELD for the city in which Mr P. resides cut his electricity due to unpaid bills, but it did not comply with the correct procedure. It did not send the 2 reminder letters required for such operations within the time period defined in the Decree of August 2008.

And the last letter that Mr. P. received did not inform him of the risk of having energy cuts if payment was not made, nor of the existing support schemes that could help him pay

for his debt. Its terms and conditions neither detail the dunning procedure in the case of unpaid bills, nor do they mention the energy Ombudsman and provide contact details. This information is essential though, and required by regulation, to enable consumers to have a means for resolving disputes amicably.

*Recommendation D2017-01613, available on energie-mediateur.fr*

## **THE OMBUDSMAN NOTES THAT THE PROCEDURE FOR UNPAID BILLS IS NOT ALWAYS METICULOUSLY FOLLOWED BY ELDs**



## **CONFUSION ON BACK-BILLS**

**T**he retroactive increase in the regulated tariffs of electricity sale of the period from August 1 2014 to July 31 2015 is not subject to the provision of the Consumer code on the limitation of adjustments of bills beyond 14 months, which applies to durations of consumption that are abnormally long. Consumers who turn to the Ombudsman to contest adjustments are understandably confused by such a situation.

It results from a decision of the Council of State, which annulled two decrees relative to regulated tariffs, which it deemed as being too weak. The Government published two new decrees, which set higher prices than what suppliers applied over the specified period. All consumers who benefitted from tariffs that are now annulled by the Council of State are subject to this "back-bill". Consumers who subscribed to a market offer indexed to regulated tariffs may also be bound to pay the requested back-bill.

# 1,001 problems of LPG consumers

**C**onsumers of liquefied petroleum gas (LPG) may experience several problems, notably at the end of their contracts, as can be seen by the growing number of referrals to the Ombudsman. A decree, which entered into effect at the start of 2018, should end the lack of transparency in the tariff offers of suppliers.

The number of files that are processed through mediation is growing: 159 were received in 2017, compared to 121 the previous year. 78 admissible referrals were concluded with a recommendation or an amicable agreement, i.e. 2% of the total amount of conclusions given by the Ombudsman in 2017.

## THE LPG REGULATIONS ARE FAR LESS DEFINITIVE THAN THE ONES OF ELECTRICITY AND NATURAL GAS

### Contractual practices are not always stellar

Using LPG is slightly different than being supplied with natural gas, since the consumer signs a contract that runs over several years, which includes setting up, renting and maintaining a gas tank. Cancellation is far from being easy, and results in expenses, with the supplier being in a position of power to dictate its prices. *"LPG regulations are far less definitive than those of electricity and*

*natural gas, comments Catherine Lefrançois-Rivière, head of the mediation department. For instance, suppliers are not bound to regularly read the meter and to establish the yearly consumption on the basis of actual consumption instead of an estimated one."* By being less regulated, the contractual practices of LPG suppliers, notably when contracts are old ones, are the source of a multiplicity of disputes.

### Cancellation sometimes end up with a nasty surprise

Cancelling a contract is the central cause of dispute, and accounts for a third of mediation requests in 2017. Consumers misunderstand the ancillary expenses on their bills: cost of re-pumping the remaining LPG, cost of removing the tank, payment at the end of a contract in the case of an early cancellation.

The calculation methods for these cancellations fees are sometimes questionable. For example, a small business received an invoice claiming fees of €3,800 for an early cancellation of contract: they were due for deliveries that had been not carried out during the contract, while the consumption for his company had been overestimated, until the scheduled end of his contract, which was tacitly renewed for 8 years. The action of the Ombudsman highlighted the lack of advice from the suppliers, who should have re-estimated and lowered the consumption, and responded appropriately to the fact that the small business had ceased ordering LPG several years before. The cancellation fees resulted in an amicable agreement, and they were cut by half.

When a contract is cancelled, the deadline to remove the tank is not always met. This operation occasionally causes damage. Suppliers are sometimes late in reimbursing delivery fees.

### Contesting consumption levels

23% of disputes are related to the level of LPG consumption. Individual consumers, who notice discrepancies between the information read on the gauge on their tank and the data from the supplier's meter, have doubts as to the volumes delivered. When consumption is abnormally high, they tend to think the cause is a leak.

Some contracts, with meters, do not plan for scheduled readings. Adjustment bills, when the consumer has monthly payments, may reach substantial amounts if readings are not carried out for extended periods of time, or when they are erroneous.

In the event of unpaid bills, the penalty may be severe, with the operator refusing to fill the tank. *"It proves difficult to obtain a reliable history of consumption, as it is done for natural gas, and we must base estimations on what was delivered to be able to analyse its evolution."* stresses François-Xavier Boutin, head of the natural gas and networks division.



## A HIGHER TRANSPARENCY OF PRICES FOR LPG CONSUMERS

**T**he decree of 6 November 2017, which binds LPG suppliers to new obligations, came into effect on 1 March 2018.

LPG suppliers are now obligated to align the way their offers are displayed, so it facilitates comparing prices for consumers, with standardised information sheets gathering all the main data that consumers will need to know before entering a contract: contract duration, LPG delivery method upon request from the customer or decision of the supplier, price of gas and the terms of its change, costs to install, rent and maintain the tank, cancellation fees, including for expenses due to tank removal and the re-pumping of remaining fuel and penalties for early cancellation.

Unlike terms and conditions, which may prove hard to understand, the information sheet displays offers clearly and uniformly. A paper copy or other durable medium, must be provided to the customer prior to signing a contract, and must be published on the suppliers' websites.



**In 2017, 44% of disputes related to LPG resulted in amicable agreements, a proportion much lower than another dispute (53%), and decreasing in comparison with last year, with suppliers refusing to cooperate using mediation (see p. 12, chapter "The Ombudsman").**

### **Applied tariffs are unclear**

Finally, 15% of disputes are related to contesting the billed price. Consumers do not understand the terms that determine how the tariff of the LPG ton evolves, which is correlated to the price of oil and the fluctuations of the US Dollar. The discrepancies in prices between what is applied to their bills and what was initially set in their contracts, which sometimes result from errors, are also sources of problems. Overall, individual consumers are not aware they can initiate negotiations on tariffs. The remaining files processed by the Ombudsman are shared between payment issues (13%) and calculation of bills (6%).

### **A dialogue to make offers clearer**

The lack of clarity of the prices of LPG contracts was known to the Ombudsman, who noticed it in August 2015, as soon as the extension of its remit allowed it to process such disputes. After it was recommended by the Competition Authority, a dialogue started in 2016 within the National Consumer Council (CNC) with professionals in the sector, which involved the Ombudsman for its expertise of LPG disputes and its experience of electricity and natural gas markets. It worked jointly with the Authority for Competition, Consumer Affairs and Prevention of Frauds (DGCCRF) to develop a standard format to display offers.

This work led to changes in regulations, with the decree of 6 November 2017 applying to the advertisement of LPG contracts prices. *"It is Act 2 in the process of standardising suppliers practices, after the ban of contracts running over 5 years, set by the law of March 2014."* summarises Pierre-Laurent Holleville, task officer of the general management of the Ombudsman (see focus, p. 83).

### **No winter truce for LPG users**

Since the law of 15 April 2013, which enforced a winter truce for energy cuts, the "suppliers of electricity, natural gas and heat" cannot interrupt the supply of energy in homes in a period of time running from 1 November and 31 March when bills are unpaid. However, the text does not cover LPG consumers. When they build up debt, households are simply no longer supplied, in winter as in summer, as long as they do not pay what is owed. They are bound by a contract which prevents them being supplied by another operator, unlike domestic fuel users, who may change company on each refuelling of the tank.

Also, small networks of LPG distribution exist, either public or private, that service buildings or allotments, where each home is equipped with a meter. People who live in such homes may be deprived of their supply of gas when

they have unpaid bills, including during the winter truce. This practice is all the more questionable in the case of municipal networks, which are part of a mission of public service.



CASE STUDY

## **INFORMATION ABOUT THE CONVERSION COEFFICIENT IS INCOMPLETE**

Mr P. lives in Luzech (46) in a social housing building equipped with a collective tank filled with LPG. The tank services homes, which have individual meters that record consumptions for each tenant, who in turn are directly billed by the supplier. When he received his new contract, Mr P. wondered about the conversion coefficient that was used (which shows the amount of energy, in kWh, contained in a cubic metre of gas). Left without any answer from the operator, he refused to sign his contract, and his supply was interrupted. It was restored one month later.

The Ombudsman stresses that it is uncommon to have conversion coefficients determined in advance for such long periods of time — 10 years —. Besides the classic temperature and altitude criteria, it also factors in the eventual losses caused by the state of the network that runs between the tank and homes. However, those were not checked and the contract does not state anything about the way they should be maintained. Since the information provided about the conversion coefficient is far from being perfect, the consumer is left unable to verify if he/she has indeed consumed the billed gas. The Ombudsman recommended the supplier to specify, in its contracts, the terms used to calculate the conversion coefficient. It must also indicate the times required by technical services (for example, a restart of service), as stipulated in the article L. 224-18 of the Consumer code, relative to LPG contracts.

€ 53

COMPENSATION GRANTED BY THE SUPPLIER, WHEN THE CONSUMER HAD TO PAY FEES OF €106 FOR AN ENERGY CUT AND HAD TO WAIT FOR 1 MONTH BEFORE BEING SERVICED

*Recommendation n° 2017-02827, available on the energie-mEDIATEUR.fr/recommandations website*



# THE STAKEHOLDERS

P. 88

AN OMBUDSMAN OPEN TO THE OUTSIDE WORLD

# An Ombudsman open to the outside world

In order to carry out its missions efficiently, the Ombudsman maintains active communication channels with all stakeholders. Many collaborations result in multiplying its actions aimed at reinforcing the information provided to consumers, improving practices in the energy sector, and increasing awareness of mediation.

Besides its duties of providing information and of dispute resolution, the Ombudsman endeavours to develop its institutional relations, so its voice may be heard and it can influence the mechanics of a market subject to the full “energy transition”. This is why Jean Gaubert and his teams are involved in various consultative bodies and networks, both in France and at European level with NEON (National Energy Ombudsmen Network.), having been one of the founding members *“This commitment increases our knowledge and reinforces our reputation and legitimacy, states Frédérique Coffre-Fériaud, Managing Director of the Ombudsman. Cooperation with the stakeholders, notably with public bodies, allows the transmitting of our views. For instance, as part of the upcoming cessation of the regulated tariffs for the sale of natural gas, we wish to actively contribute to the provision of guidelines for consumers. And at the European level, it is important to take part in debates in order to enhance the protection of energy consumers.”*

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EXTERNAL EVENTS IN WHICH TEAMS OF THE OMBUDSMAN PARTICIPATED IN 2017

## From conferences to roundtables

In the spirit of sharing its expertise on mediation and on energy, as well as increasing the visibility of its action on consumers, the Ombudsman readily agrees when requested to participate. A few examples:

- The symposium organised in March by the National Union of Social Action Community Centres (UNCCAS) allowed Jean Gaubert to discuss the topic of fuel poverty with social partners, charities and the Agency for the Environment and Management of Energy (ADEME), similarly in September, in Irun Spain, following a request from the Ombudsman of the Basque Country.
- During a debate organised in June by Enerpresse, energy prices were the main topic. In the yearly symposium of the French National Union of Electricity UFE) in December, Jean Gaubert and Vincent Fristot, deputy mayor of Grenoble in charge of the energy transition, discussed the issues of decentralisation and tariff equalisation raised by self-consumption.
- During the congress of the French Association of Gas (AFG) In September, Frédérique Coffre-Fériaud spoke about the way consumers perceive natural gas, and about the details of disputes related to this energy; she also intervened in March 2017 during the monthly meeting of the directors of the Professional Union of Non-Nationalised Gas Companies (SPEGNN).

- In July 2017 the Ombudsman organised a morning session of discussions dedicated to the 10th anniversary of the opening-up of the electricity and gas markets to competition. Additionally, in 2018, an event about the 2 year experience of consumer mediation highlighted the benefits for consumers of this method of settling disputes, with the view of improving the practices of professionals.



The Ombudsman met in 2017 with the regulators from Portugal and Burkina Faso and spoke about its activity. Both regulators were highly interested in the information tool Energie-info and in the online platform of dispute resolution, SoLLEn.



## THE OMBUDSMAN ON THE EUROPEAN STAGE

The European community of regulators for the energy sector, regrouped within NEON (National Energy Ombudsmen Network), increased in 2017 adding the Walloon and Irish mediation bodies.

While the European Commission revealed a set of propositions, called the “Clean energy” package, NEON held a conference in March to debate the protection of energy consumers within this new framework: *“From consumers to energy communities, how to ensure that the provisions will benefit all citizens, including the ones most in need?”*. The NEON network proposes a “consumer code” which includes a dozen recommendations. Frédérique Coffre-Fériaud, Vice-President of NEON, introduced these recommendations in September during a round table organised by the European economic and social committee in Brussels.

With the support of the European Consumer Organisation (BEUC), NEON also advocates maintaining an explicit reference to an Ombudsman for the energy sector in the “Clean energy” package. Indeed, the Commission was considering deleting such a reference, and instead mentioning the mechanism of extrajudicial settlement of disputes, set for all sectors of consumption by the directive of 21 May 21 relative to mediation. The wording “Ombudsman” was reintroduced through an amendment in the text, voted in December by the European parliament.

Finally, Frédérique Coffre-Fériaud took the floor in November during the yearly conference of the Council of European Energy Regulators (CEER) about consumers of energy and introduced the French rules and best practice relative to billing and changing supplier.



In 2017, the ratio of third parties that referred to the Ombudsman on behalf of a consumer was 19% of files processed through mediation. Some consumer associations regularly do so, such as the CLCV or UFC-Que Choisir. These third parties are mainly insurance companies that act on behalf of their customers on disputes related to the quality of supply of electricity. Co-ownership managers, public authorities like the Defender of rights and judicial conciliators, but also elected persons such as members of Parliament: all act as third parties.

#### An active presence within the Club of Ombudsmen of the public service

Created in 2002 with the purpose of bringing together the ombudsmen of organisations with shared values, the Club is now formed of about 30 members, including the national energy Ombudsman. The group meets every 2 or 3 months to share experiences and good practices. In 2017, they notably focused on topics such as adapting to the general European regulation passed in 2016 relative to the protection of personal data (RGPD), on the activity of mediation and on measuring the quality of satisfaction amongst consumers.

#### Cooperation with corporate ombudsmen works smoothly

In December 2015, the national energy Ombudsman and the internal ombudsmen of the Engie and EDF groups signed 2 agreements that set out the way they collaborate. Two years following implementation, each organisation understood its role.

The relationships are meaningful ones, which is in the best interest of consumers. Referrals that fall outside the competence of one organisation are forwarded to the right interlocutor, with the agreement of the complainant, without any further process. For instance, disputes due to a change of supplier, which corporate ombudsmen cannot process, are sent to the national energy Ombudsman.

#### Dialogue with corporate ombudsmen

In 2017, 24 consumers whose files had been processed by the internal Ombudsman of the Engie group turned to the national energy Ombudsman because they were not satisfied with the outcome of their referrals. The latter proposed a different solution in 58% of cases and obtained a more favourable solution from operators in 40% of cases.

Over the same period, 72 disputes handled by the internal Ombudsman of the EDF group were later received by the national energy Ombudsman. Conclusions were different in 52% of cases, a discrepancy that is lower than in 2016 where it was 68%. Following intervention by the energy Ombudsman, a more favourable solution was obtained from operators in more than 40% of cases.



## JEAN-FRANÇOIS CARENCO

President of the Energy Regulatory Commission (CRE)

*New technologies and digital tools are game-changing for the energy market*

“Competition on the energy market gained real momentum, with a significant growth in each quarter this year. All 23 electricity suppliers, along with the 30 offers of electricity and gas that the CRE collated, confirm this trend.

The main explanation to this lies into the way regulated tariffs of sale are designed: they provide alternative suppliers with an economic area that is sufficient for them to propose innovative and competitive offers.

However, competitive offers are applied today on only a third of the bill, i.e., the price of supply. The two remaining thirds, transportation and taxes, are of a regulated nature. But the business scope of competition is widening thanks to the evolution of technologies and digital tools, along with the services designed from them, and permits adjusting consumption to needs: this is the key issue of competition with suppliers.

I created a foresight committee, whose purpose is to analyse these trends. Made up of experts of all fields, academics, industrialists, elected people, its work aims to highlight all these future options, for all the political and economic decision-makers of the nation.

If today, the poor awareness of consumers to the energy market is still noticeable, a quivering may be felt: it foreshadows the desire to actively participate in energy transition. The first experimentations of self-consumptions prove that our citizens are willing to reduce our carbon footprint. The CRE is highly favourable to such initiatives and intends to provide guidelines for this development, as well as striving to prevent the abuses that could generate incompatibilities with the balance of our electricity system. ”

The national energy Ombudsman encouraged the EDF and Engie ombudsmen to discuss the discrepancies observed in their analyses. The dialogue highlighted a few differences on their respective assessments or views, notably on the responsibilities of the networks managers, as well as the numerous common grounds of our analyses.

#### **The CRE's foresight committee...**

The president of the Energy Regulatory Commission (CRE), Jean-François Carenco, has created the foresight committee on October 17 2017. This interdisciplinary group gathers experts, industrialists, consumer and territorial representatives with the purpose of understanding and planning for the changes that will impact the energy market in the medium and long term. Jean Gaubert, the Ombudsman, and Frédérique Coffre-Fériaud, managing director, participate in the monthly meetings of the "Networks and energy systems" and "Consumers of energy and digital transformation" workgroups. A third group is dedicated to "Clean mobility and energy mix".

#### **...envises the future energy sector**

The development of sustainable energies, with the rise of biogas and the potential of hydrogen, pushes us to rethink how energy networks will be operated in the future. "Brainstorming sessions within the committee assist in identifying existing ideas and technologies, including the ones that are costly today but could be more affordable tomorrow, summarises Jean Gaubert. The goal is to consider several scenarios in which consumers' behaviour is a key issue. To what extent will they be willing to embrace self-consumption, to let home automation systems pilot their equipments, to turn to services to enhance the way they use energy?

Under which conditions? Reorganising networks depends on it, with a variability in the need to store intermittent energies.

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MEETINGS OF THE CRE'S  
DIALOGUE GROUPS TO  
WHICH THE OMBUDSMAN'S  
TEAMS PARTICIPATED  
IN 2017

#### **Dialogue, a preferred mean of bringing change to market rules**

Dialogue between players in the market is a mechanism that allows building a "soft energy law", which is required for the market to properly function. This dialogue is organised under the auspices of the CRE within several workgroups, to which the Ombudsman's teams actively contribute with case studies and generic recommendations. Thus, the deployment of smart meters implies bringing changes to existing procedures, so they can be adapted to the new environment of smart metering tools. In the field of electricity, those tools enable performing several remote operations, such as changes in power.

#### **Procedures are updated with the inclusion of smart meters**

The players reached an agreement on the fact that an agent of the network manager should always be present when an electricity cut is carried out because of unpaid bills, this action having serious consequences for consumers. But reductions in power can now be implemented remotely, and leave consumers puzzled.

"Consumers who no longer benefit from the information that was previously provided by the agent during the intervention should not

suffer from this situation. We are going to request operators to think about the means they could implement to better inform consumers that undergo remote reductions in power. This could take the form of a letter or of a phone call, as advised by the Ombudsman in a generic recommendation" specifies Catherine Lefrançois-Rivière, head of the mediation department.

Furthermore, since in theory smart meters may produce data that is more reliable and more accurate, debates dealt with the cancellation of the existing deduction of 10% on the amount of billing adjustments in the event of a meter malfunction. This deduction aimed at compensating the inaccuracy of estimations. The action of the Ombudsman and of consumer associations resulted in maintaining this deduction.

Discussions also focused on the terms set to enable consumers accessing their consumption data, and on the issues raised by obtaining consent from the consumer.

#### **Measures for the cheque energy**

A provision was passed to protect vulnerable consumers during the period of transition, between the end of social tariffs on 31 December 2017 and the effective implementation of the cheque energy in April 2018. Suppliers have committed to maintain the rights relative to social tariffs. In particular, they agreed not to carry out reductions of power to their customers benefitting from the Tariff of basic necessity (TPN) in 2017, until the end of the winter truce.

#### **Major progress was made**

After processing several similar disputes, the Ombudsman recommended that changes be brought to cancellation procedures, so consumers may terminate their contract whenever they wish to, which was not possible when the next occupant had already requested a start of service in the home. This feature required changes and will be planned in the new IT system of the distributor of electricity.



In an open letter to the 11 candidates in the May 2017 presidential election, the Ombudsman recalled the measures he wished to see implemented before the end of five-year term. These measures are considered essential to improve the daily lives of energy consumers, notably the ones undergoing fuel poverty: generalising the cheque energy, increasing the pace of the energy renovation of housing, setting up a last resort supplier and broadening the Ombudsman's remit so it can process the disputes related to services as well as to works made to improve energy efficiency and to produce sustainable energies.



The applicable procedure in the event of a meter malfunction was modified so it could be adapted to the ban of back-bills beyond 14 months. The one applied in cases of fraud marks progress: consumers who admit to fraud will not have their bills adjusted beyond 2 years of consumption.

The facilitation of the conditions to record self-readings of gas consumption, with an extension of the period from 30 to 150 days, improves the way they are factored in: 75% of them are now integrated, compared to 20% previously.

#### A guide to promote mediation for users of heat networks

The broadening of the Ombudsman's remit to disputes related to heat networks led the National federation of public authorities (FNCCR) to publish a guide addressed to heat networks managers, so they can inform users about their right of referral. The context is a specific one: users must bring their complaints to the building manager, as there is no direct contractual relation between the network manager and them. Since August 2015, the Ombudsman received very few disputes related to heat networks, and believes that users probably lack awareness about their rights. Upon request of the FNCCR, its team was associated with the writing of the leaflet, which was published in December 2017.

Communication with the FNCCR is particularly intense when it comes to heat networks, but also to other issues, such as risers. Many discussions also occur with local unions, like for instance debates in February with the Departmental union of energy of Pyrénées-Atlantiques (SDEPA).

#### Regular communication with public authorities

Disputes related to a lack of transparency in how prices are displayed in LPG contracts were the topic at hand of the discussions that took place in 2016 between the Authority for Competition, Consumer Affairs and Prevention of Frauds (DGCCRF) and the Ombudsman. The latter was then associated with the drafting of the decree of 6 November 2017. This text binds LPG suppliers to new obligations, which aim at aligning their tariff offers, notably through the use of a standard format based on the model of the one existing for offers of electricity and natural gas.

The generalisation of the cheque energy and the announced end of regulated tariffs of natural gas were also the focus of debates with the Directorate-General for Energy and Climate (DGEC).

## SEVERAL SUPPORTS TO RELAY INFORMATION TO CONSUMERS

**S**ince 2009, the partnership with the National Institute for Consumption (INC), is a foundation of consumer information, with the broadcasting of the "Consomag" TV magazine, focusing on energy and mediation on public TV channels, the internet and social networks. The INC manages the regional technical centres of consumption (CTRC), which act as relays to consumer associations, to which are distributed the communication documents designed by the Ombudsman. Its collaborators step in to conduct training when requested, such as in Toulouse, Blois, Paris...

The Ombudsman also meets with the consumer association once or twice a year to debate about its activity and current events. Furthermore, its teams regularly intervene at the request of national or local associations, notably the association Familles Rurales and the Force Ouvrière association of consumers (AFOC). Other presentations were organised for the Crédit Municipal de Paris and students of the energy law masters degree of Paris 1-Sorbonne in 2017. Finally, the Ombudsman uses new communication tools at its disposal, for instance when it organised a web seminar for 15 Energy and Climate Local Agencies (ALEC), or when it launched events on "Facebook live".

The generalisation of the cheque energy in 2018 drives consumers to be proactive, since they have to return the cheque and certificate they received. In 2017, the Communication department of the Ombudsman and the association Secours Populaire Français cooperated to create a guide about the cheque energy, which will be distributed within the association's network.

Contacts were made with the Maisons de Justice et du Droit, local legal advice centres now providing consumers with information about the cheque energy, the energy market and recourse to mediation.



## BARBARA POMPILI

MP for La République En Marche!, President of Commission  
for Sustainable Development and Land Planning

“ **T**he regulated tariffs of Sale (TRV) are part of the French energy landscape, aimed at protecting consumers against the fluctuations of the energy market, by providing stability. The opening-up to competition allowed the emergence of tariff offers which are more attractive than the TRV, the latter being operated with a sort of price capping. However, in years to come, we will see tariffs for electricity or gas increase more or less as a result of our energy choices, the means of production and the resources required to meet our needs.

For low-income consumers, some form of protection will be essential. Since the fuel poverty figures are already high in France, sharp increases in energy prices would have very serious consequence on numerous households. The notion of a “price of reference” for gas, which would provide guidelines to consumers, seems like an useful one. We must observe how this scheme may protect households from high price increases. If that concept was selected, it would be appropriate to include an environmental aspect to it, notably to avoid the issue of being supplied with cheap gas imported from shale gas extraction.

The end of TRV for natural gas must be explained and justified. The national energy Ombudsman has a key role to play in providing guidelines to consumers, because the private sector cannot be the only provider of essential information relative to energy regulations. **”**





# KEY FIGURES

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INFORMATION & COMMUNICATION

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DISPUTES & MEDIATION

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ORGANISATION

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FINANCES

# Information & communication

**2,189,000**

CONSUMERS INFORMED BY THE NATIONAL ENERGY OMBUDSMAN IN 2017



**204,000**

CALLS TO THE TOLL-FREE NUMBER

#### BREAKDOWN OF CALLS

**89,000**

Calls processed by an agent

**115,000**

Requests for the suppliers' list made to the interactive voice server

**1,985,000**

VISITS TO THE WEBSITES

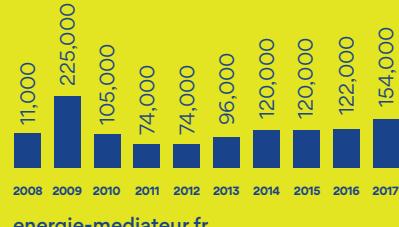
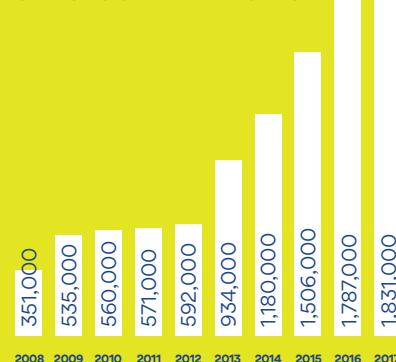
#### BREAKDOWN OF VISITS

**154,000** → energie-mediateur.fr

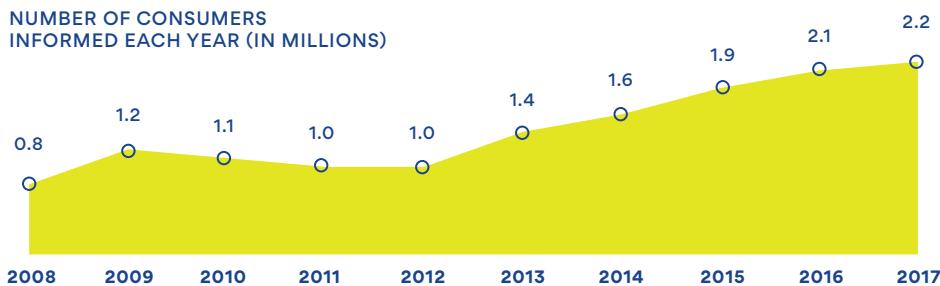
**677,000** → Energie-info price comparison tool

**1,154,000** → other pages of Energie-info

#### CHANGES IN THE NUMBER OF VISITS ON THE WEBSITES



NUMBER OF CONSUMERS INFORMED EACH YEAR (IN MILLIONS)



**9,039**

Complex requests (phone/email) processed on average in 1.3 days

**35 %**

Of consumers have already heard of the Ombudsman or of its Energie-info facility (2017 Energie-info barometer)

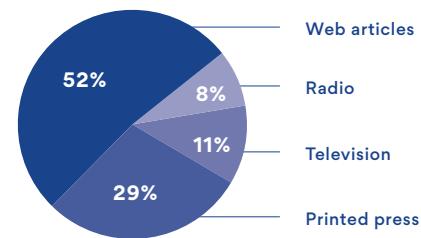
781 SUBSCRIBERS

3,167 SUBSCRIBERS

286 SUBSCRIBERS

As of 31/12/2017

#### 573 MENTIONS IN THE PRESS



**87**

EVENTS TO WHICH THE OMBUDSMAN PARTICIPATED



**22**

ELECTRONIC LETTERS



**887**

sent to

**4**

NEWSLETTERS



**3,000**

printed in

**5**

CONSOMAGS



**3 MILLION**

watched by

**18**

VIDEOS CREATED



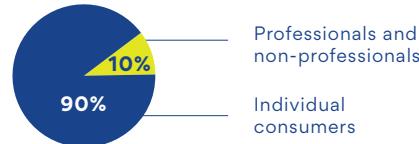
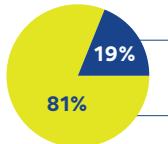
**+ 42,000**

online views

# Disputes & Mediation

**14,548**

DISPUTES RECEIVED



## CHANGES OF THE NUMBER OF DISPUTES RECEIVED



RATE OF DISPUTES FOR EACH SUPPLIER\* brought on the basis of 100,000 portfolio natural gas or electricity contracts (residential customers) as of 12/31/2017

EDF	34
ENGIE	85
DIRECT ÉNERGIE	61
ENI	207
TOTAL SPRING	89
GLOBAL	56

## TYPES OF NON-ADMISSIBLE DISPUTES

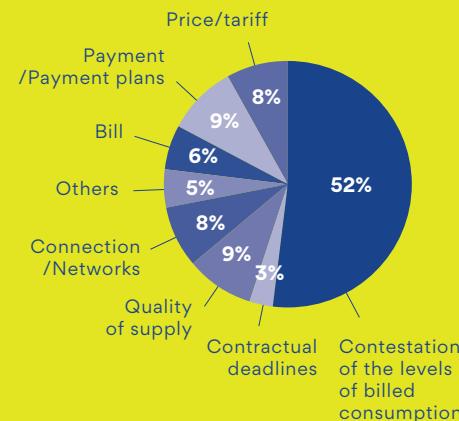


\*For reasons of fairness, disputes received by the Suppliers internal ombudsmen who do have one are accounted in this chart

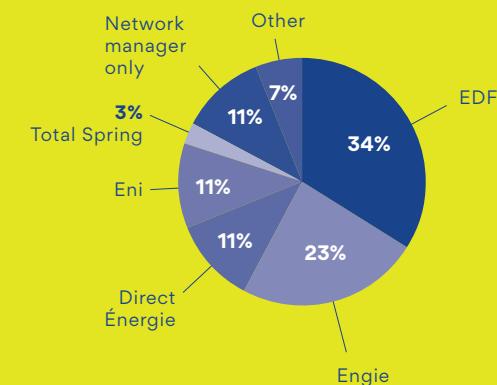
**4,039**

ADMISSIBLE DISPUTES

## TYPES OF ADMISSIBLE DISPUTES



## BREAKDOWN BY SUPPLIER



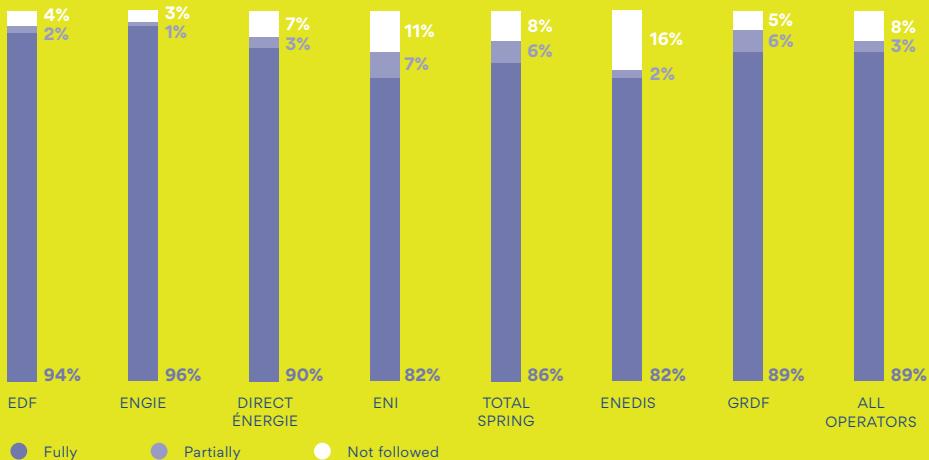
# Disputes processed through mediation

3,724

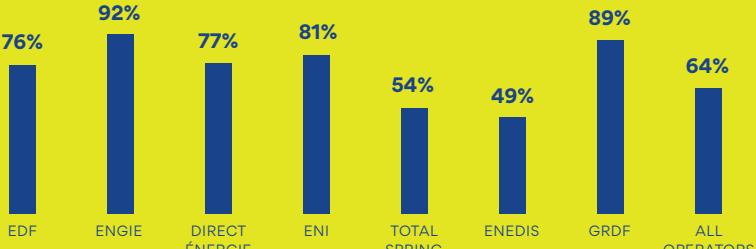
RECOMMENDATIONS AND AMICABLE AGREEMENTS IN 2017

53% amicable agreements	87% of admissible cases closed in less than 90 days	58 days on average required to process an admissible dispute	€ 768 compensation on average granted	81% of mediations agreed by operators
-------------------------------	--	---	---	---

OVERALL COMPLIANCE WITH FINANCIAL OR NON-FINANCIAL RECOMMENDATIONS  
(IN %) IN 2017



OVERALL COMPLIANCE WITH FINANCIAL RECOMMENDATIONS (% GRANTED ON AVERAGE)



40

GENERIC RECOMMENDATIONS ISSUED IN 2017,  
I.E. 341 SINCE THE CREATION OF THE OMBUDSMAN



## CONSUMER SATISFACTION

(Source: Satisfaction survey carried out by the Market Audit Institute in March 2018  
on a sample of 351 consumers who had referred to the national energy Ombudsman)



## THE OMBUDSMAN'S TEAMS

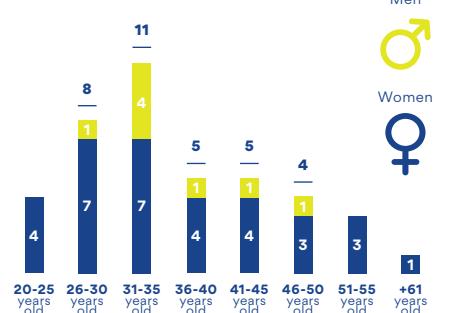


# Organisation

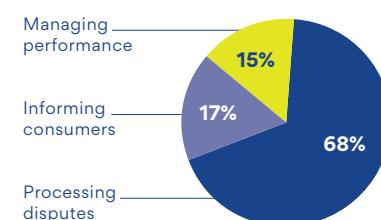


TEAMS (AS OF 12/31/2017)

AGE PYRAMID



BREAKDOWN OF PERSONNEL BY MISSION



41

AGENTS

36

AVERAGE AGE

41

FTE\* AUTHORISED

41

FTE\* CARRIED OUT

\*FTE = Full time equivalent

# Finances

-27.6% OF BUDGET  
IN COMPARISON WITH 2009

BUDGET BY PROGRAMME

MISSIONS	ESTIMATED BUDGET	COMPLETED BUDGET	COMPLETION %
Processing disputes	€2,138,930	€1,947,120	91%
Informing consumers	€1,339,470	€1,029,974	77%
Managing performance	€2,155,600	€1,909,911	89%
<b>TOTAL</b>	<b>€5,634,000</b>	<b>€4,887,005</b>	<b>87%</b>

BUDGET BY TYPE OF EXPENSE

BREAKDOWN OF COMPLETED BUDGET BY CATEGORY	AMOUNT IN €	%	YEAR	AMOUNT IN €
			2017	€5,634,000
Personnel	€2,651,346	54%	2016	€5,759,000
Operations excluding personnel:	€1,984,836	41%	2015	€5,811,000
Rent and rental expenses	€911,537	19%	2014	€5,855,000
Actions of information to the general public	€307,178	6%	2013	€6,497,000
Other communication expenses	€40,715	1%	2012	€6,515,000
External services for the Energie-info consumer information facility	€337,443	7%	2011	€6,620,000
Other operating expenses	€188,668	4%	2010	€6,725,000
Formation	€23,297	0.5%	2009	€7,781,000
Logistics and IT support	€92,710	2%		
Amortisation charge and risk provision	€83,288	2%		
Investment	€250,823	5%		
<b>TOTAL</b>	<b>€4,887,005</b>	<b>100%</b>		

# ANNEXES

# 40

## generic recommendations published in 2017

Beyond solving the individual disputes that it receives, the Ombudsman also strives to prevent disputes for the benefit of all consumers. Thus, when a type of dispute results from poor practice, the Ombudsman recommends the concerned operators to correct it, through the use of generic recommendations. A summary of its recommendations having a general scope issued in 2017 is displayed in these annexes.



Recipient	Contract	Energy	Recommendation	Reference
<strong>CATALOGUE OF SERVICES</strong>				
Local distribution company (ELD)	Individual consumer	Electricity	To update the information intended for consumers by displaying an operational link to the catalogue of services of the distributors and by updating the information that goes with it.	D2017-00570
<strong>WHITE CERTIFICATES (CEE)</strong>				
Supplier	Professional	Electricity	To modify, at the occasion of an update, the provision that plans for the weighing of increases due to CEE, so that changes in the law relative to CEE are taken into account.	D2016-01209
<strong>CHANGE OF SUPPLIER</strong>				
Distributor	Individual consumer	Electricity	To ensure that corrective data is sent to both the new and previous suppliers, so that any risk of double billing is prevented in cases of correction of contractual indexes due to a change of supplier.	D2016-04268
<strong>RISERS</strong>				
Distributor	Non-professional	Electricity	To forward to the co-owners the documents in its possession pertaining to the ownership of the riser in their building.	D2017-02979
<strong>METERING</strong>				
Supplier	Individual consumer	Liquefied petroleum gas (LPG)	To specify in its contractual documents the margin of error of gauges, as well as the fact that displayed values cannot be used for billing.	D2016-02977
ELD	Individual consumer	Electricity	To read meters in case of an action for unpaid bills or contractual failure.	D2017-06096
<strong>TERMS AND CONDITIONS OF SALE</strong>				
Supplier	Individual consumer	LPG	To read meter at least once a year and to state this obligation in the terms and conditions.	D2017-06295
ELD	Individual consumer	Electricity	To inform the consumer of the existing methods to estimate consumption so billed consumption may be verified.	D2017-05284
Supplier	Professional	Gas	To mention in the special terms of sale the projected annual amount of the bill that is factored in when calculating cancellation costs.	D2017-04552
ELD	Individual consumer	Electricity	To specify in the terms and conditions the procedure applied in the event of unpaid bills and the methods to refer to the national energy Ombudsman.	D2017-01613
Supplier	Professional	Electricity	To include, in the price scale of offers of supply of electricity for professionals that subscribed to a power lower than 36 kVA, the TURPE amount applicable at the date of signing of the contract, with its set of components, and to clarify their terms of billing under the Decree n°2012-1405 of December 14, 2012 relative to the contribution of suppliers to the safety of supply of electricity and establishing a mechanism of obligation of capacity in the electricity sector.	D2017-00396

Recipient	Contract	Energy	Recommendation	Reference
<b>METERING MALFUNCTION / ADJUSTMENTS</b>				
ELD	Individual consumers	Natural gas	To apply to adjustments the 10% reduction set by the procedure agreed by market players under the auspices of the Energy regulatory commission (CRE) relative to "Meter malfunction and consumption adjustments".	D2017-02927
<b>BILLING</b>				
Supplier	Individual consumer	Electricity	To issue a half-year bill based on an actual reading when the previous bill was established on an estimated basis, in order to avoid the issuing of bills established on more than 14 months of consumption.	D2017-05917
Supplier	Non professional	LPG	To specify the terms used to calculate the conversion coefficients factored in the contracts of supply of metered LPG.	D2017-02827
Supplier	Individual consumer	Electricity	To inform customers of the modification of the off-peak hours period that is applicable to their contract, before it enters into effect.	D2017-01700
<b>UNPAID BILLS</b>				
ELD	Individual consumer	Electricity	To put on hold the recovery measures applied to a consumer whose file is admissible for over-indebtedness during the time required to design the plan to clear debt.	D2017-06096
Supplier	Individual consumer	Electricity	To plan for terms of biannual billing in the event of unpaid monthly bills, and to specify it in the terms and conditions.	D2016-03252
Supplier	Individual consumer	Electricity	To grant requests to cancel payments on a monthly basis in all cases, including when monthly bills are unpaid.	D2016-03252
<b>INFORMATION/TARIFF OFFER</b>				
Supplier	Professional	Electricity	To publish standard formats of offers addressed to professionals with a subscribed power lower than 36 kVA, abiding by the commitment taken under the auspice of the CRE.	D2017-00396
<b>CONNECTION</b>				
Distributor	Non-professional	Electricity	The distributor should, when it renovates a riser within a concession, bear all the costs of works, whether they are electrical or engineering works.	D2017-04232
Distributor	Individual consumer	Electricity	To clearly display in costs estimates the potential expenses due to a waiver (depending on the state of progress of works).	D2015-01720
<b>REMINDER OF THE EXISTING LAW</b>				
Supplier	Individual consumer	Electricity	To consider the provisions of the article L. 224-11 of the Consumer code when a bill is established on more than 14 months of consumption due to the late inclusion of an adjustment calculated by the distributor.	D2017-06718
Supplier	Individual consumer	Electricity	To bill consumption as soon as the first reading is received, after more than a year of estimation, in particular when the reading shows a consumption greater than the one estimated with the monthly payments plan.	D2017-06275
Supplier	Individual consumer	Electricity	To issue at least one bill per year that is based on the actual consumption of consumers.	D2017-05739

Recipient	Contract	Energy	Recommendation	Reference
Supplier	Professional	Electricity	To display on bills the indexes previously taken into account, facilitating a consistent follow-up from one bill to another, in compliance with the article 6 of the decree of 18 April 2012 relative to bills of supply of electricity or of natural gas, and their terms and conditions of payment and to the provisions for reimbursing or carrying over overpayments.	D2017-05739
<b>BILLING</b>				
ELD	Individual consumer	Electricity	To upgrade billing systems in order to factor in consumption between two price changes on the basis of read consumption over the period that regulate them, in compliance with the article 6 of the decree of 8 April 2012 relative to bills of supply of electricity or natural gas.	D2017-05284
ELD	Individual consumer	Electricity	To update its documentary database relative to "Processing of frauds and meter malfunctions" in order to take into account the provisions set by the article L. 224-11 of the Consumer code, which sets a 14 months limit to back-billing.	D2017-04990
Supplier	Individual consumer	Electricity	To deduce from adjustment bills issued since August 17 2016 the amounts that correspond to consumption older than 14 months, by starting from the last reading or self-reading when no registered letter was sent to the consumer, in compliance with the article L. 224-11 of the Consumer code.	D2017-03806
Supplier	Individual consumer	Natural gas	To enable customers with the option to pay bills by postal order, free of charge, and to implement the dedicated agreement made with La Poste, in compliance with the article L. 224-12 of the Consumer code.	D2017-03148
ELD	Individual consumer	Natural gas	To not have referrals to the Ombudsman be subject to the prior sending to the professional of a written complaint with a registered letter.	D2017-02927
Supplier	Individual consumer	Electricity	To readily deduce from bills issued since 17 August 2016 the amounts corresponding to consumption of more than 14 months (in cases where no registered letter was sent to the consumer to ask him/her to enable access to the meter or to send a self-reading).	D2017-02608
ELD	Individual consumer	Electricity	To send to consumers, prior to the carrying out of an interruption of supply, the letters set by the decree n° 2008-780 of August 13 2008.	D2017-01613
Supplier	Professional	Natural gas	To have natural gas bills addressed to professional customers consuming less than 30,000 kWh yearly comply with the provisions of the decree of 18 April 2012.	D2017-00874
Supplier	Individual consumer	Natural gas	To introduce to the CRE a proposal of regulated tariff of natural gas sale for cities that do not have one yet, with the objective of having those tariffs set by order.	D2016-02537
<b>CANCELLATION/START OF SERVICE</b>				
Supplier	Non-professional	LPG	To specify to users the deadlines required to start service and to carry out technical services for contracts to supply metered LPG.	D2017-02827

Recipient	Contract	Energy	Recommendation	Reference
<b>SPECIFIC TARIFFS (VGR, EJP, COOKING)</b>				
Supplier	Non-professional	Gas	To specify in the terms and conditions, at the date they are signed, the rates of VAT applicable to the various subscribed tariff items.	D2017-05647
Supplier	Individual consumer	Gas	To send, if needed, a corrigendum to all co-owners having their terms and conditions established based on an erroneous amount of their set subscription.	D2017-05647
Supplier	Non-professional	Gas	To mention on individual bills sent as part of a collective contract of gas sale the total consumption of the building in m <sup>3</sup> as well as the ratio used to calculate the individual consumption of hot water.	D2017-00834
<b>PROCESSING OF COMPLAINTS</b>				
ELD	Individual consumer	Electricity	To mention on its website the possibility of resorting to the national energy ombudsman, in compliance with the Article R. 616-1 of the Consumer Code.	D2017-00570
<b>OTHER RECOMMENDATIONS</b>				
Distributor	Professional	Electricity	To inform its customer of the required technical adaptations when they take the initiative of replacing a control unit during the installation of a new meter.	D2016-04353

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**Printing:** Bialec

ISSN: 2417 - 3231

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15 rue Pasquier – 75008 Paris  
Tel.: +33 1 44 94 66 00  
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